

**Public offer to the shareholders of
Pagero Group AB (publ)**



IMPORTANT INFORMATION

General

On 13 December 2023, Vertex, Inc., through the wholly owned subsidiary Goldcup 34190 AB, reg. no. 559457-8444 ("**Vertex**"), announced a public offer to acquire all shares in Pagero Group AB (publ), reg. no. 559189-9173, ("**Pagero**" or "**Company**"), in accordance with the conditions set out in this offer document ("**Offer**").

The Offer, as well as the agreements entered into between Vertex and Pagero's shareholders as a result of the Offer, shall be governed by and construed in accordance with substantive Swedish law. Any dispute regarding the Offer, or which arises in connection therewith, shall be exclusively settled by Swedish courts, and the Stockholm District Court (Sw. *Stockholm tingsrätt*) shall be the court of first instance. The Stock Market Self-Regulation Committee's (Sw. *Aktiemarknadens Självregleringskommitté*) Takeover rules for certain trading platforms ("**Takeover Rules**") and the Swedish Securities Council's (Sw. *Aktiemarknadsnämnden*) rulings regarding the interpretation and application of the Takeover Rules, including, where applicable, the Swedish Securities Council's rulings and statements on the interpretation and application of the formerly applicable Rules on Public Offers for the Acquisition of Shares issued by the Swedish Industry and Commerce Stock Exchange Committee (Sw. *Näringslivets Börskommitté*) are applicable to the Offer.

In connection with the Offer, Vertex has prepared an offer document in Swedish and this is the English translation thereof ("**Offer Document**"). In the event of any discrepancy in content between the Swedish version and this English version, the Swedish version shall prevail. The information in the Offer Document is intended to be accurate, although not complete, only as of the date of the announcement of the Offer Document. It is not implied that the information has been or will be accurate at any other time. Except as required by the Takeover Rules or applicable rules, law or regulations, Vertex expressly disclaims any obligation or undertaking to publicly announce updates, revisions or amendments regarding the Offer Document. The information in the Offer Document is provided solely with respect to the Offer and is not permitted to be used for any other purpose.

The information regarding Pagero on pages 21 – 70 in the Offer Document is based on information made public by the Company, and has been reviewed by the Bid Committee of Pagero. Vertex does not guarantee and takes no responsibility for the information included herein with respect to Pagero, nor does it provide any confirmation that such information is accurate and complete, other than as according to applicable law. No information in the Offer Document has been reviewed or audited by any auditor.

Greenhill & Co., LLC ("**Greenhill**") is acting as financial adviser, exclusively for Vertex and no one else in connection with the Offer and will not regard any other person as their client in relation to the Offer. Greenhill will not be responsible to anyone other than Vertex for providing the protections afforded to its clients or its affiliates' clients, nor for providing advice in relation to the Offer or any other matter or arrangement referred to herein.

The figures reported in the Offer Document have been rounded as appropriate. This implies that some tables may not sum up correctly. All information regarding shareholdings in Pagero is based on 161,167,486 shares.

Forward looking information

Statements in this Offer Document relating to future status and circumstances, including statements regarding future performance, growth and other projections as well as benefits of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as "anticipates", "expects", "believes", or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Actual results may differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Vertex. Any such forward-looking statements speak only as of the date on which they were made and Vertex has no obligation (and undertakes no such obligation) to update or revise any of them, whether as a result of new information, future events or otherwise, except for in accordance with applicable laws and regulations.

Offer restrictions

The Offer is not being made, and this Offer Document may not be distributed, directly or indirectly in or into, nor will any tender of shares be accepted from or on behalf of holders in Australia, Belarus, Canada, Hong Kong, India, Japan, New Zealand, Russia, Singapore, South Africa, Switzerland or any other jurisdiction in which the making of the Offer, the distribution of this Offer Document or the acceptance of any tender of shares would contravene applicable laws or regulations or require further offer documents, filings or other measures in addition to those required under Swedish law. Shareholders should refer to the offer restrictions included in the section titled "*Offer restrictions*" on page 74.

The Offer, the information and documents contained in this Offer Document are not being made and have not been approved by an authorized person for the purposes of section 21 of the UK Financial Services and Markets Act 2000 ("**FSMA**"). Accordingly, the information and documents contained in this Offer Document are not being distributed to, and must not be passed on to, the general public in the United Kingdom except where there is an applicable exemption. The communication of the information and documents contained in this Offer Document is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is a communication by or on behalf of a body corporate which relates to a transaction to acquire day to day control of the affairs of a body corporate; or to acquire 50 percent or more of the voting shares in a body corporate, within article 62 of the UK Financial Service and Markets Act 2000 (Financial Promotion) Order 2005.

Shareholders in the United States should also refer to the section titled "*Special notice to the shareholders in the United States*" on page 76.

Table of contents

Public offer to the shareholders of Pagero	4
Background and reasons	7
Recommendation from the Bid Committee of Pagero	9
Fairness opinion from EY	14
Terms and conditions	16
Description of Vertex, Inc. and Vertex	20
Description of Pagero	21
Selected historical financial information	23
Share capital and ownership structure	31
Articles of association of Pagero	34
Board of directors, senior executives and auditor	36
Pagero's interim report for the period 1 January – 30 September 2023.....	44
Statement from the Bid Committee of Pagero.....	71
Swedish tax considerations	72
Offer restrictions.....	74
Special notice to the shareholders in the United States.....	76
Addresses.....	78

THE OFFER IN BRIEF

The Offer Price	SEK 36 in cash per share in Pagero
Acceptance period	15 December 2023 – 23 January 2024
Commencement of settlement	On or about 1 February 2024

Public offer to the shareholders of Pagero

The Offer

On 13 December 2023, Vertex, Inc., through the wholly owned subsidiary Goldcup 34190 AB, reg. no. 559457-8444, ("**Vertex**"), announced a public offer to the shareholders of Pagero Group AB (publ), reg. no. 559189-9173, ("**Pagero**" or "**Company**") to tender all shares in Pagero at a price of SEK 36 per share ("**Offer**"). The shares of Pagero are admitted to trading on Nasdaq First North Growth Market under the ticker PAGERO.

Offer Price and premiums

Vertex offers SEK 36 in cash per share in Pagero ("**Offer Price**"). The Offer values all shares in Pagero at approximately SEK 5.8 billion (based on 161,167,486 shares in Pagero).

The Offer Price represents a premium of approximately:

- 71.4 percent compared to the closing price of the Pagero share on Nasdaq First North Growth Market on 12 December 2023 (which was the last trading day prior to the announcement of the Offer) of SEK 21.0;
- 77.1 percent compared to the volume weighted average price of the Pagero share on Nasdaq First North Growth Market during the latest 30 trading days up to and including 12 December 2023 of SEK 20.3; and
- 97.9 percent compared to the volume weighted average price of the Pagero share on Nasdaq First North Growth Market during the latest 90 trading days up to and including 12 December 2023 of SEK 18.2.

No commission will be charged by Vertex in respect of the settlement of the shares in Pagero tendered to Vertex under the Offer. Vertex will neither increase the Offer Price nor purchase any Pagero share at a price exceeding the Offer Price during the Offer or following the completion of the Offer, provided, however, that this statement shall not apply if a competing offer is announced.

Total value of the Offer

The Offer values all shares in Pagero at approximately SEK 5.8 billion (based on 161,167,486 shares in Pagero). If Pagero distributes dividends or makes any other value transfer prior to the settlement of the Offer, Vertex reserves the right to adjust the Offer Price accordingly or invoke completion condition 7 set out under "*Terms and conditions - Conditions for completion of the Offer*" below.

Financing of the Offer

Completion of the Offer is not subject to any financing condition.

The consideration payable in respect of the Offer is fully secured by funds which Vertex, Inc. has undertaken to contribute to Vertex. Vertex, Inc.'s undertaking to contribute funds is fully secured by (1) an undertaking by certain investors to provide funds in connection with the purchase of convertible preferred stock of Vertex, Inc., (2) amounts available under Vertex, Inc.'s revolving credit facility and (3) cash on hand.

