

Acquisition of DIBkunnskap AS

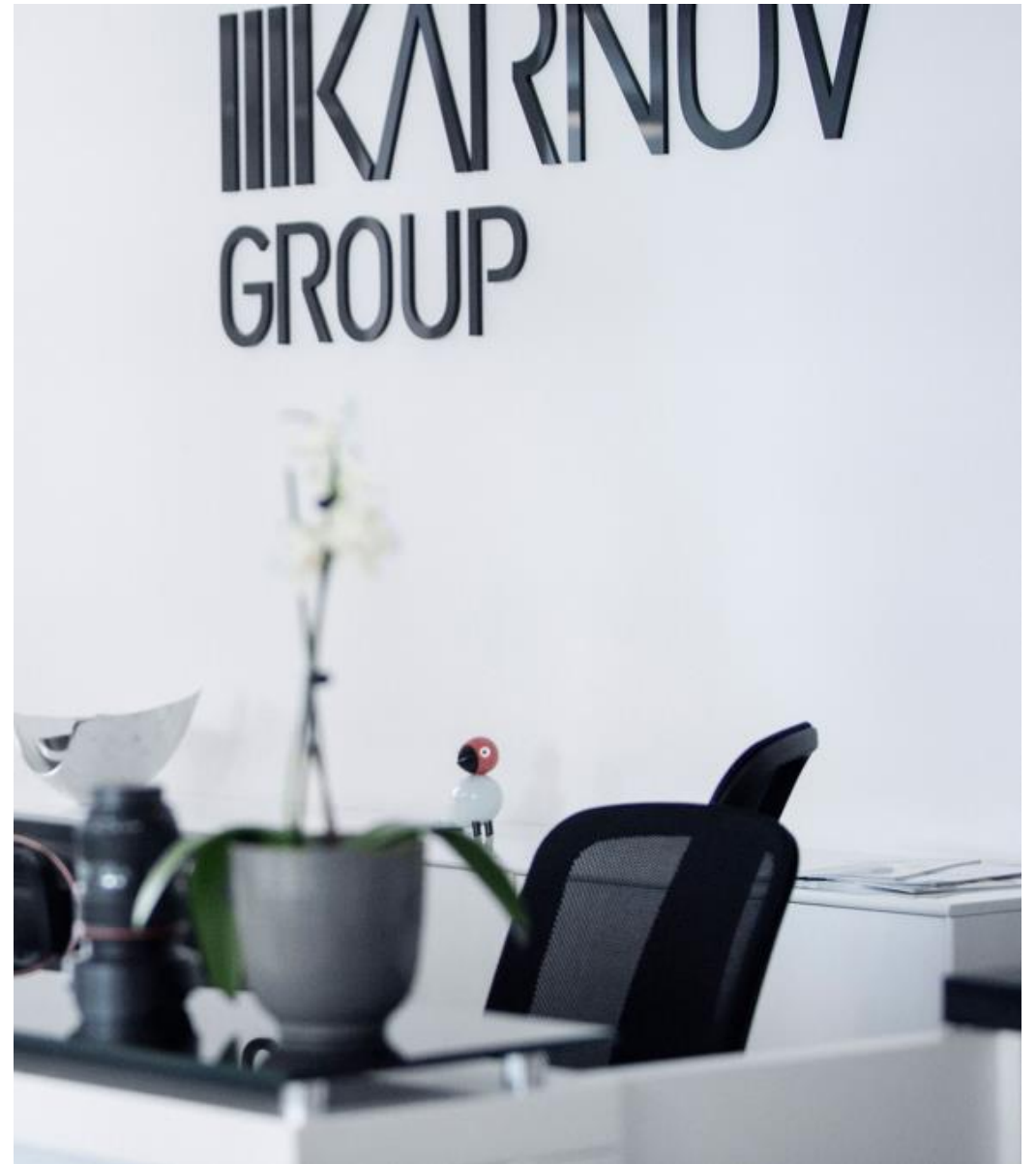
Flemming Breinholt, CEO

Dora Brink Clausen, CFO

14 December 2020

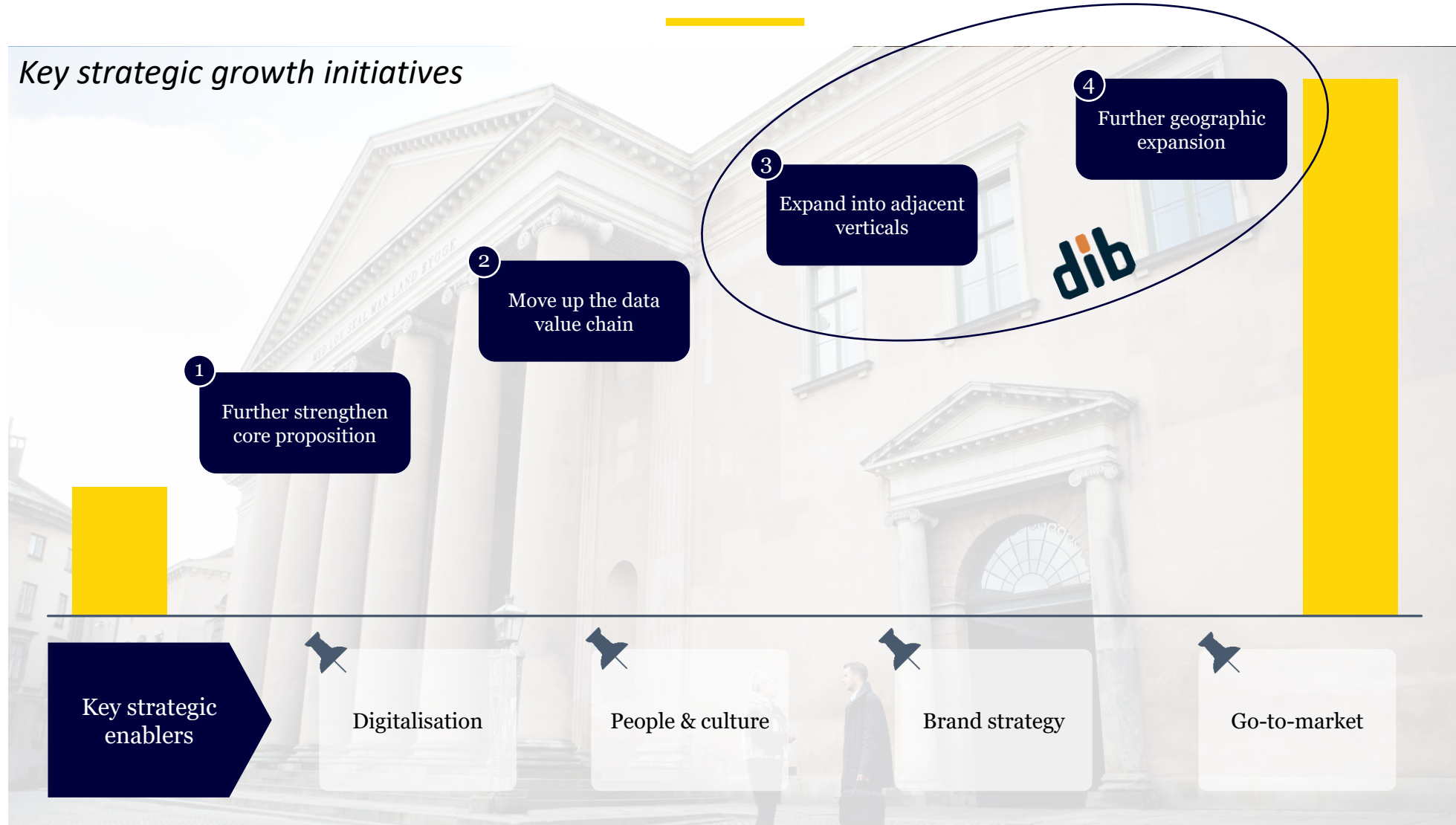
Agenda

- Karnov Group's growth strategy
 - DIBkunnskap AS
 - How DIB will grow the coming years
- Strengthens Karnov Group's presence in Norway
 - Financial impacts due to the acquisition
 - Questions



