

Press Release – 5 May 2020

Karnov Group reports first quarter results

New investments in line with growth strategy

FINANCIAL HIGHLIGHTS FIRST QUARTER

- Net sales up 3% to SEK 212 m (205), organic growth was 2%.
- EBITA amounted to SEK 88 m (68) with EBITA margin of 41.6% (32.9%).
- Adjusted EBITA increased by 3% to SEK 88 m (85) and adjusted EBITA margin was 41.6% (41.6%).
- Operating profit (EBIT) amounted to SEK 51 m (37).
- Earnings per share after dilution amounted to SEK 0.30 (0.15).
- Adjusted operating cash flow improved by 4% to SEK 170 m (163).

CEO FLEMMING BREINHOLT COMMENTS ON THE QUARTER:

Karnov Group has during the first quarter expanded its business through three new investments in line with the strategy and entered a new market. The financial results are in line with expectations.

Preparing for future growth

During the first quarter, we have succeeded in further expanding our business by investments in both Denmark, Sweden and our new market Norway which will bring more value to our customers:

- Ante ApS, with new technologies that are expected to be implemented in our digital platform over time. Ante ApS applies automated editorial processes and AI-based search technology to legal information sources.
- LEXNordics AB, offering the product LEX247, a cloud-based legal enterprise practice management solution that represents a way for us to deliver even more value to our customers.
- Strawberry Law AS (now renamed Karnov Group Norway AS), our way to enter the Norwegian market. Our legal platform solution in Norway will be based on a collaboration with Lovdata which runs the most widely used legal information solution in the Norwegian market. We will launch our offering in Norway in the second half of 2021.

We have also strengthened our management team by recruiting new local CEOs for Norstedts Juridik AB and Karnov Group Denmark A/S. This will enable us to focus even more on our future growth.

Financial results in line with expectations

Our organic growth in the first quarter was 2.3 percent, despite the Covid-19 pandemic that affected our offline business that typically has its highest sales in the first quarter. The Group's sales were driven by strong performance in the online market and we are satisfied that top-line growth is in line with expectations.

The adjusted EBITA margin was 41.6 percent and unchanged compared to last year. The first quarter is typically our strongest quarter of the year.

Our cash flow generation was also off to a good start of the year with a 4 percent increase in adjusted operating cash flow.

The Covid-19 pandemic

We are pleased that none of our employees have been seriously affected by the Covid-19 pandemic, and that is the most important.

As to the effect on our business, approximately 80 percent of our revenues in the first quarter are subscription-based and all our online business is subscriptions. Therefore, the pandemic has had insignificant impact on our online revenue in the first quarter and we expect the situation for our online services to remain unchanged on a short-term basis. Our non-subscription part of the offline business, mainly books and sales of legal training courses, has to some extent been impacted in the first quarter. We expect that this will be partly offset by timing during later periods of the year.

CONFERENCE CALL ON 5 MAY

A webcasted telephone conference will be held at 1.00 p.m. CEST today, where CEO Flemming Breinholt and CFO Dora Brink Clausen will present the report and answer questions.

You can follow the presentation and the telephone conference on the following page:
<https://tv.streamfabriken.com/karnov-group-q1-2020>

To participate in the conference, and thereby be able to ask questions, please dial in on any number below a couple of minutes before the start of the conference:

SE: + 46856642704
DK: + 4578150107
UK: + 443333009267
US: + 18332498403

The presentation material will be available before the conference starts at www.karnovgroup.com. An on-demand version of the conference will also be available after the presentation. The presentation will also be available on www.financialhearings.com

ANNUAL GENERAL MEETING ON 5 MAY

Karnov Group AB (publ) will hold its Annual General Meeting on Tuesday 5 May 2020 at 3.00 p.m. CEST, at Norstedts Juridik's office, Warfvinges väg 39, Stockholm, Sweden. You can find all related documentation and follow the webcast of the AGM on the following page:
<https://www.karnovgroup.com/en/general-meeting-2020/>

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This press release contains inside information that Karnov Group AB (publ) is required to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication by the above contact person on 5 May 2020 at 10.45 a.m. CEST.

Karnov Group is a leading provider of mission critical information in the areas of legal, tax and accounting, and environmental, health and safety in Denmark and Sweden. With brands such as Karnov, Norstedts Juridik, VJS, Notisum, Legal Cross Border and Forlaget Andersen, Karnov Group delivers knowledge and insights, enabling more than 60,000 users to make better decisions, faster – every day. With offices in Copenhagen, Stockholm, and Malmö, Karnov Group employs around 240 people. Net sales in 2019 amounted to SEK 757 M. The Karnov share is listed on Nasdaq Stockholm, Mid Cap segment under the ticker "KAR". For more information, please visit www.karnovgroup.com.