

Press Release – 25 February 2021

Karnov Group reports fourth quarter and full-year results 2020

Ending the year on a positive note

FINANCIAL HIGHLIGHTS FOURTH QUARTER

- Net sales flat at SEK 189 m (189), organic growth was 1%.
- EBITA amounted to SEK 48 m (39) with EBITA margin of 25.2% (20.6%).
- Adjusted EBITA increased by 0.6% to SEK 60 m (59) and adjusted EBITA margin was 31.7% (31.4%).
- Net result amounted to SEK 16 m (8).
- Earnings per share after dilution amounted to SEK 0.16 (0.08).
- Adjusted operating cash flow amounted to SEK 192 m (109).

FINANCIAL HIGHLIGHTS FULL-YEAR

- Net sales up 2% to SEK 771 m (757), organic growth was 2%.
- EBITA amounted to SEK 276 m (206) with EBITA margin of 35.8% (27.2%).
- Adjusted EBITA increased by 3.4% to SEK 288 m (279) and adjusted EBITA margin was 37.4% (36.8%).
- Net result amounted to SEK 100 m (3).
- Earnings per share after dilution amounted to SEK 1.02 (0.03).
- Adjusted operating cash flow amounted to SEK 414 m (287).

CEO FLEMMING BREINHOLT COMMENTS ON THE QUARTER:

We have ended the fourth quarter on a strong note and we are content with our financial performance. We are also pleased with our acquisition of DIBkunnskap AS, which strengthens our footprint in Norway.

Improved adjusted EBITA margin and increased proposed dividend

Our organic growth in the fourth quarter was 1.2 percent, mainly due to increased online sales compared to last year. Offline sales were on the same level as last year, despite the Covid-19 pandemic. Our organic growth for the full year was 2.1 percent, slightly below our medium-term financial target. This was due to the Covid-19 pandemic's effect.

The adjusted EBITA margin was 31.7 percent in the fourth quarter, which is an improvement compared to the previous year. For the full year, the adjusted EBITA margin improved by 60 basis points to 37.4 percent. We are highly satisfied that our customer centricity as well as our operational excellence initiatives have led to good response.

Our financial performance and strong cash flow generation has allowed the Board of Directors to propose a dividend of SEK 1.00 per share. This corresponds to 38 percent of the PPA adjusted net profit.

Acquisition of DIBkunnskap AS

In December 2020, we announced our intention of acquiring DIBkunnskap AS, a market leading Norwegian digital workflow-tool provider for tax and accounting. The deal was closed in the beginning of January 2021 and strengthens our footprint in Norway.

The acquisition gives us opportunities to grow Karnov Group in a new vertical in Norway, while also allowing for expansion into Sweden and strengthening our existing tax and accounting vertical in Denmark. DIB has a strong focus on creating efficiencies in the

workflows of professionals and together we will further grow this market, as DIB will leverage on existing Karnov distribution channels and capacity to drive market expansion, with a natural market fit.

DIBkunnskap AS will be consolidated in the Group's financials in the first quarter 2021. The acquisition is expected to have neutral impact on EPS in 2021 and be value accretive from 2022, while having a minor dilutive impact on Karnov Group's adjusted EBITA margin for 2021.

Update on the Covid-19 pandemic

We are pleased to see that vaccinations against the Covid-19 virus have been initiated globally, and we look forward to meeting all employees, authors, experts and customers in person again. We continue to follow the regulations and recommendations from the authorities.

In the fourth quarter, our non-subscription part of the offline business, mainly books, public trades and sales of legal training courses, as well as SME market demand and decision-making have been impacted, in line with earlier announcements. We assess this will continue also in the first half of 2021.

The Covid-19 pandemic has impacted the full year on top line growth negatively with approximately 1-2 percentage points.

CONFERENCE CALL ON 25 FEBRUARY

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-q4-2020>

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 50

DK: +45 7 815 0109

NO: +47 2 350 0236

UK: +44 333 300 92 69

US: +1 833 526 8395

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.

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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 at 08.00 CET on 25 February 2021.

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, LEXNordics and DIBkunnskap, Karnov Group delivers knowledge and insights, enabling more than 80,000 users to make better decisions, faster – every day. With offices in Copenhagen, Stockholm, Oslo and Malmö, Karnov Group employs around 280 people. Net sales in 2020 amounted to SEK 771 M. The Karnov share is listed on Nasdaq Stockholm, Mid Cap segment under the ticker “KAR”. For more information, please visit www.karnovgroup.com.