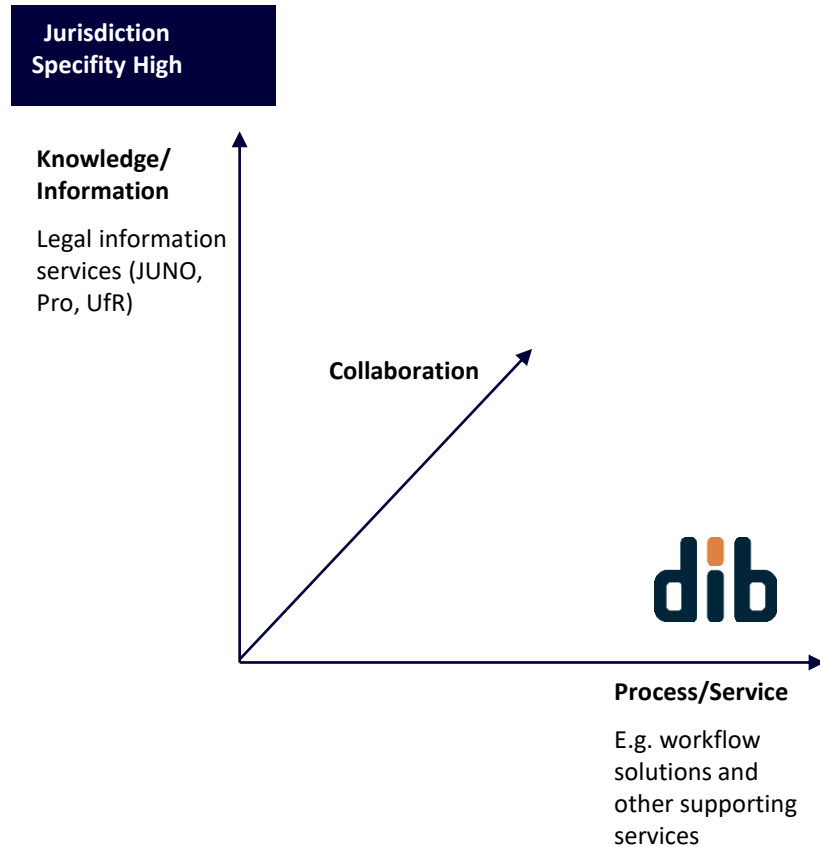
Karnov Group's growth strategy

Key strategic growth initiatives

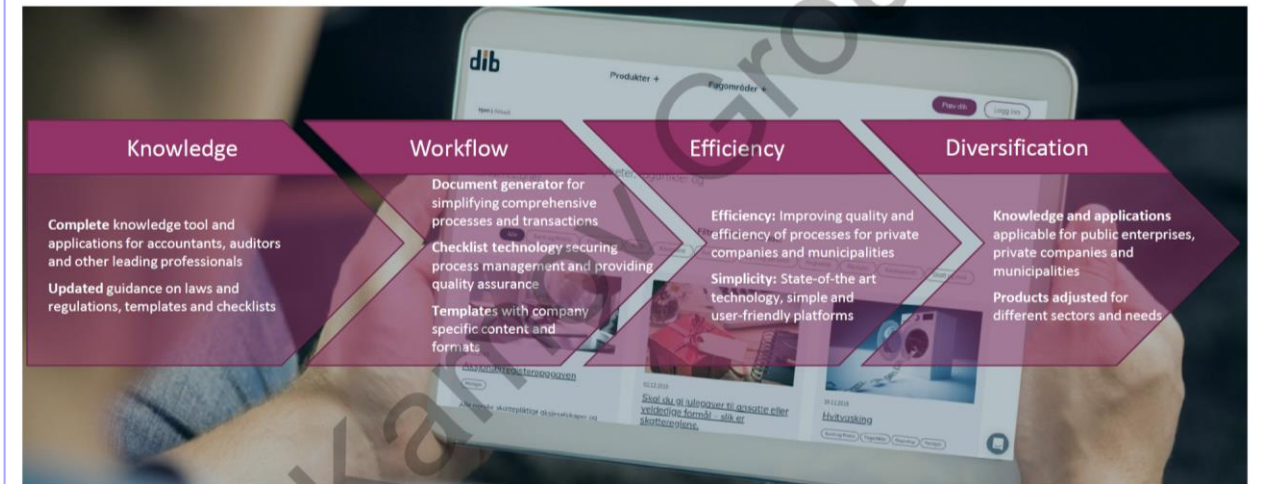


Karnov Group's growth strategy

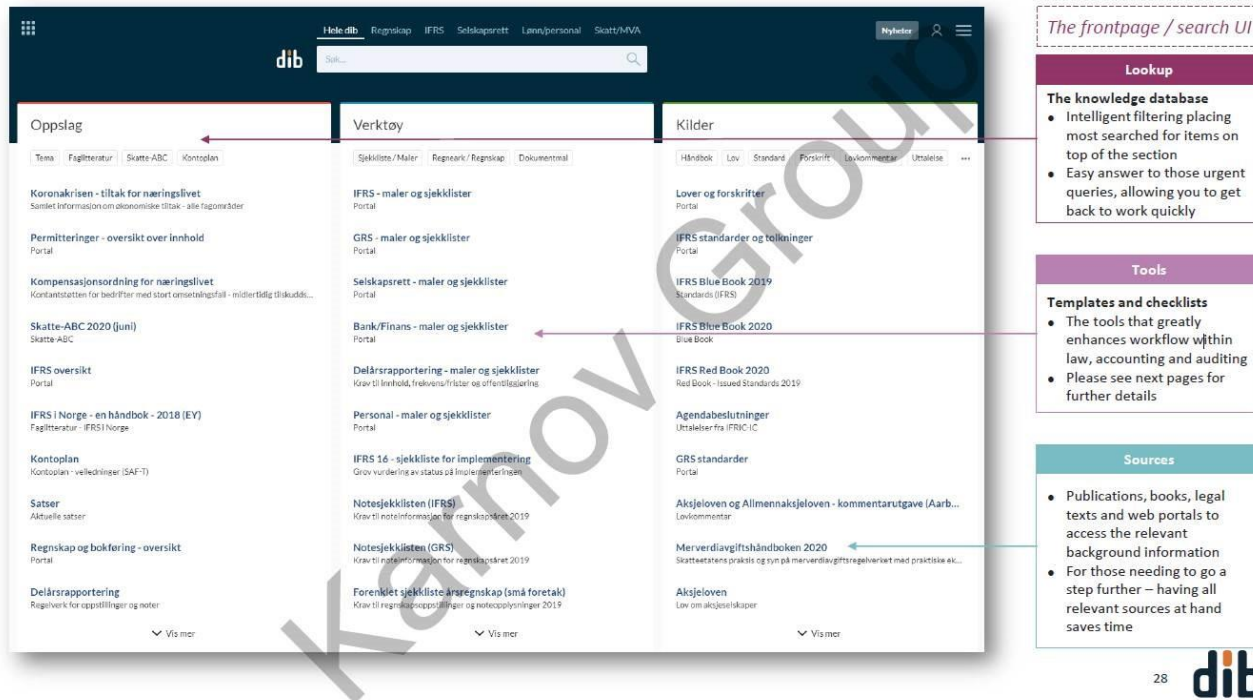
DIB fits well into overall strategy



DIB improves workflow and efficiency
Knowledge, workflow, diversification and simplicity are at core for DIB



DIBkunnskap AS



Key comments

- Founded in 1995, approximately 30 employees, seated in Lysaker outside Oslo
- Norwegian market leader in knowledge workflow solutions for accounting and audit firms as well as large enterprises
- Recurring revenue in 2019 in the level of NOK 50m with an adjusted EBITDA of cNOK 10m
- Close to 100% recurring revenue, with an international expansion ambition

How DIB will grow the coming years

DIB will continue its journey with Karnov Group

Built-in workflow technologies... ...that truly separate dib from the competition

Document generator



Comprehensive template library...

2,000+ templates can be completed using the document generator technology



...offering assurance...

Proff Forvalt integration provides autocomplete input from business register to legally up-to-date templates



...customisation...

Applies the customer's style template to the document



...and efficiency

Generation of multiple documents in one operation saves time, ensures consistency and accuracy. Real-time collaboration eases completion of documents

Dynamic checklists

Smart checklists...

200+ up-to-date checklists in corporate law, auditing, accounting, tax, VAT, HR and payroll



...for efficient workflows...