Conflicts of interest

Summa Equity (through Våluggen Invest AB) and Bengt Nilsson (through Greenfield AB and Norelia AB) together representing approximately 40.4 percent of the shares in Pagero, have irrevocably undertaken to accept the Offer. As such, Birger Steen and Christian Melby (who each has close connections with Summa Equity) and Bengt Nilsson (who is closely related to Greenfield AB and Norelia AB), who are members of the board of directors of Pagero, have not participated and will not participate in Pagero's evaluation of or decision on the Offer. Instead, an independent bid committee has been formed, consisting of the remaining

members of the board of directors in the Company; Fredrik vom Hofe, Karin Sandsjö, Mats Ryding and Marianne K. Knudsen that will represent the Company in connection with the Offer ("**Bid Committee**") and to assess the Offer and to make decisions in relation to the Offer. For more information about the undertakings, please see "*Undertakings from shareholders in Pagero to accept the Offer*" below.

Recommendation by the Bid Committee of Pagero

The Bid Committee of Pagero has assessed the Offer and informed Vertex that it has unanimously resolved to recommend the shareholders of Pagero to accept the Offer. The Bid Committee of Pagero has further obtained a fairness opinion from EY, according to which the Offer is fair for Pagero's shareholders from a financial perspective, based on, and under the conditions stated in the fairness opinion.

Warrants under Pagero's incentive program

The Offer does not include warrants issued by Pagero under Pagero's incentive program. Vertex intends to ensure that the holders of the warrants are afforded reasonable treatment in connection with the Offer.

Vertex's ownership in Pagero

Neither Vertex nor any closely related companies or closely related parties own any shares or other financial instruments in Pagero that give financial exposure to Pagero's shares at the time of this Offer Document, nor has Vertex or any closely related companies or closely related parties acquired or taken measures to acquire any shares in Pagero or any financial instruments that give financial exposure to Pagero's shares during the six months preceding the announcement of the Offer. For information about the irrevocable undertakings by Summa Equity (through Vålåuggen Invest AB) and Bengt Nilsson (through Greenfield AB and Norelia AB), please see "*Undertakings from shareholders in Pagero to accept the Offer*" below.

In accordance with applicable rules, Vertex may acquire, or enter into agreements to acquire, shares in Pagero (or any securities in Pagero that are convertible into, exchangeable for or exercisable for such shares) outside the Offer. Any purchases made or arranged will be in accordance with applicable law and the Takeover Rules and will be disclosed in accordance with applicable rules.

Undertakings from shareholders in Pagero to accept the Offer

The following shareholders of Pagero have undertaken to accept the Offer:

- Summa Equity (through Vålåuggen Invest AB) representing 51,976,150 shares, corresponding to approximately 32.2 percent of the shares and votes in Pagero; and
- Bengt Nilsson (through Greenfield AB and Norelia AB) representing 13,211,400 shares, corresponding to approximately 8.2 percent of the shares and votes in Pagero.

The irrevocable undertakings by Summa Equity (through Vålåuggen Invest AB) and Bengt Nilsson (through Greenfield AB and Norelia AB) are hereinafter referred to as "**Undertakings**". In aggregate, 65,187,550 shares in Pagero are subject to the Undertakings, representing approximately 40.4 percent of the shares and votes in Pagero.

The Undertakings are conditional upon no other party announcing a competing offer not later than six business days prior to the expiry of the acceptance period in the Offer (or, in the event of any extensions thereof, not later than six business days prior to the expiry of any such extended acceptance period), at a price per share exceeding the Offer Price and Vertex does not within five business days of the announcement of such competing offer announce an increase of the Offer Price so that the increased offer price per share under the Offer matches or exceeds the offer price per share under such competing offer.

Due diligence

In connection with the preparations for the Offer, Vertex has conducted a customary due diligence review regarding commercial, financial and legal information in relation to Pagero, and in connection therewith met

with Pagero's management team. Pagero has confirmed that no inside information regarding Pagero has been disclosed to Vertex during the due diligence review.

Approvals from authorities

Completion of the Offer is conditional upon, among other things, the receipt of all necessary regulatory, governmental or similar clearances, approvals and decisions, in each case in terms that, in Vertex's opinion, are acceptable (please see "*Conditions for completion of the Offer*" below).

Vertex expects that all necessary approvals from authorities will be obtained before the expiration of the acceptance period.

Applicable law and disputes

The Offer, as well as the agreements entered into between Vertex and Pagero's shareholders as a result of the Offer, shall be governed by and construed in accordance with substantive Swedish law. Any dispute regarding the Offer, or which arises in connection therewith, shall be exclusively settled by Swedish courts, and the Stockholm District Court (Sw. *Stockholm tingsrätt*) shall be the court of first instance. The Stock Market Self-Regulation Committee's (Sw. *Aktiemarknadens Självregleringskommitté*) Takeover rules for certain trading platforms ("**Takeover Rules**") and the Swedish Securities Council's (Sw. *Aktiemarknadsnämnden*) rulings regarding the interpretation and application of the Takeover Rules, including, where applicable, the Swedish Securities Council's rulings and statements on the interpretation and application of the formerly applicable Rules on Public Offers for the Acquisition of Shares issued by the Swedish Industry and Commerce Stock Exchange Committee (Sw. *Näringslivets Börskommitté*) are applicable to the Offer.

Advisers

Vertex has engaged Greenhill & Co., LLC as financial adviser and DLA Piper as legal adviser, as to matters of Swedish and US law, in connection with the Offer.

Background and reasons

Pagero provides a Smart Business Network that connects buyers and sellers for automated, compliant, and secure exchange of orders, invoices, payment instructions and other business documents. The Company's self-developed network is purpose-built to integrate quickly and easily with its customers' existing systems for secure and seamless communication with suppliers and customers, regardless of formats or service providers used. With an open network and a wide range of value-added applications, Pagero helps businesses streamline their order-to-cash and purchase-to-pay processes while unlocking the full potential of accurate and reliable business data. Headquartered in Gothenburg, Sweden, with offices located worldwide, Pagero employs over 850 professionals serving large, medium, and small companies across the globe. In 2022, Pagero generated approximately SEK 600.1 million in net sales (approximately USD 57.4¹ million).

Vertex, Inc. is a leading global provider of enterprise tax technology solutions. The company's mission is to deliver the most trusted tax technology enabling global businesses to transact and comply with taxing jurisdictions worldwide. Vertex, Inc. provides solutions that can be tailored to specific industries for major lines of indirect tax, including sales and consumer use, value-added and payroll tax. Headquartered in North America, with offices in Latin America and Europe, Vertex, Inc. employs over 1,400 professionals serving companies across the globe. In 2022, Vertex, Inc. generated approximately USD 491.6 million in total revenues.

With the rise of real-time and near-real time digital tax reporting requirements, e-invoicing has quickly become a necessity for businesses trading in multiple jurisdictions. The development of compliance requirements in Latin America and the rapid emergence of new and proposed e-invoicing mandates across Europe, Asia-Pacific and the Middle East underlines the growing need for digitization of indirect taxes. This dynamic shift is driving the expansion of global compliance requirements across the world.

Vertex, Inc. and Pagero share a global vision in supporting businesses to grow and comply in any jurisdiction, which when combined, positions both organizations for success. Vertex, Inc. has followed Pagero's development with great interest and is impressed by the Company's ability to operate on a global scale, consistently expand its customer base and improve business regulatory compliance in numerous countries worldwide. The partnership between the two companies announced in October 2023 has provided Vertex, Inc. with a deeper insight into Pagero's executive team. The talent, passion, commitment, and experiences of Pagero's team in realizing the Company's vision have been evident in every interaction to date.

Vertex, Inc. strongly believes in the strategic logic of a combination between Vertex, Inc. and Pagero to enable the realization of a leading end-to-end compliance solution that simplifies indirect tax compliance and streamlines Continuous Transaction Controls ("CTC") requirements. The combined solution enables tax, finance, and IT departments direct access to data for CTC, and unlocks e-invoice clearance, real-time reporting and Peppol access. Additionally, it enables electronic B2B and B2G compliance as well as document and data exchange. Vertex, Inc. is the global leader in indirect tax and Pagero has built an open platform that positions it to be a leader in e-invoicing. By linking Vertex, Inc.'s customer base and market position to the capabilities Pagero has built, the companies would together enhance and differentiate their offering to both new and existing customers. Today, Pagero supports a network of approximately 14 million companies across 140 countries. The business' opportunity is rapidly expanding as more than 50 countries have currently adopted or are expected to adopt CTC mandates. The combination would immediately enhance Vertex, Inc.'s already strong growth profile and drive accelerated expansion opportunities in Europe and internationally over time. In addition, Vertex, Inc. sees strong revenue synergies with upsell and cross-sell potential for both Pagero and Vertex, Inc. solutions. Vertex, Inc. expects the acquisition of Pagero to accelerate the company's pro-forma top-line growth by nearly 200 basis points, with a near term path to profit margin expansion. Pagero is expected to be accretive to Vertex, Inc.'s margins in the second full year after completion of the Offer, with additional opportunity to increase revenue synergies and cost benefits. By extending its leadership into e-invoicing

¹ Based on the exchange rate of 10.46 SEK per USD on 12 December 2023.

through Pagero, Vertex, Inc. expects to expand its market opportunity from USD 22 billion to nearly USD 28 billion.

