

NOT FOR RELEASE, DISTRIBUTION OR PUBLICATION IN THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH THE RELEASE, DISTRIBUTION OR PUBLICATION WOULD BE UNLAWFUL OR REQUIRE REGISTRATION OR ANY OTHER MEASURE IN ACCORDANCE WITH APPLICABLE LAW. THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION TO BUY ANY SECURITIES IN THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN OR ANY OTHER JURISDICTION.



Press Release – 9 December 2021

Karnov announces submission of a binding offer to acquire carved out legal information-based businesses of both Thomson Reuters in Spain and Wolters Kluwer in Spain and France

Karnov Group AB (publ) (“Karnov” or the “Company”), has today signed a binding offer to acquire the entire share capital and voting rights (the “Put Option Agreement”) of Wolters Kluwer France S.A.S (“Wolters Kluwer France”), Wolters Kluwer Legal & Regulatory España, S.A. (“Wolters Kluwer Spain”) and Editorial Aranzadi S.A.U. (“Thomson Reuters Spain”) (together the “Transaction Entities”) and certain subsidiaries¹ and the transfer of certain IP rights² (the “Contemplated Transaction”) for a cash consideration of approximately EUR 160 million on a cash- and debt-free basis (the “Transaction Consideration”). Building on the combined footprint of the Transaction Entities, Karnov would become a European player with strong market presence in Spain and France, providing an outstanding platform for a strengthened customer offering and further international expansion. Following the execution of the Put Option Agreement, Karnov has been granted exclusivity by the selling shareholders³ and a share purchase agreement would be entered into in the event of exercise of such put option by the selling shareholders following the completion of the information and consultation processes to be carried out with Wolters Kluwer’s French and European Works Council. Completion of the Contemplated Transaction is envisaged to occur no later than during 2022, subject to clearance by the Spanish Antitrust Authority.

The Contemplated Transaction in brief

- Karnov Group has a solid track-record from geographical expansion and integration within its core offering in legal information services, evident by the acquisition of Norstedts Juridik in 2018. The Contemplated Transaction would transform Karnov from one of the leaders in the Nordic markets for legal information services to a European player with strong market presence in Spain and France
- Together the combined Transaction Entities would create a relevant player in Spain and France with preliminary unaudited pro forma revenues of approximately EUR 123.9 million combined with an EBITDA of approximately EUR

¹ The Contemplated Transaction would entail the acquisition of 100% of the shares in the Transaction Entities and the subsidiaries, Wolters Kluwer Formación, S.A. and Wolters Kluwer Portugal Unipessoal, LDA.

² Transfer of certain IP rights between Wolters Kluwer International Holding B.V., Wolters Kluwer Financial Services Luxembourg SA, Holding Wolters Kluwer France S.A.S., Thomson Reuters Holdings B.V. and Thomson Reuters Enterprise Centre GmbH.

³ Wolters Kluwer International Holding B.V., Wolters Kluwer Financial Services Luxembourg SA, Holding Wolters Kluwer France S.A.S., Thomson Reuters Holdings B.V. and Thomson Reuters Enterprise Centre GmbH.

17.1 million, equivalent to approximately SEK 1,299.3 million and SEK 179.3 million respectively⁴, corresponding to an EBITDA margin of 13.8 percent, for the financial year 2020

- Further, the combined group (Karnov and the Transaction Entities) would have a contemplated preliminary unaudited pro forma revenue and adjusted EBITDA for the six-month period ended 30 June 2021 of approximately SEK 992.8 million and SEK 292.9 million, respectively⁵
- By combining the best content and platform and leverage on best practice Karnov can create a strong market presence in Spain and France and create a basis for further development of the local businesses. Karnov will be well-positioned to realize cost efficiency opportunities in Spain to generate fully phased run-rate in-market synergies, on an EBITDA level of up to approximately EUR 10 million with full effect in 2026 and expects the costs of achieving this to amount to a total of up to approximately EUR 24 million
- The Transaction Consideration payable upon completion of the acquisition of the entire share capital and voting rights in the Transaction Entities, certain subsidiaries⁶ and the transfer of certain IP rights⁷, would be payable in cash and amounts to EUR 160 million on a cash- and debt-free basis
- Karnov considers the Transaction Consideration and stipulated terms to correspond to an attractive acquisition multiple, equivalent to an EV/EBITDA (adjusted) Q2'21 LTM multiple of approximately 9.6x excluding in-market cost efficiencies. In addition, Karnov considers the Contemplated Transaction to be significantly EPS accretive
- Following the execution of the Put Option Agreement, Karnov has been granted exclusivity by the selling shareholders and a share purchase agreement would be entered into in the event of exercise of such put option by the selling shareholders following the completion of the information and consultation processes to be carried out with Wolters Kluwer's French and European Works Council. Completion of the Contemplated Transaction is envisaged to occur no later than during 2022, subject to clearance by the Spanish Antitrust Authority
- In order to finance the Contemplated Transaction, Karnov has agreed on the terms and secured a new bridge loan facility from Nordea Danmark, filial af Nordea Bank Abp, Finland ("Nordea"). Karnov has undertaken to repay part of the bridge loan facility through an issue of new shares, corresponding to at least 9.9% of the current number of shares in the Company, prior to the completion of the Contemplated Transaction

