



# Thomson Reuters to acquire Casetext

Strategic Purchase Accelerates Generative AI Capability  
Build and Expands Addressable Market Potential

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June 27, 2023

# 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 transaction, 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 2022 annual report and our earnings release dated May 2, 2023, each of which is available on [www.tr.com](http://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

## Casetext Overview

- Casetext is a leading provider of AI powered tools that empower legal professionals to work more efficiently and provide higher-quality representation to their clients
- Casetext launched CoCounsel, a Generative AI powered legal AI assistant, on March 1, 2023
- CoCounsel will accelerate our ability to bring Generative AI capabilities to our portfolio and markets
- Marrying CoCounsel's technology with TR's authoritative content and insights to bring significant productivity benefits for the legal industry

## Financial & Operational Considerations

- Purchase price of \$650M, all cash, funded by proceeds from recent sales in London Stock Exchange stake
- Transaction expected to close in second half of 2023, subject to regulatory approvals
- Transaction expected to be revenue growth accretive but modestly EBITDA margin dilutive, with profitability scaling with revenue over time
- Casetext is another key step in our strategy to bring generative AI capabilities to our markets, building upon our organic product roadmap and the recent Microsoft 365 Copilot announcement

# Casetext Overview

Over the last year Casetext has focused on building its CoCounsel legal AI Assistant, built on Open AI's GPT-4

casetext

## Key Facts

- Headquartered in San Francisco, CA
- Founded in 2013
- Approximately 100 employees
- Launched CoCounsel legal AI assistant offering in March 2023
- CEO: Jake Heller

## CoCounsel

- **First to market Legal AI Assistant**
  - **Built on Open AI's GPT-4**
- **Adapted for the Legal profession**
- **Intuitive chat-based interface**

# CoCounsel: A Powerful Legal AI Assistant

First of its kind Generative AI powered Legal AI Assistant expertly performs time consuming domain-specific tasks, freeing attorneys to focus on higher-value work

The screenshot displays the CoCounsel interface with several example queries and their corresponding AI-generated responses. The queries include: "Which transcripts mention the defendant's warning to ...?", "Evaluate these emails for privilege.", and "Are modifications to terms permitted?". The responses provide specific counts and details, such as "There are 9 different transcripts that discuss ...".

CoCounsel has 8 "Skills" today to make lawyers more efficient, with many more in development

Review Documents	Deposition Preparation	Search a Database	Legal Research Memo
Summarize	Contract Analysis	Contract Policy Compliance	Market Check

# Casetext will accelerate our Generative AI capabilities

The combination of Casetext with Thomson Reuters offers a **compelling strategic fit** that will provide meaningful benefits for our customers and strong long-term value creation for our shareholders

## Key Strategic Benefits:



**Accelerates** Generative AI solutions to legal market

- Accelerate new AI feature development in CoCounsel and existing TR offerings
- Bring new AI value to customers faster



Expand Generative AI capabilities **beyond legal research**

- CoCounsel brings workflow capabilities adjacent to legal research, increasing our addressable market opportunity
- Leverage TR distribution to drive CoCounsel adoption



Accelerates our vision of **blending legal content with legal workflows**

- Marriage of Casetext's technology with our authoritative insights to bring significant productivity benefits for customers
- Expand TR's role in legal workflow software market