Vertex recognizes that the employees and executive team of Pagero have built an exceptionally successful business with a strong track record. The partnering efforts to date have been essential in gauging the cultural compatibility between both organizations and have forged strong connections across multiple teams, which will prove beneficial as the two companies collaborate on integration. Vertex currently does not plan to carry out any significant changes affecting Pagero's employees and management or the locations in which Pagero operates.

For further information, please refer to the information in this Offer Document, which has been prepared by the board of directors of Vertex in relation to the Offer. The description of Pagero on pages 21 – 70 in this Offer Document has been reviewed by the Bid Committee of Pagero. The board of directors of Vertex assures that, to the best of their knowledge, the information in this Offer Document regarding Vertex conforms with the actual conditions.

Stockholm, 14 December 2023

Vertex

The board of directors



Statement by the independent bid committee of Pagero in relation to the public offer from Vertex

13 December 2023

The independent bid committee of the Board of Directors of Pagero unanimously recommends the shareholders of Pagero to accept the public offer made by Vertex.

Background

This statement is made by the independent bid committee¹ (the "Bid Committee") of the Board of Directors of Pagero Group AB (publ) ("Pagero" or the "Company") pursuant to section II.19 of the Takeover rules for certain trading platforms (the "Takeover Rules").

Vertex Inc., through the wholly-owned subsidiary Goldcup 34190 AB ("Vertex") has today, through a press release, announced a public offer to the shareholders of Pagero to acquire all outstanding shares in Pagero (the "Offer"). Vertex offers the shareholders in Pagero a cash consideration of SEK 36 for each share in Pagero (the "Offer Price").

The total value of the Offer, based on all outstanding 161,167,486 shares in Pagero, amounts to approximately SEK 5.8 billion and the Offer Price represents a premium of:

- 71.4 per cent compared to the closing price of the Pagero share on Nasdaq First North Growth Market on 12 December 2023 (which was the last trading day prior to the announcement of the Offer) of SEK 21.0,
- 77.1 per cent compared to the volume-weighted average price of the Pagero share on Nasdaq First North Growth Market during the latest 30 trading days up to and including 12 December 2023 of SEK 20.3, and
- 97.9 per cent compared to the volume-weighted average price of the Pagero share on Nasdaq First North Growth Market during the latest 90 trading days up to and including 12 December 2023 of SEK 18.2.

Vertex has stated that it will neither increase the Offer Price nor purchase any Pagero shares at a price exceeding the Offer Price during the Offer or following the completion of the Offer, provided, however, that this statement shall not apply if a competing offer is announced.

¹ Summa Equity has undertaken towards Vertex to accept the Offer in relation to all shares Summa Equity holds (indirectly via Vålåuggen Invest AB) in Pagero and Pagero's board members Birger Steen and Christian Melby each has close connections with Summa Equity. Pagero's CEO and board member Bengt Nilsson has also undertaken towards Vertex to accept the Offer in relation to all shares he holds (indirectly via Greenfield AB and Norelia AB) in Pagero. Taking into account the contractual relationship between Vertex and Bengt Nilsson and Summa Equity respectively and the Takeover Rules, neither Bengt Nilsson, Birger Steen nor Christian Melby have participated, or will participate, in Pagero's board of director's handling of or decisions in matters related to the Offer.

The acceptance period of the Offer is expected to commence on or around 15 December 2023 and end on or around 23 January 2024.

Completion of the Offer is conditional upon, inter alia, the Offer being accepted to the extent that Vertex becomes the owner of more than 90 per cent of the shares in Pagero (on a fully diluted basis) and that, with respect to the Offer and the acquisition of Pagero, all necessary regulatory, governmental or similar clearances, approvals and decisions, including approvals from competition authorities, have been obtained, in each case on terms which, in Vertex's opinion, are acceptable. Vertex has reserved the right to fully or partially waive these conditions and other conditions for completion of the Offer.

The Bid Committee has, upon written request by Vertex, allowed Vertex to conduct a limited due diligence review of Pagero in connection with the preparations for the Offer. In connection with this review, Vertex has met with Pagero's management. Vertex has not received any inside information from Pagero in connection with its due diligence review.

For further information regarding the Offer, please refer to the press release announced by Vertex today and the offer document in respect of the Offer, which will be published before the acceptance period commences.

The Bid Committee has retained Lazard as financial advisor and Cederquist as legal advisor in connection with the Offer. The Bid Committee has also obtained a fairness opinion regarding the Offer from EY. The fairness opinion is attached to this statement.

The Bid Committee's recommendation

Board members Bengt Nilsson, Birger Steen and Christian Melby have, due to undertakings to accept the Offer which cause a conflict of interest, not participated and will not participate in the board of directors' handling of, or decisions on, matters related to the Offer. Instead, an independent bid committee has been formed, consisting of the four remaining board members Fredrik vom Hofe, Karin Sandsjö, Mats Ryding and Marianne K. Knudsen. Fredrik vom Hofe is the chairman of the Bid Committee.

In evaluating the Offer, the Bid Committee has considered a number of factors which the committee considers relevant. These factors include, but are not limited to, Pagero's current strategic and financial position, the Company's share price development since IPO, prevailing market conditions and operational opportunities and challenges, the Company's expected future development and opportunities and risks related thereto. The Bid Committee has considered valuation methods normally used to evaluate public offers for listed companies, including how the Offer values Pagero in relation to comparable listed companies and comparable transactions, bid premiums in previous public takeover offers, the stock market's expectations regarding the Company and the Bid Committee's view of the Company's value based on its expected future cash flows.

The Bid Committee has full confidence in management's ability to execute on Pagero's current strategy and to deliver on the Company's financial targets and acknowledges the Company's

achievements to date, but also recognizes that there are risks related thereto. With a new strategic owner, the Company can benefit from being part of an enlarged group, to accelerate the Company's scale-up.

The Bid Committee notes that the Offer represents a premium of approximately 71.4 per cent compared to the closing price of the Pagero share on 12 December 2023 (which was the last trading day prior to the announcement of the Offer), a premium of approximately 77.1 per cent compared to the volume-weighted average price of the Pagero share during the latest 30 trading days prior to the announcement of the Offer, and a premium of approximately 97.9 per cent compared to the volume-weighted average price of the Pagero share during the latest 90 trading days prior to the announcement of the Offer. The Bid Committee also notes that the price per share in the Offer represents a premium of 50.0 per cent in relation to the IPO price of SEK 24 for the Pagero share on Nasdaq First North Growth Market on 22 October 2021.

Following the IPO in 2021, there have been takeover discussions with other strategic and financial acquirors, and the Bid Committee notes that the Board of Directors has declined offers substantially below the price of SEK 36 per share in the Offer.

The Bid Committee has also considered that the Company's largest shareholder Summa Equity² as well as its second largest shareholder and CEO Bengt Nilsson³, that in total hold approximately 40.4 per cent of the outstanding shares and votes in Pagero, have irrevocably undertaken to accept the Offer under certain conditions⁴.

The fairness opinion provided by EY at the request of the Bid Committee states that the Offer, as of the date of the opinion, from a financial point of view is fair to Pagero's shareholders, based on, and under the conditions stated in the fairness opinion. EY's fee for the engagement is fixed and does not depend on the size of the Offer Price or to what extent the Offer will be accepted or whether or not the Offer is completed.

The Bid Committee considers the terms of the Offer at such levels that the overall assessment is that the consideration in the Offer will adequately compensate the Company's shareholders, also taking into account the time it takes to implement the Company's business plan, and thereto related risks. The Bid Committee also notes that from a financial point of view the Offer is fair as expressed in EY's fairness opinion.

