

Press Release – 3 November 2022

# Karnov Group receives clearance to complete acquisition of 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 received clearance from the Spanish Antitrust Authority, and thereby will complete the acquisition of carved out legal information-based businesses of both Thomson Reuters in Spain and Wolters Kluwer in Spain, France and Portugal (together the “Acquired Entities”). Completion of the acquisition is expected to take place on 30 November 2022, whereafter the companies will be consolidated into Karnov’s consolidated financial statements. With respect to the Spanish Market, Karnov has made certain market commitments (the “Commitments”) to the Spanish Antitrust Authority for a period of three years from the closing of the acquisition.

## The acquisition in brief

- The acquisition transforms 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 Acquired 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 Acquired Entities create a strong player in Spain and France with preliminary unaudited pro forma revenues of approximately EUR 123.2 million combined with an EBITDA of approximately EUR 16.7 million, equivalent to approximately SEK 1,250 million and SEK 170.0 million, respectively<sup>1</sup>, corresponding to an EBITDA margin of 13.6 percent, for the financial year 2021
  - 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 by the end of 2026 and expects the costs of achieving this to amount to a total of up to approximately EUR 24 million
- For a period of three years from closing of the acquisition, Karnov has made two Commitments with respect to the Spanish market. Firstly, while Karnov intends to create new best-in-class offerings on the local market, the Company has committed to offer existing local content products and services, including legal databases

<sup>1</sup> The EUR figures have been converted to SEK using the average FX rate for the period of 1 January to 31 December 2021, with EUR/SEK at 10.15. All numbers are preliminary and unaudited.

and publications, on the Spanish market separately under reasonable market conditions. Secondly, Karnov has committed to not enter into exclusivity agreements with authors that limit the author's ability to collaborate with any other company. The Spanish Antitrust Authority can extend the duration of the Commitments for up to an additional two years, if deemed necessary by the Authority.

- Karnov intends to work closely with the local entities in realising the market synergies. As previously announced, the entities in France, Spain and Portugal will operate separately from the entities in the Nordics during the period realizing in-market synergies. Over time, Karnov intends to investigate cross-border synergies between the Acquired Entities and the existing Nordic businesses.

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

*"We are pleased that we now have received clearance to complete the acquisitions. It is an attractive opportunity to create best-in-class offerings on the local markets and establish a strong market presence. Further, we gather some of the most innovative brands in the European legal information service market under one umbrella. This creates a strong basis for new Legal Tech solutions and enables significant value creation for our customers and shareholders."*

Karnov acquires 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") and certain subsidiaries<sup>2</sup> and the transfer of certain IP rights<sup>3</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.

Both in Spain and France, Karnov is acquiring brands with a strong legacy and great respect and awareness in the local markets. It is with respect for that legacy that Karnov has resolved to go to market under the brand **Aranzadi LA LEY** in Spain and **Lamy Liaisons** in France. The Karnov Group brand will be added to the main brands to signal internationalisation, innovation, and European strength.

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*This information was submitted for publication, through the agency of the contact persons set out above, on 3 November 2022 at 17:00 CET.*

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<sup>2</sup> The transaction will entail the acquisition of 100% of the shares in Wolters Kluwer France, Wolters Kluwer Spain, Thomson Reuters Spain and the subsidiaries, Wolters Kluwer Formación, S.A. and Wolters Kluwer Portugal Unipessoal, LDA.

<sup>3</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.

*For more information, please visit [www.karnovgroup.com](http://www.karnovgroup.com).*

### **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.