



Thomson Reuters Acquisition of Pagero

Strategic Purchase of E-Invoicing Leader to Bolster Tax
Compliance Offerings

January 19, 2024

Special Note

Special Note Regarding Forward-Looking Statements, Material Assumptions and Material Risks

This presentation consists of these slides and the associated remarks and comments, which are related and intended to be presented and understood together.

Certain statements in this presentation and discussion are forward-looking, including, but not limited to, statements regarding the expected closing date for the proposed tender offer, the strategic benefits of the proposed transaction, and the expected financial and operational impact of the proposed transaction on the company. While the company believes that it has a reasonable basis for making forward-looking statements in this presentation, they are not a guarantee of future performance or outcomes and there is no assurance that any of the events described in any forward-looking statement will materialize. Forward-looking statements are subject to a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from current expectations. Many of these risks, uncertainties and assumptions are beyond our company's control and the effects of them can be difficult to predict. Some of the factors that could cause actual results to differ materially from current expectations are discussed in the "Risk Factors" section of our annual report and in other materials that we from time to time file with, or furnish to, the Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission.

Our company has provided a business outlook for the purpose of presenting information about current expectations with respect to the proposed transaction. This information may not be appropriate for other purposes. You are cautioned not to place undue reliance on forward-looking statements which reflect expectations only as of the date of this presentation. Except as may be required by applicable law, Thomson Reuters disclaims any obligation to update or revise any forward-looking statements.

The company's business outlook as it relates to the proposed transaction is based on information currently available to the company and is based on various external and internal assumptions made by the company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the company believes are appropriate under the circumstances. Please refer to the MD&A section of our 2023 annual report which is available on www.tr.com, for a discussion of certain material assumptions and material risks related to our overall business outlook, including general assumptions and risks relating to potential M&A transactions.

Transaction Summary

Pagero Overview

- Pagero is a global leader in e-invoicing and indirect tax solutions, delivered through its Smart Business Network
- The company is publicly traded in Sweden, and operates on a global basis, serving ~90k customers
- E-invoicing is an exciting growth opportunity, with a ~\$7B TAM and strong regulatory-driven demand growth
- The strategic fit of Pagero e-invoicing with ONESOURCE indirect tax should bring meaningful customer benefits, including enhanced compliance capabilities, better end-to-end workflow automation, and global scale through a single trusted vendor

Financial & Operational Considerations

- Thomson Reuters' offer of 50 SEK values Pagero at ~\$800M, to be funded with cash on hand
- The acceptance period for our offer runs through February 9th, with settlement expected on or about February 16th (subject to extension)
- The acquisition is expected to be accretive to revenue growth but modestly dilutive to EBITDA margins, with profitability scaling sharply with revenue over the next several years
- Commercial partnership with Pagero since February 2023 provides confidence in the strategic and cultural fit

Pagero Overview

Pagero offers a **comprehensive suite of global e-invoicing and indirect tax solutions** that **ensure compliance and provide workflow automation benefits** for customers