On this basis, the Bid Committee unanimously recommends the shareholders of Pagero to accept the Offer.

² Through Vålåuggen Invest AB.

³ Through Greenfield AB and Norelia AB.

⁴ The undertakings are conditional on no other party announcing a competing offer not later than six business days prior to the expiry of the acceptance period in the Offer (or, in the event of any extensions thereof, not later than six business days prior to the expiry of any such extended acceptance period), at a price per share exceeding the Offer Price and Vertex does not within five business days of the announcement of such competing offer announce an increase of the Offer so that the increased offer price per share under the Offer matches or exceeds the offer price per share under such competing offer.

Impact on Pagero and its employees

Under the Takeover Rules, the Bid Committee shall, based on the statements made by Vertex in its announcement of the Offer, present its opinion regarding the impact that the implementation of the Offer may have on Pagero, particularly in terms of employment, and its opinion regarding Vertex's strategic plans for Pagero and the effects it is anticipated that such plans will have on employment and on the places in which Pagero conducts its business. In its offer announcement, Vertex has stated the following in respect of the employees and management of Pagero:

"Vertex recognizes that the employees and executive team of Pagero have built an exceptionally successful business with a strong track record. The partnering efforts to date have been essential in gauging the cultural compatibility between both organizations and have forged strong connections across multiple teams, which will prove beneficial as the two companies collaborate on integration. Vertex currently does not plan to carry out any significant changes affecting Pagero's employees and management or the locations in which Pagero operates."

The Bid Committee assumes that this description is accurate and has in relevant aspects no reason to take a different view.

This statement shall in all respects be governed by and construed in accordance with Swedish law. Disputes arising from this statement shall be settled exclusively by Swedish courts.

Gothenburg, 13 December 2023

Pagero Group AB (publ)

The Bid Committee

For more information, please contact:

Fredrik vom Hofe, Deputy chairman of the board of directors and chairman of the Bid Committee
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This information is information that Pagero Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was submitted for publication, through the agency of the contact persons set out above, at 07.15 CET on 13 December 2023.

This statement has been made in a Swedish and English version. In case of any discrepancies between the Swedish and the English version, the Swedish version shall prevail.

About Pagero

Pagero provides a Smart Business Network that connects buyers and sellers for automated, compliant, and secure exchange of orders, invoices, payment instructions and other business documents. With an open network and a wide range of value-added apps, Pagero helps businesses streamline their order-to-cash and purchase-to-pay processes while unlocking the full potential of accurate and reliable business data. All of this, regardless of location, industry, size or systems.

Pagero's share is traded on Nasdaq First North Growth Market under ticker PAGERO and ISIN SE0016830517.

Carnegie Investment Bank AB (publ) is Certified Adviser.

Find out more on www.pagero.com.

Fairness opinion from EY



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Attn: Fredrik vom Hofe / Bid Committee
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404 21 Göteborg
Sweden

12 December 2023

Fairness opinion regarding bid for all outstanding shares in Pagero Group AB (publ)

Pagero Group AB (publ) (the “Company” or “Pagero”) has received a public takeover bid for all outstanding shares in Pagero for a cash consideration of SEK 36.0 per share (the “Offer”).

Pagero has engaged Ernst & Young AB (“EY”) as an independent valuation expert for the purpose of issuing an assessment of the fairness of the Offer from a financial point of view for the shareholders of Pagero (“Fairness Opinion”).

In order to provide this Fairness Opinion, we have performed the analyses deemed necessary, giving consideration, *inter alia*, to the following information:

- Historical development of Pagero’s share price and valuation multiples.
- Public financial reports from Pagero, including revenue and profitability targets for FY25.
- Non-public financial information regarding Pagero, such as a latest estimate for FY23 and a budget for FY24.
- Independent equity analyst reports.
- Public information about comparable companies and comparable transactions.
- Interviews with the Pagero’s management.

In addition, we have performed the value calculations and financial analyses that we have deemed necessary to provide the opinion below.

In our assessment we have relied upon the correctness and completeness of the information provided by Pagero without independent verification. We are not responsible for conclusions based on erroneous or incomplete information provided to us.

Our assignment was finalized on 12 December 2023. Events or information occurring after this date have not been subject to consideration.

EY has been retained by the Company to provide this Fairness Opinion in connection with the Offer and will receive a fixed fee for its services. EY’s fee is not contingent upon, or related to, the size of the Offer consideration, or whether the Offer is accepted or not.

We are providing this Fairness Opinion to Pagero who may use this document only in its entirety in the communication with the shareholders of Pagero concerning the Offer. Our opinion expressed below must not be construed as a recommendation as to whether the shareholders of Pagero should accept the Offer.

Based on the work performed by EY, and on the statements above, we are of the opinion that the Offer, on the date of issue of this document, is fair from a financial point of view for the shareholders of Pagero.

Yours sincerely,

Johan Schult
Partner
Ernst & Young AB

Terms and conditions

The Offer

The Offer Price is SEK 36 in cash per share in Pagero.

The Offer values all outstanding shares in Pagero at approximately SEK 5.8 billion (based on 161,167,486 shares in Pagero).

If Pagero distributes dividends or makes any other value transfer prior to the settlement of the Offer, Vertex reserves the right to adjust the Offer Price accordingly or invoke completion condition 7 set out under "*Conditions for completion of the Offer*" below.

No commission

No commission will be charged by Vertex in respect of the settlement of the shares in Pagero tendered to Vertex under the Offer.

Conditions for completion of the Offer

The completion of the Offer is conditional upon that:

1. the Offer is accepted to the extent that Vertex becomes the owner of more than 90 percent of the shares in Pagero (on a fully diluted basis);
2. with respect to the Offer and the acquisition of Pagero, all necessary regulatory, governmental or similar clearances, approvals and decisions, including approvals from competition authorities, have been obtained, in each case on terms which, in Vertex's opinion, are acceptable;
3. another public offer to acquire shares in Pagero is not published on terms that are more favorable to Pagero's shareholders than the terms of the Offer;
4. neither the Offer nor the acquisition of Pagero, wholly or partly, is prevented or significantly impeded due to legislation or other regulations, court ruling or order, authority decisions, or any similar circumstance which is present or can reasonably be expected, that is outside of Vertex's control and which Vertex could not reasonably have foreseen at the time of the announcement of the Offer;
5. no circumstances having occurred which could have a material adverse effect or could reasonably be expected to have a material adverse effect on Pagero's financial position, business or operation, including Pagero's sales, results, liquidity, equity ratio, equity or assets;
6. no information published by Pagero or provided by Pagero to Vertex is materially incorrect, incomplete or misleading, and that Pagero has published all information that is due to have been published; and
7. Pagero does not take any measures which are likely to impair the prerequisites for making or completing the Offer.

Vertex reserves the right to withdraw the Offer in the event it becomes clear that any or all of the above conditions are not satisfied or cannot be satisfied. However, with regard to condition 2-7 the Offer may only be withdrawn provided that the non-satisfaction of such condition is of material importance to Vertex's acquisition of the shares in Pagero or if it is accepted by the Swedish Securities Council.

Vertex reserves the right to fully or partially waive one or more or all of the above conditions and, with respect to condition 1, to complete the Offer at a lower level of acceptance.

Acceptance

Directly registered holdings

Shareholders of Pagero whose shares are directly registered with Euroclear Sweden AB ("**Euroclear**") and who wishes to accept the Offer shall, during the period from and including 15 December 2023 up to and including 23 January 2024 at 17:00 CET, sign and submit a duly completed acceptance form to Aktieinvest FK AB ("**Aktieinvest**"), acting as settlement agent for the Offer, at the address stated on the acceptance form or by email to emittentservice@aktieinvest.se.

The acceptance form must be sent by email to emittentservice@aktieinvest.se or sent by post in due time prior to the last date of the acceptance period, and be received by Aktieinvest not later than on 23 January 2024 at 17:00 CET.

Acceptance forms will be distributed to shareholders whose ownership in Pagero is registered in their own name with Euroclear. The securities account and details on the relevant shareholding in Pagero as of 14 December 2023 will be found on the pre-printed acceptance form. The person who completes and submits the acceptance form is responsible for ensuring that the pre-printed information on the acceptance form is correct.

