

Press Release – 05 May 2021

Karnov Group reports first quarter results 2021

Good start to the year

FINANCIAL HIGHLIGHTS FIRST QUARTER

- Net sales increased to SEK 234 m (212), organic growth was 5%.
- EBITA amounted to SEK 95 m (88) with EBITA margin of 40.7% (41.6%).
- Adjusted EBITA amounted to SEK 95 m (88) with adjusted EBITA margin of 40.7% (41.6%).
- Net result amounted to SEK 40 m (29).
- Earnings per share after dilution amounted to SEK 0.40 (0.30).
- Adjusted operating cash flow amounted to SEK 104 m (170).

CEO FLEMMING BREINHOLT COMMENTS ON THE QUARTER:

We have had a positive start to 2021, with continued growth and solid margins. Our new family member DIBkunnskap has performed well and is consolidated in the Group's financials for the quarter. We have also launched our new updated platform in Denmark.

Solid financial results

Our organic growth in the first quarter was 5.0 percent, mainly due to increased online sales compared to last year. Acquired growth from DIBkunnskap AS and LEXNordics AB contributed with an additional 8.0 percent. DIBkunnskap AS' financials are consolidated in the new segment Sweden/Norway. Offline sales were on similar levels to last year, which is a strong result above normal market trend.

The first quarter typically has the highest margin in a fiscal year. This year, our adjusted EBITA margin was 40.7 percent. The result was due to a combination of higher net sales, primarily of online products, along with efficiency gains in our strive for operational excellence. DIBkunnskap AS has diluted the adjusted EBITA margin on group level with approximately 1 percentage point as earlier announced.

As normal for the first quarter, we have had a strong cash flow generation. We have strengthened our processes and we therefore have a seasonality effect as the great majority of subscriptions were renewed and paid in Q4 2020. Following the acquisition of DIBkunnskap AS, our leverage has increased to 2.8 times, but still below our financial target.

New improved platform in Denmark and more products to come

We have launched our new updated platform in Denmark and the platform will continuously be enhanced while onboarding our users over the coming months. We are pleased with the feedback we have received, showing that the updated platform is an appreciated initiative. We also plan to launch additional new products in Denmark in 2021, including an offering for municipalities, similar to our offering in Sweden.

In Sweden, we have started the year on a strong note with considerable growth driven by upselling to existing customers and sales to new customers, especially within the areas of public sector, municipalities and EHS.

In Norway we have experienced a good performance from our newly acquired business DIBkunnskap AS.

Update on the Covid-19 pandemic

We are pleased to see that vaccinations against the Covid-19 virus are progressing globally, and we look forward to meeting all

employees, authors, experts and customers in person again soon. We continue to follow the regulations and recommendations from the authorities.

In the first quarter, our non-subscription part of the offline business, mainly books, public trades and sales of legal training courses, have been on a similar level to last year. Our customers have also adapted well to the Covid-19 restrictions. We are starting to see the demand normalising for our offline products, being in line with the overall market trend of online sales growing and offline sales declining. We are content with this, as the rest of the year will be compared to quarters fully impacted by the Covid-19 pandemic.

CONFERENCE CALL ON 5 MAY

A webcasted telephone conference will be held at 10.00 a.m. CEST 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-q1-2021>

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 74

DK: +45 7 815 0109

NO: +47 2 350 0236

UK: +44 333 300 92 64

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.

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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 CEST on 5 May 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.