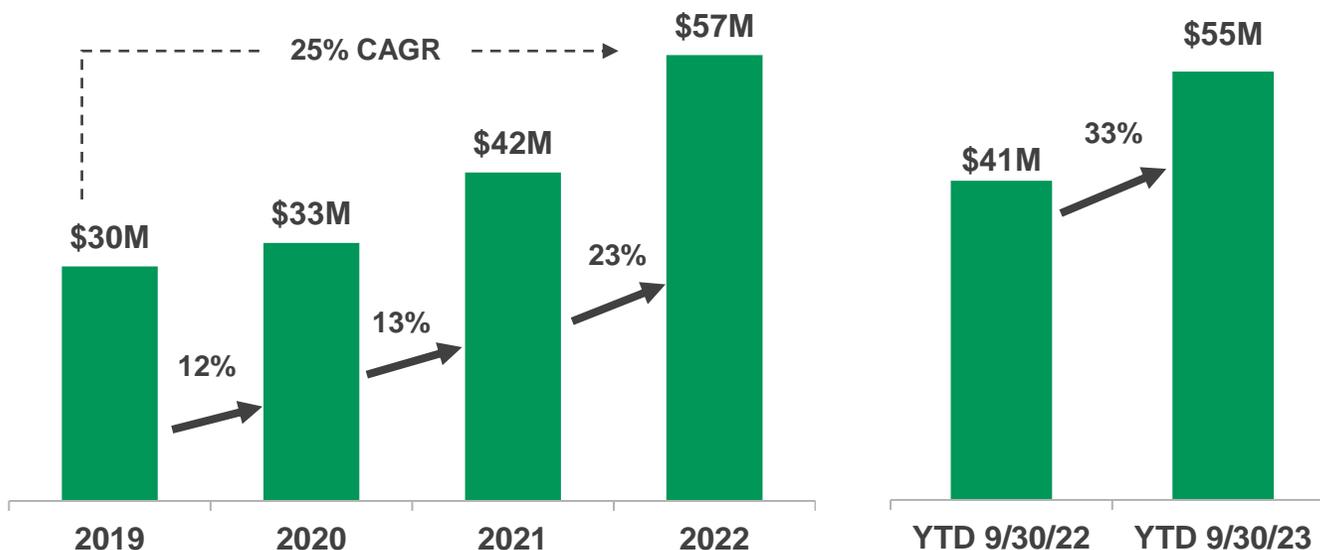
Through a single, modern and **open technology platform**, Pagero **links customers, suppliers, and institutions**, allowing for the **automated, compliant, and secure digital exchange of business documents** such as orders, invoices, and others.

The company's Smart Business Network links its 90,000 customers with over 14 million connected companies, providing emerging **"network" effects** as it continues to scale.

Key Facts

- Headquartered in Gothenburg, Sweden
- 30+ offices in 20+ countries
- 850 employees
- ~90k customers, and 14M companies in network

Revenue and Organic Revenue Growth ⁽¹⁾ ⁽²⁾



Financial Highlights ⁽³⁾

- Annual Recurring Revenue (ARR) – \$71M
- 25% revenue CAGR (2020-2022)
- 87% recurring revenue
- Strong retention – 1.8% churn, 122% NRR
- Strong profitability in “established” markets

Notes:

1. Revenue in USD based on the USD/SEK exchange rate of 10.45 as of January 17, 2024.
2. Organic revenue growth rates based on Pagero's financial reporting.
3. Financial Highlights data from Pagero's Q3/23 earnings report, unless otherwise noted.