Please note that an acceptance form that is missing mandatory information or otherwise is incorrectly completed may be disregarded. No amendments may be made in the pre-printed text on the acceptance forms.

Nominee registered holdings

Shareholders of Pagero whose shares are registered in the name of a nominee will not receive any pre-printed acceptance form. Any acceptance of the Offer should in such event be made in accordance with instructions from the nominee.

Pledged shares

If shares in Pagero are pledged in Euroclear's system, both the shareholder and the pledgee must sign the acceptance form and confirm that the pledge will be terminated if the Offer is completed. Those who are included in the list of pledgees and trustees will not receive an acceptance form but will instead be notified separately. The pledge of the relevant shares must be deregistered in Euroclear's system at the time of the delivery of the shares to Vertex.

Shareholders resident in certain restricted territories

Acceptances of the Offer by persons who are resident outside of Sweden may be restricted due to the securities legislation in such jurisdictions, or due to other compliance reasons. Please refer to "*Important information*" above and the acceptance form.

Acceptance form

The Offer Document and an acceptance form will be available at Vertex's website (<https://pagero.vertexinc.com/>) and Aktieinvest's website (www.aktieinvest.se/emission/pagero).

Acceptance period

The acceptance period commences on 15 December 2023 and expires on 23 January 2024. Vertex reserves the right to extend the acceptance period and to postpone payment of the consideration. Notice of any such extension or postponement will be announced by Vertex through a press release in accordance with applicable laws and regulations (including the Takeover Rules).

Right to withdraw acceptances

Shareholders of Pagero have the right to withdraw their acceptances of the Offer. To be valid, such withdrawal must have been received in writing by Aktieinvest before Vertex announces that the conditions of the Offer have been satisfied, or if such announcement is not made during the acceptance period, not later than on the last day of the acceptance period at 17:00 CET. If the Offer remains conditional upon certain conditions that Vertex has reserved the right to waive during an extension of the Offer, and if Vertex has not waived such conditions, the right to withdraw an acceptance will apply in the same manner throughout any such extension of the Offer.

Shareholders of Pagero whose shares are registered in the name of a nominee and who wish to withdraw their acceptance shall follow the instructions from the nominee.

After Aktieinvest has received and registered a duly completed acceptance form, the shares that have been tendered for sale will be transferred to a newly opened blocked securities account (Sw. *apportkonto*) in the name of the shareholder. In connection therewith, Euroclear will send a statement (Sw. *VP-avi*) showing the number of shares in Pagero that have been withdrawn from the original securities account and a statement showing the number of shares that have been entered into the blocked securities account.

Settlement of consideration

Settlement is expected to be initiated on or about 1 February 2024 for those who have accepted the Offer no later than 17:00 CET on 23 January 2024, provided that the conditions for the Offer has been fulfilled or waived at that time. Settlement will be affected by distribution of settlement notes to those who have accepted the Offer.

Consideration will be paid to the yield account linked to the securities account in which the shares were registered. For shareholders in Pagero who do not have a yield account or whose yield account is incorrect, settlement will be made by a money order. In connection with settlement, the shares will be transferred from the blocked securities account, which subsequently will be terminated. No statement will be sent in connection therewith. If the shareholding is registered in the name of a nominee, settlement will take place through the respective nominee in accordance with their routines. Settlement will take place in accordance with the above procedure also in the event the shares are pledged.

Compulsory redemption and delisting

In the event that Vertex, whether in connection with the Offer or otherwise, becomes the owner of more than 90 percent of the shares in Pagero, Vertex intends to commence a compulsory redemption procedure in respect of the remaining shares in Pagero in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). In connection with such compulsory redemption procedure, Vertex intends to promote a delisting of the shares in Pagero from Nasdaq First North Growth Market.

Important information regarding NID and LEI

According to MiFID II, all investors are required to have a global identification code in order to complete a securities transaction. These requirements mean that legal persons need to apply for registration of a LEI code (Legal Entity Identifier) and natural persons need to know their NID number (National ID or National Client Identifier) in order to be able to accept the Offer. Note that it is the shareholder's legal status that determines whether a LEI code or NID number is required and that the issuing institution may be prevented from performing the transaction for the person in question if the LEI code or NID number (as applicable) is not provided.

Information about handling of personal data

Personal data that is submitted to Aktieinvest, for example contact information and personal identification number, or which is otherwise registered in connection with the preparation or administration of the Offer, will be processed by Aktieinvest (who is the controller) for the administration and execution of the assignment. Personal data is also processed in order to enable Aktieinvest to fulfil its legal obligations.

Personal data may, for the stated purposes and in observance of applicable banking secrecy rules, be disclosed to other companies within the Aktieinvest group or to companies which Aktieinvest cooperates with, within as well as outside the EU/EEA, in accordance with the European Union's approved and appropriate protective measures. In certain cases, Aktieinvest also has a legal obligation to provide information, for example to the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) and the Swedish Tax Agency (Sw. *Skatteverket*).

The Swedish Banking and Financing Business Act (Sw. *lagen (2004:297) om bank- och finansieringsrörelse*) as well as the Swedish Securities Markets Act (Sw. *lagen (2007:528) om värdepappersmarknaden*) contain confidentiality provisions according to which all of Aktieinvest's employees are bound by a duty of confidentiality with regard to clients of Aktieinvest and other parties to whom services are provided. The duty of confidentiality also applies between and within the various companies of the Aktieinvest group.

Information regarding what personal data is processed by Aktieinvest, deletion of personal data, limitation on the processing of personal data, data portability or the rectification of personal data may be requested from Aktieinvest's data protection officer. It is also possible to contact the data protection officer to obtain further information about how Aktieinvest processes personal data. If a person whose personal data is processed wishes to make a complaint regarding the processing of personal data, such person may turn to the Swedish Authority for Privacy Protection (Sw. *Integritetsskyddsmyndigheten*) in its capacity as supervisory authority.

Personal data shall be deleted if it is no longer needed for the purposes for which it was originally collected or otherwise processed, provided that Aktieinvest has no legal obligation to preserve such personal data. The normal storage time for personal data is ten years.

Address to data protection officer:

Aktieinvest FK AB
P.O. Box 7785
SE-103 96 Stockholm, Sweden.

Other information

Aktieinvest performs certain administrative services in respect of the Offer. This does not, in itself, mean that a person accepting the Offer ("**Participant**") will be regarded as a customer of Aktieinvest. If a Participant is not regarded as a customer, the investor protection rules set forth in the Swedish Securities Market Act will not apply to such Participant's acceptance. This means, inter alia, that neither a so-called customer categorization nor a suitability assessment will be carried out in respect of the Offer. Accordingly, the Participant is personally responsible for ensuring that he or she possesses sufficient experience and knowledge to understand the risks associated with the Offer.

Questions regarding the Offer

For further information regarding the Offer, see Vertex's website (<https://pagero.vertexinc.com/>).

Description of Vertex, Inc. and Vertex

Vertex, Inc. (NASDAQ:VERX) is a leading global provider of indirect tax software and solutions that enables global businesses to transact, comply and grow with confidence. Companies with complex tax operations rely on Vertex, Inc. to automate their end-to-end indirect tax processes. Indirect tax is the largest corporate tax category, encompassing, e.g., value-added tax.

Vertex, Inc. has pioneered tax technology for over 40 years and serves a large, diverse, and growing global customer base. Today, Vertex, Inc. has over 4,200 customers, including the majority of the Fortune 500, and provides customers with tax support in over 130 countries. Vertex, Inc.'s software enables tax determination, compliance and reporting, tax data management and document management, and analytics with powerful pre-built integrations to core business applications used by most companies, particularly those applications that have a significant impact on global commerce transactions. Vertex, Inc.'s software is fueled by over 500 million data-driven effective tax rules and supports indirect tax compliance in more than 19,000 jurisdictions worldwide. Vertex, Inc.'s solutions can be deployed in the cloud, on-premise environments, or at the network edge, all with implementation services available to enable optimal customer outcomes and satisfy unique business requirements.

Vertex, Inc. employs over 1,400 professionals serving companies across the globe and generated approximately USD 491.6 million in sales for 2022. Vertex, Inc. is headquartered in Pennsylvania and trades on the NASDAQ under the ticker VERX.