Pontus Bodelsson, CEO of Karnov, comments:

"Karnov Group is a Nordic leader within legal information services with a solid track record from geographical expansion, which we proved with the acquisition and integration of Norstedts Juridik in 2018. Building on our experiences from previous expansions, we are encouraged to continue growing into other geographies. With the Contemplated Transaction we capture a very attractive opportunity to combine the best of Wolters Kluwer's and Thomson Reuters' platform and content with best practices within Karnov to create a best-in-class offering. The Contemplated Transaction would transform us from a Nordic market leader to a European player, providing a platform for accelerated expansion and significant value creation for our customers and shareholders."

Background and transaction rationale

Karnov Group has a solid track-record from geographic expansion and integration within the core offering in legal information services. Through the acquisition of Norstedts Juridik in 2018, Karnov successfully expanded geographically, strengthened the customer offering and subsequently established a platform for organic growth in Sweden and Denmark. Karnov has since the IPO in 2019 carried out several additive acquisitions to expand geographically, as well as in adjacent categories. The latest markets

⁴ The EUR figures have been converted to SEK using the average FX rate for the period of 1 January to 31 December 2020, with EUR/SEK at 10.4867. All numbers are preliminary and unaudited.

⁵ The EUR figures have been converted to SEK using the average FX rate for the period of 1 January to 30 June 2021, with EUR/SEK at 10.1308. All numbers are preliminary and unaudited.

⁶ The Contemplated Transaction would entail the acquisition of 100% of the shares in the Transaction Entities and the subsidiaries, Wolters Kluwer Formación, S.A. and Wolters Kluwer Portugal Unipessoal, LDA.

⁷ Transfer of certain IP rights between Wolters Kluwer International Holding B.V., Wolters Kluwer Financial Services Luxembourg SA, Holding Wolters Kluwer France S.A.S., Thomson Reuters Holdings B.V. and Thomson Reuters Enterprise Centre GmbH.

where the Company has expanded to include Norway (through the investment in Strawberry Law and the acquisition of DIBKunnskap in 2020), and France and Benelux (through the acquisition of Echoline in 2021). Acquisitions within adjacent product segments include knowledge management platforms such as Ante ApS (acquired in 2020), compliance, and monitoring software Echoline (2021) and intelligent application Onlaw ApS (2021).

Karnov Group has now taken the decision to expand beyond the Nordics and has entered into an exclusive agreement stipulating the intention and terms to acquire 100% of the shares in carved out legal & regulatory information-based businesses of both Thomson Reuters in Spain and Wolters Kluwer in Spain and France. The Transaction Entities entail some of the very well-known brands within the segments of legal information & reference, workflow & analytics, and training spaces in Spain and France.

- **Wolters Kluwer France** brings together some of the most established legal information service brands in the French legal market, including Lamy (incorporated in 1895) and Liaisons Sociales (incorporated in 1945). The entity has approximately 314 FTEs as of year-end 2020
- **Wolters Kluwer Spain**, historically operating under the brand LaLey is a historical pioneer within online legal information services in Spain with a strong content enrichment platform called Altamira Naw, a proprietary CMS and publishing platform. The entity has approximately 334 FTEs as of year-end 2020
- **Thomson Reuters Spain** operates under the Aranzadi brand, a well-known industry brand in the Spanish market with an attractive portfolio of information and reference products. The entity has approximately 350 FTEs as of year-end 2020

Together the combined Transaction Entities would create a strong player in Spain and France with preliminary unaudited pro forma revenues of approximately EUR 123.9 million combined with an EBITDA of approximately EUR 17.1 million, equivalent to approximately SEK 1,299.3 million and SEK 179.3 million respectively⁸, corresponding to an EBITDA margin of 13.8 percent, for the year-end 2020. As a platform the Transaction Entities would have approximately 1,000 FTEs as of year-end 2020. In addition, approximately 67 percent of the revenue would be delivered online and would achieve approximately an 84 percent recurring revenue.