**Apply Generative AI capabilities** outside of legal

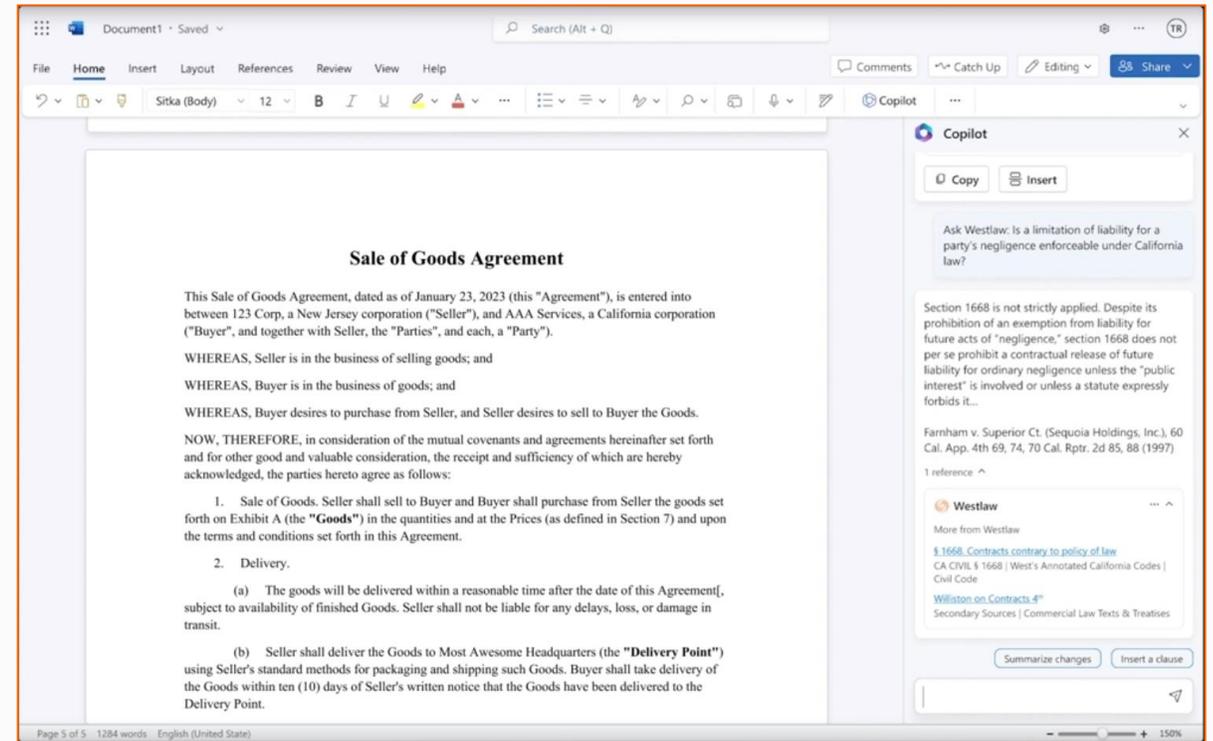
- Accelerate build of AI assistant capabilities for Tax & Accounting, Risk Fraud & Compliance markets

# Thomson Reuters drafting with Microsoft 365 Copilot

Combination of Microsoft and TR creates a powerful new intelligent drafting solution, bringing trusted insights right where the work happens, in Microsoft Word



- Generative AI provides a step change in the power of Legal drafting tools for the benefit of Legal Professionals
- Microsoft + TR drafting – Bringing trusted insights right where the work happens, in Microsoft Word
- TR plugin to 365 Copilot brings seamless integration of Westlaw, Practical Law, and Doc Intel to document drafting
- Positive initial customer reaction to news of two trusted partners bringing generative AI to drafting
- Legal drafting expands TR's addressable market opportunity



# Generative AI Strategy at Thomson Reuters

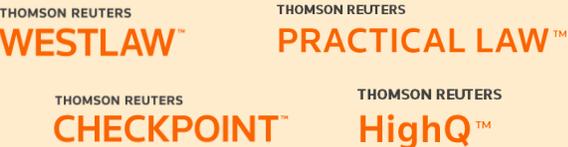
## Redefining Work With Generative AI:

- Provide Transformative Value
- Increase Customer Efficiency
- Deliver Exceptional Customer Experiences

**1**

### Build

Embed Generative AI in TR solutions



THOMSON REUTERS WESTLAW™  
THOMSON REUTERS PRACTICAL LAW™  
THOMSON REUTERS CHECKPOINT™  
THOMSON REUTERS HighQ™

**2**

### Partner

Work with trusted companies to advance Generative AI for the benefit of professionals



Microsoft 365 Copilot

**3**

### Buy

Acquire leading AI-powered solutions



casetext CoCounsel  
SurePrep® THOMSON REUTERS DOCUMENT INTELLIGENCE  
Part of Thomson Reuters

### Underpinned by TR's Competitive Advantages

Authoritative, Trusted Content	Subject Matter Expertise	Distribution Footprint	World-Class AI Talent	\$100M+ Organic AI Investment per Year	M&A Capital Focus on AI
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# Q&A

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