

Press Release – 04 November 2021

Karnov Group reports third quarter results 2021

Another growth quarter

FINANCIAL HIGHLIGHTS THIRD QUARTER

- Net sales increased by 15% to SEK 222 m (193), organic growth was 8%.
- EBITA amounted to SEK 80 m (77) with EBITA margin of 36.1% (39.9%).
- Adjusted EBITA amounted to SEK 88 m (77) with EBITA margin of 39.5% (39.9%).
- Net result amounted to SEK 23 m (28).
- Earnings per share after dilution amounted to SEK 0.24 (0.28).
- Adjusted operating cash flow amounted to SEK -4 m (-1).

CEO PONTUS BODELSSON COMMENTS ON THE QUARTER:

We deliver strong results in the third quarter, both on top-line and margins, and at the same time we have succeeded in further acquisitions in line with our strategy to expand our business. With the acquisition of Echoline in France we have taken the next step on our journey of strengthening our capabilities in the EHS compliance market on an international scale, whilst the acquisition of Ante provides possibilities to strengthen the core customer value through AI based search technology.

Strong performance in both Denmark and Sweden/Norway

Our net sales growth of 15 percent came from acquired growth and strong organic growth in both Denmark and Sweden/Norway. There have also been a catch-up from the impact of the Covid-19 pandemic the previous year.

Our non-subscription part of the offline business, mainly books, public trades and sales of legal training courses, has performed well during the quarter, and the results are above the normal market trend, as the Covid-19 pandemic had a significant impact on the comparing quarter.

Our adjusted EBITA margin was at a satisfactory level at 39.5 percent in the third quarter and at the same time we uphold a leverage below our financial target at 2.9 by end of the quarter.

Execution of growth strategy

The market for Environmental, Health and Safety (EHS) solutions is growing. This is due to increasing regulatory demands and need for compliance tools. With the acquisition of Echoline, we execute on our strategy of expanding internationally on the growing market for compliance solutions within EHS. Echoline targets ISO certified companies in the French speaking areas of Europe and currently represents large and mid-size corporations in France and the Benelux. The platform is cloud-based, and the business model is based mainly on subscription. With this acquisition, we both strengthen our capabilities in the EHS field, while also prove our capabilities of making acquisitions on the European market.

In Sweden, we continue to grow well in the public sector, municipalities and our EHS vertical. The functionalities in our broad municipality solution are valued by our users driving our growth in the public sector. Further, we see a trend where we are upselling to existing customers where our services are used also by our non-core users.

In Denmark, we also see the municipality market as a good opportunity for us to use our focused solutions to provide more value to existing and new customers in the public sector. We have recently launched our legal information solution in Denmark for caseworkers in municipalities; Karnov Kommune.

In Norway, DIBkunnskap AS is progressing according to plan and is intended to launch in Sweden before the end of the year.

Better decisions, faster

In the quarter I have continued to meet customers, and I am confident that our strong result in the period is the outcome of our customers providing the opportunity to deliver better decisions faster. I want to thank all customers, experts, authors and business partners for their great performance in the third quarter.

CONFERENCE CALL ON 4 NOVEMBER

A webcasted telephone conference will be held at 10.00 a.m. CET today, where CEO Pontus Bodelsson 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-q3-2021>

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 51

DK: +45 7 872 3252

NO: +47 2 350 0236

UK: +44 333 300 92 63

US: +1 646 722 4902

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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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, DIBkunnskap and Echoline, 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, Paris and Malmö, Karnov Group employs around 290 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.