E-invoicing is a significant growth opportunity

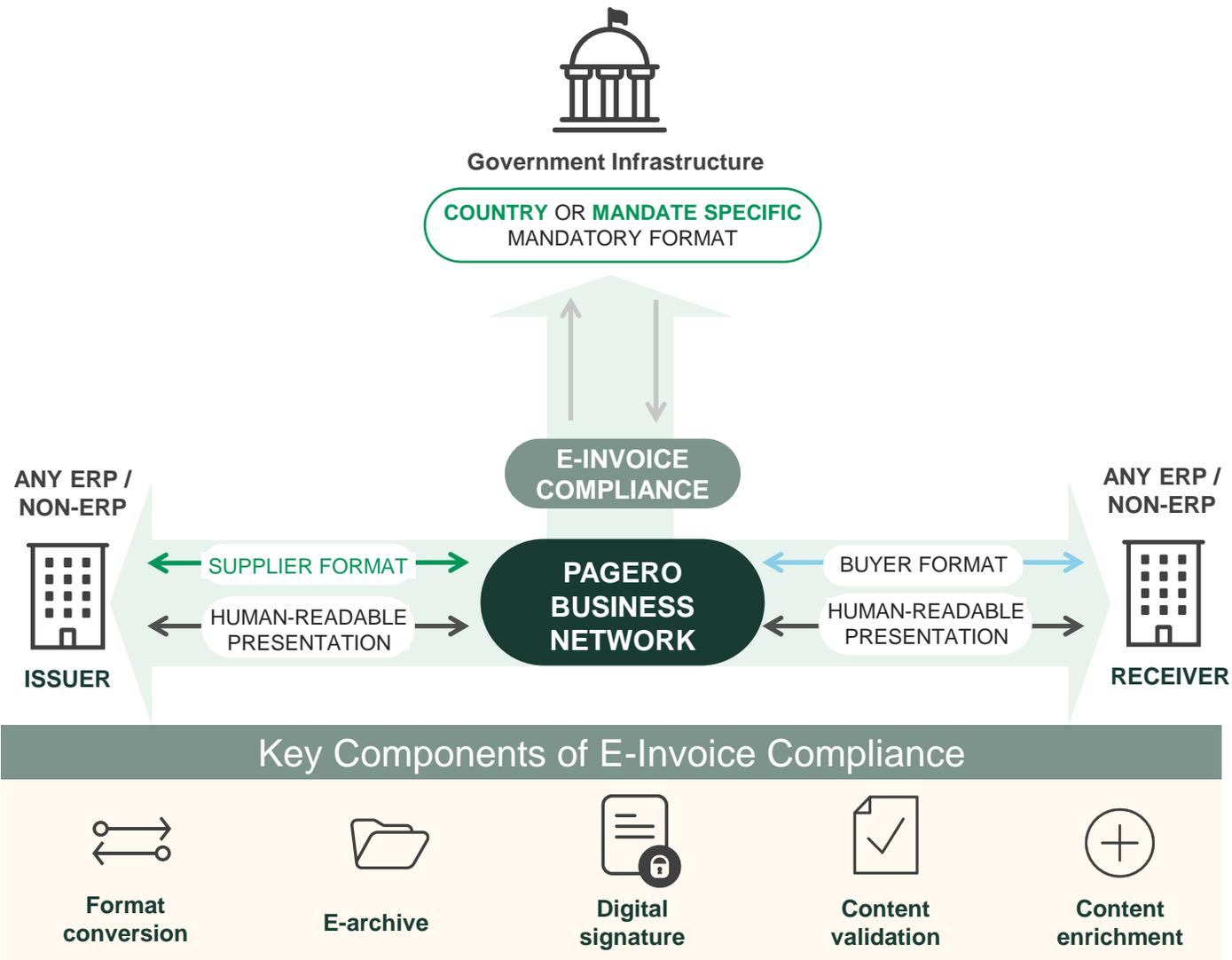
What is E-Invoicing?

- E-invoicing is a digitized form of billing where companies send and receive invoices in a structured, digital format.
- Continuous transactional controls (CTC) are government reporting requirements for the digital transmission of invoices by suppliers to tax authorities and buyers in real-time or near real-time.
- E-invoicing and CTC offer many benefits, including increased transparency and tax compliance for governments, and improved efficiency, fewer errors, and shorter payment periods for buyers and sellers.

E-Invoicing Market Dynamics

- E-invoicing Compliance is a **~\$7B TAM** market that is ~20% vended and **growing ~18%**
- We anticipate the next five years will represent a unique period of growth for e-invoicing adoption, driven by regulatory changes globally:
 - E-invoicing and digital tax reporting is being rapidly mandated by 80+ tax authorities globally to reduce indirect tax fraud
 - Countries transitioning to real-time CTC models are adding to the compliance burden for corporations

Pagero E-invoicing Solution



Strategic Rationale

The combination of Pagero with Thomson Reuters offers a **compelling strategic fit** that we believe will yield improved compliance and workflow automation benefits for our customers and strong long-term value creation for our shareholders

Key Strategic Benefits:



Significant **e-invoicing growth** opportunity



- Legal requirements for e-invoicing and continuous transaction control (CTC) are being introduced to ensure tax compliance and transparency
- Resulting compliance burden on global companies is significant and is expected to drive continued robust growth for e-invoicing solutions



Pagero provides **market leading** solutions



- Global e-invoicing and digital communications solutions through a single, modern and open technology platform
- Smart Business Network links 90,000 customers with 14 million connected companies



Compelling strategic fit



- Pagero's e-invoicing capabilities and TR's IDT determination and reporting within ONESOURCE creates an end to end tax compliance solution at global scale
- Opportunities to drive additional compliance offerings, including GTM¹ and supply chain risk, as TR leverages Pagero's open communications network