Goldcup 34190 AB is a Swedish private limited company, headquartered in Stockholm, Sweden, directly wholly owned by Vertex, Inc. and was incorporated on 8 November 2023. Goldcup 34190 AB is a holding company.

More information is available on www.vertexinc.com.

Description of Pagero

The following information about Pagero is, unless otherwise stated, based on publicly available information primarily gathered from Pagero's website, the annual report for the financial year 2022, the interim report for 1 January – 30 September 2023 and the prospectus dated 12 October 2021 prepared by Pagero and approved by the Swedish Financial Supervisory Authority ("SFSA") (DNR 21-19989). The information in this section has been reviewed by the Bid Committee of Pagero, please see "Statement from the Bid Committee of Pagero" below.

Business overview

Pagero in brief

Pagero provides a Smart Business Network that connects buyers and sellers for automated, compliant, and secure exchange of orders, invoices, payment instructions and other business documents. With an open network and a wide range of value-added apps, Pagero helps businesses streamline their order-to-cash and purchase-to-pay processes while unlocking the full potential of accurate and reliable business data. All of this, regardless of location, industry, size or systems. Pagero has been listed on Nasdaq First North Growth Market since 22 October 2021.

Vision and business concept

Pagero's vision is to make the buying and selling process easy and convenient for businesses. The purchase-to-pay ("P2P") and order-to-cash ("O2C") processes are today characterized by high complexity and are covered by a huge variety of business systems, specialized solutions and outdated systems using a variety of document formats in different countries that must be adapted to unique laws and protocols for handling e-documents.

Pagero aims to build the world's largest open business network. Today, Pagero operates one of the largest business-to-business ("B2B") networks in the world. Pagero provides a format- and system-agnostic solution for the delivery of digital business documents that enables its customers to meet ever-changing regulations in e-document management. Pagero's open and cloud-based network seamlessly connects buyers, suppliers, partners, banks and governments in order to digitize and automate the P2P and O2C processes, including the communication of order messages, delivery documents, price catalogues, invoices and payments. Pagero's self-developed network is purpose-built to integrate quickly and easily with its customers' existing systems for secure and seamless communication with suppliers and customers, regardless of the formats or service providers used.

In addition to ensuring local compliance, the Pagero network brings benefits to its customers in terms of increased productivity, efficiency and significant cost savings, as well as access to complete and accurate data. Digitization, combined with the ability to validate, correct and visualize data, opens up new opportunities for process automation, increased control and traceability, while reducing risk and delivering sustainability benefits, for example through the reduced use of paper, which has significant positive effects for the environment. To support this, Pagero provides an ecosystem where the network is the core, with seamless integration of value added services and core and third-party applications to bridge the process gaps that organizations experience today.

Pagero's vision and offering continues to gain market share worldwide as the demand for digital business communications grows, catalyzed by regulatory requirements and increasing demands for automation and sustainability. Pagero's technology platform is constantly expanding and new users, services and supported regulatory requirements are added every day. As a result, the value of the service to the customers and partners is continuously increasing. Pagero is in a technology race and the Company's long-term investments ensure that the Company maintains its growth and leading position. By way of example, on 23 October 2023, Pagero and Vertex, Inc. announced a partnership delivering a unified solution for electronic invoicing, Continuous Transaction Controls and indirect tax compliance to customers around the world. The solution enables tax, finance and IT departments direct access to data for CTC, unlocks e-invoice clearance, real-time reporting and Peppol access for electronic B2B and business-to-government ("B2G") compliant document and data exchange.

Further information

For further information regarding Pagero, visit www.pagero.com.

Selected historical financial information

The following information regarding Pagero has been derived from Pagero's audited consolidated financial statements for the financial years 2020, 2021 and 2022 as well as the interim report for the period 1 January – 30 September 2023. The interim report for the period 1 January – 30 September 2023 has not been reviewed by Pagero's auditor.

Pagero's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC") as adopted by the EU. Furthermore, RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board, has been applied, as well as the Annual Accounts Act (Sw. *årsredovisningslagen* (1995:1554)). The interim report for the period 1 January – 30 September 2023 has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions in the Annual Accounts Act.

The financial statements and the interim report for Pagero are available at Pagero's website (www.pagero.com).

Consolidated statement of comprehensive income

The financial information presented in the table below has been derived from Pagero's consolidated financial statements for the financial years 2020, 2021 and 2022.

(SEK thousand)	2022	2021	2020
Operating income			
Net sales	600,127	441,786	348,207
Capitalized work on own behalf	105,406	83,722	72,345
Customer acquisition expenses	30,627	18,210	16,536
Other operating income	5,277	1,665	1,015
	741,437	545,382	438,103
Operating costs			
Direct sales costs	-80,558	-56,474	-45,141
Other external expenses	-184,505	-130,221	-96,693
Personnel costs	-533,219	-373,309	-273,460
Other operating costs	-16,917	0	0
Operating profit/loss before depreciation (EBITDA)	-73,762	-14,621	-22,809
Depreciation of tangible assets	-29,250	-24,999	22,187
Operating profit/loss after depreciation (EBITA)	-103,012	-39,620	621
Amortization of intangible assets	-114,137	-91,413	-74,554
Operating profit/loss	-217,149	-131,032	-73,933
Financial income	7,938	24	265
Financial expenses	-64,761	-28,774	-12,582
Profit/loss before tax	-273,972	-159,782	-86,250
Income tax	-1,850	1,358	1,419
Profit/loss for the year	-275,822	-158,424	-84,831
Items that may subsequently be reclassified to profit or loss			
Exchange rate differences for the year in conversions of foreign operations	59,275	24,095	-6,428
Total comprehensive income for the year	-216,547	-134,329	-91,259
Total comprehensive income attributable to Parent Company shareholders	-216,547	-134,329	-91,259

The financial information presented in the table below has been derived from Pagero's interim report for the period January – September 2023.

(SEK thousand)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Operating income				
Net sales	204,013	151,115	572,435	430,483
Capitalized work on own behalf	32,729	25,181	91,352	73,106
Customer acquisition costs	6,235	2,924	18,750	8,801
Operating income	0	0	477	2,502
	242,977	179,220	683,015	514,892
Operating costs				
Direct sales costs	-26,290	-20,450	-71,932	-57,743
Other external expenses	-48,582	-43,544	-149,655	-122,674
Personnel costs	-163,048	-121,976	-491,565	-369,926
Other operating costs	-1,707	-725	0	-16,917
Operating profit/loss before depreciation/amortization (EBITDA)	3,351	-7,474	-30,138	-52,368
Depreciation of tangible assets	-9,300	-8,920	-27,581	-25,115
Operating profit/loss after depreciation/amortization (EBITA)	-5,949	-16,394	-57,719	-77,483
Amortization intangible assets	-36,488	-28,082	-103,854	-79,673
Operating profit/loss (EBIT)	-42,437	-44,476	-161,573	-157,156
Profit/loss from financial items				
Financial income	345	5,646	1,703	6,860
Financial expenses	-33,880	-31,548	-68,828	-69,869
Financial items	-33,535	-25,902	-67,124	-63,009
Profit/loss after financial items	-75,972	-70,378	-228,697	-220,166
Income tax	-876	978	-931	745
Net profit/loss for the period	-76,848	-69,400	-229,628	-219,421
Attributable to:				
Shareholders of the Parent Company	-76,848	-69,400	-229,628	-219,421
Consolidated statement of comprehensive income				
Net profit/loss for the period	-76,848	-69,400	-229,628	-219,421
Items that may subsequently be reclassified to profit or loss				
Foreign exchange differences	4,272	35,467	40,861	83,162
Other comprehensive income for the period	4,272	35,467	40,861	83,162
Comprehensive income for the period	-72,576	-33,933	-188,767	-136,259
Attributable to:				
Shareholder of the Parent Company	-72,576	-33,933	-188,767	-136,259

Consolidated balance sheet

The financial information presented in the table below has been derived from Pagero's consolidated financial statements for the financial years 2020, 2021 and 2022.

