Direct & Indirect Tax

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Direct and Indirect solutions use powerful technology to provide automation and accuracy and allow Corporations to simplify.

Deep history as a leader in the direct tax software industry combined with cutting edge technology, security and accuracy

A truly complete indirect tax solution – from research to determination and compliance.

"...ONESOURCE processes our company’s global tax data and really eases our workflows..."
### ONESOURCE Direct & Indirect Tax

Corporate Tax Departments are Tasked with Compliance in Two Key Areas

#### What is Being Taxed?

<table>
<thead>
<tr>
<th>DIRECT TAX</th>
<th>INDIRECT TAX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes on Corporate Income</td>
<td>Taxes on Production &amp; Imports</td>
</tr>
<tr>
<td>Income Tax</td>
<td>Sales &amp; Use Tax (US)</td>
</tr>
<tr>
<td>Tax Provision</td>
<td>Excise Taxes (for key industries)</td>
</tr>
<tr>
<td>Uncertain Tax Position</td>
<td>Value Added Tax (outside US)</td>
</tr>
<tr>
<td>Statutory Reporting</td>
<td>Cross-border Taxes</td>
</tr>
</tbody>
</table>

#### Why This is Important?

<table>
<thead>
<tr>
<th>Region</th>
<th>Direct Tax as % of GDP</th>
<th>Indirect Tax as % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>1.0%</td>
<td>~$206B</td>
</tr>
<tr>
<td>Europe</td>
<td>2.8%</td>
<td>~€318B</td>
</tr>
<tr>
<td>US</td>
<td>~$1.4T</td>
<td>7.0%</td>
</tr>
<tr>
<td>Europe</td>
<td>~€1.5T</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

Direct & Indirect Taxes remitted by Corporations are a significant source of government revenue

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(1) 2018 data; US figures from Bureau of Economic Analysis; Europe figures via Eurostat

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(Taxes and Related Reporting)
ONESOURCE Direct & Indirect Tax
Market Trends – Prevailing Tailwinds Provide **New** Growth Opportunities

### Attractive Size & CAGR\(^{(1)}\) in Corporate Tax

- Est. $2B Market Segment
- Growing ~9%

### Direct Tax Competitive Position

- **Broadest range** of Direct Tax solutions with a **global** footprint
- Recognized for system **resiliency** in busy tax filing season
- Agility in **capturing changes** to US and international Direct Tax laws

### Indirect Tax Competitive Position

- Secure, **multitenant cloud** solution supports customer sales velocity
- **One-stop solution** to Indirect Tax and Global Trade compliance needs
- Acknowledged for **depth and breadth** of Indirect Tax content

### Select other Direct Tax providers

- corptax®
- insightsoftware
- ORACLE

### Select other Indirect Tax providers

- Avalara
- VERTEX
- SOVOS
- TaxJar®

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\(^{(1)}\) Estimated current vended market segment in select global jurisdictions with high tax complexity and higher propensity to adopt tax automation
Corporate demand for Direct Tax solutions will persist

- Direct tax complexity arising from scrutiny on foreign taxes paid and MNC profit allocation
- Regulatory changes like the proposed OECD global Corporate Tax blueprint
- Technology transformation in the form of Corporate embrace of SaaS solutions
- Cost pressure at Corporations e.g., expected to do more and deliver more insights with less

Customer needs in Indirect Tax automation continue to grow

- Indirect tax complexity where tax admins are seeking more and different kinds of real-time data
- Focus on enforcement especially on remote sellers as a mechanism to narrow budget gaps
- Changing buyer trends leading to acceleration of ecommerce and resulting indirect tax implications
- Enterprise systems like various ERPs, CRMs, point-of-sale need to be integrated with indirect tax
ONESOURCE Direct & Indirect Tax
Well Positioned to Solve Corporate Customers’ Evolving Tax Needs

Organic Revenue Growth Drivers

- **Refined Go-To-Market**
  - Focus on customer retention
  - Execute on cross-sell
  - Accelerate digital channel, especially in SMB

- **Product innovation**
  - Enhance 3rd party connectors and APIs
  - Continue to modernize architecture and enable improved data connectivity
  - Roll out edge computing capabilities

- **Partnerships**
  - Leverage Certified Implementer Program partners
  - Build partnerships with enterprise technology companies

Benefits of Transition to Operating Company

- **Digital as a significant contributor to sales & renewals & Improved Customer Experience**

- **More targeted, integrated set of products, modular entitlement & single customer ID that drive valuable outcomes for customers**

- **Secure, modernized & simplified technology architecture & operations**

- **Self-replenishing pipeline of world-class internal talent**