The combined group (Karnov and the Transaction Entities) would have a contemplated preliminary unaudited pro forma revenue and adjusted EBITDA for the six-month period ended 30 June 2021 of approximately SEK 992.8 million and approximately SEK 292.9 million, respectively⁹. Following the Contemplated Transaction, Karnov would have approximately 1,300 FTEs with offices in Copenhagen, Stockholm, Oslo, Toulouse, Paris, Madrid, Burgos, Pamplona, Bilbao, and Malmö.

The Contemplated Transaction has great strategic value for Karnov and would transform the Company from one of the leaders in the Nordic markets for legal information services to a European player with strong market presence in Spain and France. The key attractions of the Contemplated Transaction for Karnov includes:

Attractive opportunity to significantly increase the total addressable market while also providing a strong platform for further international expansion

The contemplated acquisition of Wolters Kluwer in Spain and France and Thomson Reuters in Spain is a logical next step and opportunity to enter two attractive markets. Through the Contemplated Transaction Karnov is expected to increase its addressable market size by approximately SEK 15.3 billion, from approximately SEK 2.0 billion to approximately SEK 17.3 billion¹⁰, corresponding to close to a tenfold increased addressable market. The combination of the Transaction Entities would also form a relevant player in Spain and France, creating a solid combined platform for continued expansion and consolidation in the highly competitive Southern European region. Karnov's strategy for further expansion in the region would entail both expanding the core products into new markets, adding adjacent verticals to the current product portfolio, and continued geographical expansion in Europe through access to French and Spanish speaking regions.

⁸ The EUR figures have been converted to SEK using the average FX rate for the period of 1 January to 31 December 2020, with EUR/SEK at 10.4867. All numbers are preliminary and unaudited.

⁹ The EUR figures have been translated to SEK using the average FX rate for the period of 1 January to 30 June 2021, with EUR/SEK at 10.1308. All numbers are preliminary and unaudited.

¹⁰ CIL Management Consultants market research. Market opportunity defined as addressable on the basis of being within current capabilities, customer type and geographic reach of the Group and utilising the existing technology platform. Some development of content and localisation of the platform would be required to serve all the addressable market. Feasible addressable market in Spain and France of EUR 413 million and EUR 1,050 million, respectively. Converted using the average FX rate for the period 1 January till 31 December 2020, with EUR/SEK at 10.4867.

Building on the best from Wolters Kluwer and Thomson Reuters and leverage on best practice Karnov can create a strengthened customer offering and create a basis for value creation within the combined entities

The combination of a strong platform and content from the Transaction Entities together with Karnov Group's track record from value-creating acquisitions would enable a best-in-class platform and a solid foundation for a strengthened customer offering and increased customer value. By adding well-known local brands and leveraging on best practices, Karnov will be well-positioned to reach new customer groups in Spain and France. Karnov expects the Transaction Entities to generate cost efficiencies in Spain. The fully phased run-rate synergies on an EBITDA level are expected to up to approximately EUR 10 million with full effect in 2026. Karnov further expects the costs of achieving these synergies to amount to a total of up to approximately EUR 24 million. Karnov deems the Contemplated Transaction to have a low integration risk as the Transaction Entities would be separate from Karnov's current platform.

Shareholder value expected for Karnov's owners

Karnov believes that the Transaction Consideration and stipulated terms corresponds to an attractive acquisition multiple equivalent to an EV/EBITDA (adjusted) Q2'21 LTM multiple of approximately 9.6x excluding in-market cost efficiencies. In addition, Karnov considers the Contemplated Transaction, including expected in-market cost efficiencies, the future potential as well as the intended Contemplated Transaction financing, to be significantly EPS accretive.

Preliminary pro forma financials

Preliminary unaudited IFRS pro forma financials for the six-month period ended 30 June 2021 are presented below with the purpose of describing the financial situation after the Contemplated Transaction. The Transaction Entities has thus far had EUR as its reporting currency. The EUR figures have been converted to SEK using the average FX rate for the period of 1 January 2021 to 30 June 2021, with EUR/SEK at 10.1308. All numbers are preliminary and unaudited.

<i>Amounts in SEK million</i>	<i>Karnov, 1 January 2021 - 30 June 2021</i>	<i>Transaction Entities, 1 January 2021 - 30 June 2021</i>	<i>Combined, 1 January 2021 - 30 June 2021</i>
<i>Preliminary and unaudited pro forma financials, January 2021 - June 2021</i>	<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>
Revenue	434.6	558.2	992.8
Adjusted EBITDA	189.6	103.3	292.9
Adjusted EBITDA margin	43.6%	18.5%	29.5%

Financing

The Transaction Consideration would be financed by a new bridge loan facility, and other debt facilities, of EUR 160 million. As of 30 September 2021, Karnov had a cash position of approximately SEK 247 million. The bridge loan facility has been secured through Nordea and will be entered into on prevailing market terms and conditions. Karnov has undertaken to repay part of the bridge loan facility through an issue of new shares, corresponding to at least 9.9% of the current number of shares in the Company, prior to the completion of the Contemplated Transaction.