(SEK thousand)	2022-12-31	2021-12-31	2020-12-31
ASSETS			
Subscribed, but unpaid capital	-	0	28,032
Fixed assets			
Intangible assets			
Capitalized development expenditures	277,734	223,480	182,369
Technology	38,943	40,705	5,254
Customer relationships	130,137	124,179	50,991
Trademarks	21,138	22,828	18,754
Goodwill	376,485	313,040	178,943
Customer acquisition expenses	23,325	11,741	10,722
Tangible assets			
Rights of use	37,906	54,348	26,432
Equipment, tools, fixtures and fittings	27,574	23,889	14,137
Financial assets			
Other financial assets	8,857	7,514	2,876
Deferred tax assets	20,179	19,912	19,916
Total fixed assets	962,278	841,637	510,394
Current assets			
Work in progress on behalf of others	-	0	61
Current receivables			
Accounts receivable	200,079	125,138	94,778
Current tax assets	2,021	3,986	991
Other receivables	3,985	3,383	3,145
Prepaid expenses and accrued income	32,627	16,309	19,509
Total current receivables	238,711	148,816	118,423
Cash and cash equivalents	383,921	424,563	210,849
Total current assets	622,632	573,379	329,333
TOTAL ASSETS	1,584,910	1,415,016	867,759
EQUITY AND LIABILITIES			
Equity			
Share capital	1,542	1,542	1,302
Other contributed capital	1,320,672	1,320,851	848,702
Reserves	84,363	25,087	993
Retained earnings (including profit/loss for the year)	-827,966	-552,144	-393,720
Total equity	578,611	795,336	457,276
Non-current liabilities			
Liabilities to credit institutions	323,030	54,172	100,836
Deferred tax liabilities	56,181	50,391	17,221
Other non-current liabilities	196,064	145,857	0
Leasing liability	19,021	33,570	10,580
Total non-current liabilities	594,295	283,990	128,636
Current liabilities			

Liabilities to credit institutions	0	47,798	46,702
Leasing liability	19,505	21,122	16,398
Accounts payable	68,382	42,653	25,481
Other liabilities	49,518	37,338	45,491
Accrued expenses and deferred income	274,600	186,780	147,774
Total current liabilities	412,004	335,690	281,846
TOTAL EQUITY AND LIABILITIES	1,584,910	1,415,016	867,759

The financial information presented in the table below has been derived from Pagero's interim report for the period January – September 2023.

(SEK thousand)	2023-09-30	2022-09-30
Assets		
Fixed assets		
Capitalized development expenditures	321,350	256,804
Technology	34,932	43,790
Customer relationships	126,364	137,932
Trademarks	18,598	22,369
Goodwill	390,283	383,878
Customer acquisition costs	17,636	8,338
Intangible assets	909,163	853,111
Rights of use	27,351	44,295
Equipment, computers and installations	30,316	27,685
Financial assets	2,643	9,473
Deferred tax assets	20,447	19,881
Total fixed assets	989,921	954,445
Current assets		
Accounts receivable	170,588	105,512
Current tax assets	12,055	6,623
Other receivables	10,998	3,052
Prepaid expenses and accrued income	37,304	32,469
Total current receivables	230,945	147,655
Cash and cash equivalents	395,307	458,880
Total current assets	626,252	606,535
Total assets	1,616,174	1,560,979
Equity		
Share capital	1,584	1,542
Other contributed capital	1,374,578	1,320,672
Reserves	125,224	108,250
Retained earnings including profit/loss for the year	-1,057,594	-771,565
Equity	443,791	658,899
Non-current liabilities		
Liabilities to credit institutions	498,136	316,213
Leasing liability	6,534	23,625
Borrowings	231,208	205,062
Deferred tax	52,055	56,896
Total non-current liabilities	787,933	601,797
Leasing liability	20,817	20,235

Accounts payable	61,279	56,291
Other liabilities	47,481	48,350
Accrued expenses and deferred income	254,873	175,408
Total current liabilities	384,450	300,284
Total equity and liabilities	1,616,174	1,560,979

Consolidated cash flow statement

The financial information presented in the table below has been derived from Pagero's consolidated financial statements for the financial years 2020, 2021 and 2022.

(SEK thousand)	2022	2021	2020
Operating activities			
Operating profit/loss	-217,149	-131,032	-73,933
Non-cash items	143,387	116,411	96,742
Interest received	7,938	24	265
Interest paid	-7,461	-8,337	-11,549
Income tax paid	-7,922	-4,906	-4,174
Cash flow from operating activities before changes in working capital	-81,208	-27,840	7,350
Increase (-)/decrease (+) in inventories	0	61	-
Increase (-)/decrease (+) in accounts receivable	-74,941	-21,180	-13,808
Increase (-)/decrease (+) in other operating receivables	-8,079	3,115	4,487
Increase (+)/decrease (-) in accounts payable	25,729	10,196	-11,127
Increase (+)/decrease (-) in other operating liabilities	108,408	56,608	54,002
Cash flow from changes in working capital*	51,117	48,801	33,554
Cash flow from operating activities	-30,091	20,961	40,904
Investment activities			
Acquisition of intangible assets	-151,857	-112,147	-77,954
Acquisition of tangible assets	-12,634	-32,520	-23,628
Acquisition of subsidiaries, less acquired cash and cash equivalents	-14,219	-58,711	0
Changes in financial assets	-1,130	-3,590	-795
Cash flow from investing activities*	-179,840	-206,967	-102,378
Financing activities			
Loans raised	741,855	1,133	49,841
Amortization of loans	-572,387	-101,834	-19,127
Change in overdraft facilities	-	0	-35,794
Shareholders' contributions received	-179	500,421	261,813
Cash flow from financing activities	169,289	399,720	256,732
Change in cash and cash equivalents	-40,642	213,714	195,259
Cash and cash equivalents at the beginning of the period	424,563	210,849	15,591
Cash and cash equivalents at the end of the period	383,921	424,563	210,849

* A correction has been made for 2022 regarding the classification in the cash flow as the cash flow from rights of use in previous periods was incorrectly reported during investment activities.

The financial information presented in the table below has been derived from Pagero's interim report for the period January - September 2023.

(SEK thousand)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Operating profit/loss	-42,437	-44,476	-161,573	-157,156
Non-cash items	45,856	33,766	131,434	104,788
Interest received	811	4,688	2,014	6,860
Interest paid	0	-2,171	0	-6,915
Income tax paid	-2,035	-1,480	-8,892	-6,434
Cash flow from operating activities before changes in working capital	2,195	-9,673	-37,017	-58,857
Increase (-)/decrease (+) in accounts receivable	25,688	2,144	29,490	19,626
Increase (-)/decrease (+) in operating receivables	-4,304	11,664	-23,271	-11,074
Increase (+)/decrease (-) in accounts payable	-5,192	-5,966	-7,103	13,638
Increase (+)/decrease (-) in operating liabilities	-52,966	-29,450	-6,849	14,306
Cash flow from changes in working capital	-36,774	-21,608	-7,733	36,496
Cash flow from operating activities	-34,579	-31,281	-44,749	-22,361
<u>Investing activities</u>				
Investments in intangible assets	-42,158	-32,297	-124,211	-95,126
Investments in tangible assets	-2,218	-3,640	-10,420	-7,236
Acquisition of subsidiaries, less acquired cash and cash equivalents	0	0	0	-14,219
Change in financial assets	463	-1,259	6,652	-1,752
Cash flow from investing activities	-43,913	-37,196	-127,979	-118,333
<u>Financing activities</u>				
Loans raised	150,000	12,534	150,000	741,908
Repayment of loans	-6,961	-455,405	-19,833	-566,718
New share issues for the period	0	0	53,948	-179
Cash flow from financing activities	143,039	-442,871	184,144	175,011
Cash flow for the period	64,546	-511,348	11,386	34,317
Cash and cash equivalents at the beginning of the period	330,761	970,227	383,921	424,563
Cash and cash equivalents at the end of the period	395,307	458,880	395,307	458,880

Group key performance indicators

The financial information presented in the table below has been derived from Pagero's consolidated financial statements for the financial years 2020, 2021 and 2022.