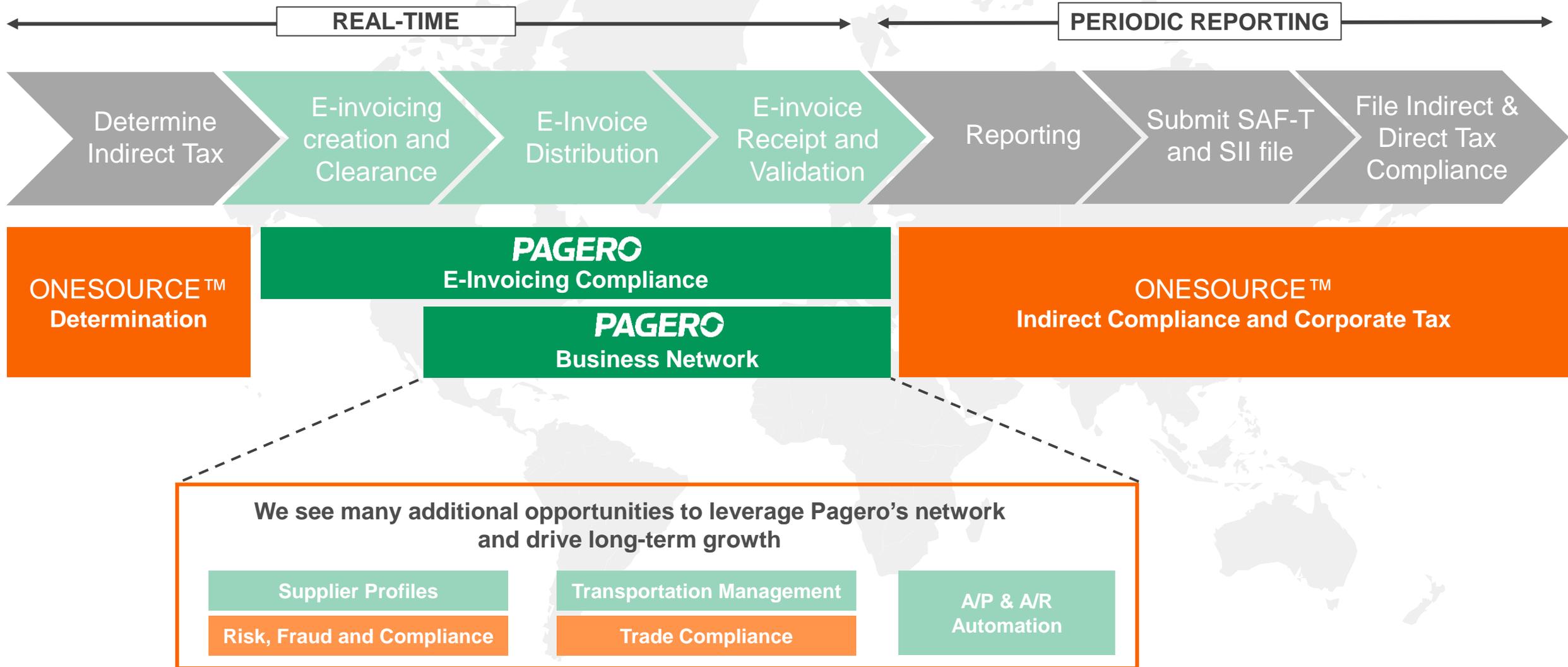


Attractive financial model



- 87% recurring revenue and proven track record of double-digit revenue growth
- Highly profitable in scaled markets and we believe there is a pathway to robust overall profitability in the next few years

Pagero and TR create an end-to-end Indirect Tax workflow



Financial Considerations and Timeline

Financial Considerations

- Thomson Reuters' offer of 50 SEK values Pagero at ~\$800M, to be funded with cash on hand
- The transaction is expected to be accretive to revenue growth but modestly dilutive to EBITDA margins, with profitability scaling with revenue over the next several years
- We target revenue synergies of \$50 million or more by 2027
- Over the long-term, we see Pagero profitability achieving Thomson Reuters overall margins

Process and Timeline Updates

- On January 11th, Thomson Reuters offered 40 SEK for Pagero, which was raised to 50 SEK on January 15th
- Thomson Reuters currently owns approximately 60% of Pagero shares
- The acceptance period for the offer is expected to expire on February 9, with settlement occurring on or about February 16th (subject to extension)
- As the majority holder, we expect to consolidate Pagero's results into our financial reporting by the end of the first quarter. Pagero will be reported within our Corporates segment.



Q&A
