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Press Release – 25 February 2022

# Karnov Group progresses in the contemplated acquisition of carved out legal information-based businesses of both Thomson Reuters in Spain and Wolters Kluwer in Spain and France

On 9 December 2021, Karnov Group AB (publ) (“Karnov” or the “Company”) announced its 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. Wolters Kluwer has now completed the information and consultation processes with its French and European Works Councils, and a share purchase agreement has therefore been entered into. Completion of the transaction is entirely conditional on obtaining clearance by the Spanish Antitrust Authority. Completion of the transaction is envisaged to occur during 2022

Karnov has today signed a share purchase agreement to acquire the entire share capital and voting rights 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 subsidiaries<sup>1</sup> and the transfer of certain IP rights<sup>2</sup> for a cash consideration of approximately EUR 160 million on a cash- and debt-free basis. As previously communicated on 9 December 2021, Karnov has agreed on the terms and secured a new bridge loan facility from Nordea Danmark, Filial af Nordea Bank Abp, Finland in order to finance the transaction. Karnov has undertaken to repay part of the bridge loan facility with the capital raised in the directed share issue that Karnov carried out on 14 December 2021.

## The 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 transaction will 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, as 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
- Together the combined Transaction Entities will 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

<sup>1</sup> The transaction will 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.

<sup>2</sup> 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.

17.1 million, equivalent to approximately SEK 1,299.3 million and SEK 179.3 million respectively<sup>3</sup>, 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, respectively<sup>4</sup>
  - 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
- Completion of the transaction is entirely conditional on obtaining clearance by the Spanish Antitrust Authority. Completion of the transaction is envisaged to occur during 2022.

**Pontus Bodelsson, President and CEO of Karnov Group, comments:**

*“We are satisfied with the outcome of the information and consultation processes with Wolters Kluwer’s French and European Works Councils, and we are proceeding with the transaction process as we have planned. With the share purchase agreement now signed, we are awaiting the approval from the Spanish Antitrust Authority before closing the contemplated acquisition. I believe the contemplated acquisition comprises 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 for accelerated expansion and significant value creation for our customers and shareholders.”*

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<sup>3</sup> 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.

<sup>4</sup> 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.

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