

Press Release – 05 November 2020

Karnov Group reports third quarter results 2020

Stable quarter, strong result

FINANCIAL HIGHLIGHTS THIRD QUARTER

- Net sales up 2% to SEK 193 m (190), organic growth was 3%.
- EBITA amounted to SEK 77 m (69) with EBITA margin of 39.9% (36.5%).
- Adjusted EBITA increased by 4% to SEK 77 m (74) and adjusted EBITA margin was 39.9% (38.9%).
- Net result amounted to SEK 28 m (32).
- Earnings per share after dilution amounted to SEK 0.28 (0.33).
- Adjusted operating cash flow amounted to SEK -1 m (2).

CEO FLEMMING BREINHOLT COMMENTS ON THE QUARTER:

With a steady growth in our online offering and continued focus on operational excellence, Karnov Group has delivered yet another solid quarter. With the launch of the second annual Future Lawyer Survey, we continue to take the lead in showing the trends in the Nordic legal field.

Margin improvements due to higher sales and good cost control

Our organic growth in the third quarter was 3.0 percent, due to good performance in the online segment. As part of our usual business cycle, we have a higher portion of offline sales in the third quarter due to the start of the academic year in universities.

The adjusted EBITA margin was 39.9 percent which is an improvement compared to previous year. We continuously strive for operational excellence without compromising on customer value and we are pleased to see our steady path despite the Covid-19 impact.

Helping legal and tax experts in making better decisions, faster

New digital solutions, based on technologies such as artificial intelligence, are rapidly implemented in our society which also impacts our legal systems and the changes ahead are also reason behind our acquisition in new legal tech companies like Ante and Bella Intelligence. In order to facilitate our ambition of being a thought-leader, we recently launched our industry report; the Future Lawyer Survey. This year's report is focused on transformation, innovation and motivation in the legal field.

To help our customers in handling and advising on GDPR, we have started a collaboration with Lexoforms in Denmark. We are also proud to have launched a student platform, Kaius, which aims to motivate and help law students in becoming successful and insightful lawyers.

In Sweden, we have continued adding new content to our platform and continued to deliver good performance. Our focus is on continuously adding more value and keep adding improvements to our offerings, in close contact with our customers.

Update on the Covid-19 pandemic

The Covid-19 pandemic unfortunately still has a significant impact on global society and therefore also an impact on our company. We continue to follow the regulations and recommendations from the authorities.

Our offering has shown its relevance with high activity on our Covid-19 specific sections in Sweden and Denmark providing direct and easy access to relevant content. The renewals of our subscription-based contracts are progressing according to expectations with very low churn. However, we can see a delay in new business due to longer or postponed decision processes due to the

uncertainties of the global impact of the pandemic and a decrease in demand from small and medium sized entities market because of the pandemic. The impact means a lower growth rate in online business which can't fully compensate for the Covid-19 impact on the offline business.

Our non-subscription part of the offline business, mainly books, public trades and sales of legal training courses, have been impacted also in the third quarter. Currently, we expect this to continue during the rest of the year along with the delay in new business. The Covid-19 pandemic is expected to have a negative impact for the full year on top line growth of approximately 2 percentage points.

CONFERENCE CALL ON 5 NOVEMBER

A webcasted telephone conference will be held at 10.00 a.m. CET today, where CEO Flemming Breinholt and CFO Dora Brink Clausen will present the report and answer questions.

You can follow the presentation via webcast and ask questions in written form on the following page:

<https://tv.streamfabriken.com/karnov-group-q3-2020>

The presentation will also be available on www.financialhearings.com.

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

SE: +46 8 505 583 65

DK: +45 7 815 0109

UK: +44 333 300 92 73

US: +1 833 526 8382

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

For more information, please contact:

Flemming Breinholt, President and CEO

Telephone: + 45 3374 1202

Email: flemming.breinholt@karnovgroup.com

Dora Brink Clausen, CFO

Telephone: + 45 3374 1248

Email: dora.brink.clausen@karnovgroup.com

Erik Berggren, Investor Relations Specialist

Telephone: +45 5219 6552

Email: erik.berggren@karnovgroup.com

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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, Notisum, Legal Cross Border, Forlaget Andersen and LEXNordics, 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.