Customise checklists to user's needs. Collaborate with colleagues in real-time - always in the latest version



...overview and control...

Powerful filters display, hide or remove checklist items depending on user's need



...year after year

Save and reuse checklists year after year - quality assured by professionals



dib

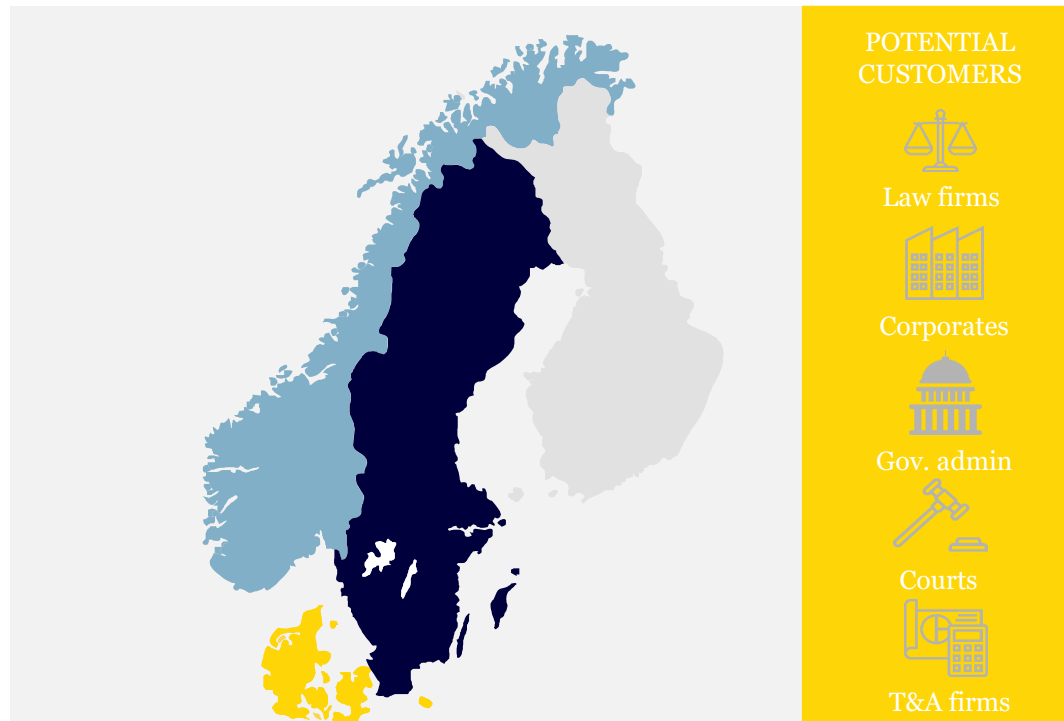
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dib

Key comments

- Current market share approx. 25%, in a market with an expected CAGR of 10% the coming period
- DIB will continue its growth journey in Norway and benefit from our expertise and market knowledge when expanding geographically
- Market expansion to Sweden in near future, with further international ambitions
- Has historically been successful in launching new products and will do so also going forward
- Current management team with extensive experience will stay on, ensuring stability and execution of growth strategy

Strengthens Karnov Group's presence in Norway



Key comments

- In line with our ambition to do value accretive acquisitions
- Acquisition of DIB opens up a new vertical on the Norwegian market for Karnov Group with adjacencies to our core services
- Total addressable Market for Karnov Group grows to approximately NOK 650m
- Stronger market presence also strengthen Karnov Group Norway's market launch in second half of 2021

Financial impacts due to the acquisition



Key comments

- › Purchase price NOK 300m and further maximum NOK 36m earn-out based on financial performance
 - › NOK 290m in cash consideration and NOK 10m in Karnov Group shares
 - › Earn-out in Karnov Group shares
- › Will still be below leverage target of 3x EBITDA LTM after the acquisition
- › Assessed that consolidated adjusted EBITA margin for the Group will be negatively impacted by approximately 1 pp
 - › Will increase the adjusted EBITA margin again from 2022 with optimised processes and higher net sales
- › A neutral impact on EPS in 2021, will be value accretive from 2022
- › Karnov Group's ratio of recurring revenue will increase

Q&A

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Appendix

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