Karnov's financial target is "aims to have a ratio of Net debt to adjusted EBITDA of no more than 3.0x. This level may temporarily be exceeded, for example as a result of acquisitions". Following the Contemplated Transaction, Karnov expects its pro forma net debt position as of 30 June 2021 to amount to approximately SEK 2.9 billion, equivalent to a net debt ratio of approximately 5.5x excluding synergies. Following the issue of new shares, Karnov expects its proforma net debt/Adjusted EBITDA as of 30 June 2021 to be approximately 4.5x¹¹. Further it is expected that the strong cash flow of the combined group will allow for rapid deleveraging following the closing of the Contemplated Transaction.

¹¹ The EUR figures have been converted to SEK using the average FX rate for the period of 1 July 2020 to 30 June 2021, with EUR/SEK at 10.2253.

Closing conditions and regulatory approvals

Following the execution of the Put Option Agreement, Karnov has been granted exclusivity by the selling shareholders and a share purchase agreement would be entered into in the event of exercise of such put option by the selling shareholders following the completion of the information and consultation processes to be carried out with Wolters Kluwer's French and European Works Council. Completion of the Contemplated Transaction is envisaged to occur no later than during 2022, subject to clearance by the Spanish Antitrust Authority. The Transaction Entities would then be consolidated into Karnov's consolidated financial reporting from the closing of the Contemplated Transaction.

Advisers

Deloitte Financial Advisory and Carnegie Investment Bank AB (publ) are financial advisers to Karnov in relation to the Contemplated Transaction. Carnegie acts as sole financial adviser to Karnov in relation to securing the loan facility. Bruun & Hjejle Advokatpartnerselskab and Latham & Watkins are legal advisors to the Company.

Conference call for investors, analysts, and media

Pontus Bodelsson, CEO of Karnov and Dora Brink Clausen, CFO of Karnov, will participate in a conference call which will also be webcast on 9 December at 10:00 am CET.

Telephone numbers and access code:

SE: +46 856642651

UK: +44 3333000804

US: +1 6319131422

Participant access code: 70302575#

Webcast URL: <https://tv.streamfabriken.com/pressconference-dec-2021>

For more information, please contact:

Pontus Bodelsson, President and CEO

Telephone: +46 709 957 002

Email: pontus.bodelsson@karnovgroup.com

Erik Berggren, Investor Relations Specialist

Telephone: +45 52 19 65 52

Email: erik.berggren@karnovgroup.com

This press release contains inside information that Karnov Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on 9 December 2021 at 08:45 am CET.

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, Toulouse, 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.

Important information

This press release does not constitute an offer to sell or a solicitation of any offer to purchase any securities. This press release is not a prospectus and it has not been approved by any regulatory authority in any jurisdiction. Any decision to invest in securities referred to in this press release must be made on the basis of all publicly available information relating to the Company and the securities. The information in this press release does not purport to be complete. No reliance may be placed for any purpose on the information in this press release or its accuracy or completeness. This press release does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in Karnov or its securities.

This announcement is not being made in and copies of it may not be released, distributed or published or sent into the United States, the United Kingdom, Canada, Australia, South Africa or Japan or any other jurisdiction in which the release, distribution or publication would be unlawful or require registration or any other measure in accordance with applicable law.

The securities referred to in this press release have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an exemption from registration thereunder. Karnov does not intend to register any of the securities in the United States or to conduct a public offering of the securities in the United States.

The securities referred to in this press release have not been and will not be registered under the applicable securities laws of Canada, Australia, South Africa or Japan and, subject to certain exemptions, may not be offered or sold in or into or for the account or benefit of any person having a registered address in, or located or resident in, Canada, Australia, South Africa or Japan. There will be no public offering of the securities described herein in Canada, Australia, South Africa or Japan.

This press release are only addressed to and directed at persons in member states of the European Economic Area (the "EEA") who are "Qualified Investors" within the meaning of Article 2 (e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation"). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with Qualified Investors.

This press release does not constitute an offer of securities to the public in the United Kingdom. No prospectus has been or will be approved in the United Kingdom in respect of the securities. In the United Kingdom, this communication is being distributed to and is directed only at "Qualified Investors" within the meaning of Article 2 (e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA") (the "UK Prospectus Regulation"), who are (i) investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). Any investment activity to which this communication relates will only be available to and will only be engaged with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or

implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.