(SEK million)	2022	2021	2020
Key performance indicators (IFRS)			
Net sales	600.1	441.8	348.2
Operating profit/loss (EBIT)	-217.1	-131.0	-73.9
Profit/loss for the year	-275.8	-158.4	-84.8
Earnings per share before dilution (SEK)	-1.79	-1.15	-
Earnings per share after dilution (SEK)	-1.78	-1.14	-
Equity ratio, %	36.5 %	56.2 %	52.7 %
Selected financial data for the Group			
Number of customers, thousands	85.9	75.3	49.6
Growth in number of customers, %	14 %	52 %	30 %
Number of e-transactions, millions	64.4	53.5	42
Growth in number of e-transactions, %	20 %	26 %	10 %
Net sales growth, %	36 %	27 %	12 %
Organic net sales growth, %	23 %	13 %	12 %
Recurring revenue	520.7	392.4	302.7
Growth in recurring revenue, %	33 %	30 %	12 %
Recurring revenue in % of net sales	87 %	89 %	87 %
Annualized recurring revenue (ARR)	604.2	475.2	337.4
Growth in annualized recurring revenue (ARR), %	27 %	41 %	14 %
Organic annualized recurring revenue (ARR)	N/A	393.4	337.4
Organic growth in annualized recurring revenue (ARR), %	N/A	17 %	14 %
Customer churn	1.8 %	2.8 %	3.0%
Customer lifetime value/customer acquisition cost (CLV/CAC), times	26.2	14.5	13.3
Gross profit	519.6	385.3	303.1
Gross margin, %	87 %	87 %	87.0 %
EBITDA	-73.8	-14.6	22.8
EBITDA margin, %	12.3 %	-3.3 %	6.6 %
EBITA	-103.0	-39.6	0.6
EBITA margin, %	-17.2 %	-9.0 %	0.2 %
Cash flow from operating activities	-7.8	21.0	40.9
Net working capital	153.8	-118.0	-100
Net working capital as a share of net sales, %	-26 %	-27 %	-29 %
Net debt	60.9	322.6	63.3
Average number of FTE	711.0	496.0	341.0
Average number of FTE, excluding acquisitions	N/A	434.0	341.0
R&D costs as % of net sales	24 %	23 %	22 %

The financial information presented in the table below has been derived from Pagero's interim report for the period January - September 2023.

(SEK million)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Customer base, thousands	93.8	83.0	93.8	83.0
Customer base growth	13 %	20 %	13 %	20 %
Transaction volume, million	27.6	23.2	82.3	68.0
Transaction volume growth	19 %	18 %	21 %	17 %
Net revenue growth	35 %	26 %	33 %	40 %
Organic net sales growth	35 %	26 %	33 %	22 %
Recurring revenue, SEK million	176.2	129.9	497.5	377.4
Recurring revenue's share of net sales	86 %	86 %	87 %	88 %
Recurring revenue growth	36 %	21 %	32 %	36 %
Customer turnover (churn)	1.8 %	1.8 %	1.8 %	1.8 %
CLV/CAC, times	30.0	24.4	30.0	24.4
Rule of 40	-	-	28 %	11 %
NRR (Net Retention Rate)	-	-	122 %	-
Gross profit	177.7	130.7	500.5	372.7
Gross margin	87 %	86 %	87 %	87 %
EBITDA	3.4	-7.5	-30.1	-52.4
EBITDA margin	1.6 %	-4.9 %	-3.7 %	-12.2 %
EBITA	-5.9	-16.4	-12.8	-77.5
EBITA margin	-2.9 %	-10.8 %	-10.1 %	-18.0 %
Adjusted EBITA	-5.9	-16.4	-12.8	-60.6
Adjusted EBITA margin	-2.9 %	-10.8 %	-9.4 %	-14.1 %
Net working capital	-132.7	-132.4	-132.7	-132.4
Net working capital as a share of net sales	-16 %	-22 %	-17 %	-15 %
Net debt	-103	142.7	-103	142.7

Share capital and ownership structure

General

The shares in Pagero are admitted to trading on Nasdaq First North Growth Market, under the ticker PAGERO. The ISIN code for the shares is SE0016830517.

Share capital

As of the date of this Offer Document, Pagero's registered share capital amounts to SEK 1,611,674.86, divided among 161,167,486 shares. Each share entitles the holder to one vote at general meetings.

All issued shares carry equal rights to Pagero's earnings and assets. The articles of association of Pagero contain no restrictions regarding the transferability of the shares.

There are no provisions in Pagero's articles of association regarding appointment and removal of board members or amendments of the articles of association.

Shares held in treasury

As of the date of this Offer Document, Pagero does not hold any of its shares in treasury.

Ownership structure

As of 31 October 2023, the number of shareholders in Pagero was 3,784. The following table presents the 25 largest shareholders in Pagero as of 31 October 2023.

Name	Total shares	Holdings %	Votes %
VÅLÅUGGEN INVEST AB ¹	51,976,150	32.3 %	32.3 %
GREENFIELD AB ²	11,792,720	7.3 %	7.3 %
SJÄTTE AP-FONDEN	10,609,920	6.6 %	6.6 %
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	9,832,720	6.1 %	6.1 %
RYDING, MATS	6,720,420	4.2 %	4.2 %
HOVSTADIUS, BJORN	4,956,450	3.1 %	3.1 %
SWEDBANK ROBUR SMÅBOLAGSFOND NORDEN	4,300,000	2.7 %	2.7 %
THE BANK OF NEW YORK MELLON SA/NV, W8IMY	4,166,666	2.6 %	2.6 %
FJARDE AP-FONDEN	3,249,483	2.0 %	2.0 %
NORTHERN TRUST COMPANY, LONDON BRANCH	3,200,000	2.0 %	2.0 %
NORDEA KONTO FÖR EMITTENTERS RKG	2,775,223	1.7 %	1.7 %
SWEDBANK ROBUR FOKUS	2,723,150	1.7 %	1.7 %
SWEDBANK ROBUR MICROCAP	2,700,000	1.7 %	1.7 %
CLAESSON, MATS	2,447,220	1.5 %	1.5 %
NILSSON, JULIUS	2,222,119	1.4 %	1.4 %
PICTET & CIE (EUROPE) AG, SUCCURS, ALE DE LUX	2,037,469	1.3 %	1.3 %
NORDNET PENSIONSFORSÄKRING AB	1,892,953	1.2 %	1.2 %
SEB AB, LUXEMBOURG BRANCH, W8IMY	1,724,840	1.1 %	1.1 %
VANGBO, TERJE	1,425,300	0.9 %	0.9 %
NORELIA AB	1,418,680	0.9 %	0.9 %
LGT BANK LTD, W8IMY	1,213,490	0.8 %	0.8 %
OHLSSON, JAN-OLOF	1,152,600	0.7 %	0.7 %
BOESTAD MANAGEMENT AB	1,048,460	0.7 %	0.7 %
EDLUND, JONAS	977,367	0.6 %	0.6 %

LUNDBERG, SVERKER	907,000	0.6 %	0.6 %
OTHERS	23,697,086	14.7 %	14.7 %
Total	161,167,486	100.00 %	100.00 %

1) Controlled by Summa Equity.

2) Controlled by CEO and board member Bengt Nilsson.

Source: Pagero's website and Euroclear

Authorizations

At the annual general meeting held on 11 May 2023, the Board of Directors was authorized, for the period until the next annual general meeting, on one or more occasions, and with or without deviation from the shareholders' preemptive rights, to adopt a resolution to increase the share capital of the Company through a new issue of shares, convertibles and/or warrants, up to a gross amount in the issues of SEK 1 billion. Payment could be made in cash, in kind, or by set-off or otherwise be subject to certain conditions.

The object of the authorization, and also the reason for permitting issues with deviation from the shareholders' preemptive rights, is to facilitate ownership for strategic partners, acquisitions and/or capital raising, where payment, wholly or partly, could be made in shares, convertibles and/or warrants.

Convertible instruments and warrants

Pagero has not issued any convertibles, warrants or other securities, except as set forth below under "Incentive program".

Incentive program

Pagero has one outstanding share-based incentive program, the warrant program 2021/2024.

Warrant program 2021/2024

At the annual general meeting held on 22 April 2021, Pagero resolved to issue 500,000 warrants to the members of the board of directors, management and employees of the group.

The warrants were acquired at market value, which was calculated according to Black & Scholes valuation model.

Each warrant entitles the holder to at one occasion only during the subscription period, starting at the earliest of a) the date when a statement has been sent to the warrant holder by the Company that an exit has occurred or is expected by the board to occur; or b) 1 May 2024; and ending on the sixtieth calendar day thereafter (unless an earlier end-date is set out in the statement sent to the warrant holder, provided that the period shall at least be ten calendar days), subscribe for a share at a predetermined exercise price. According to the terms and conditions of the warrants, a sale of instruments representing more than 50 percent of the votes for all instruments in the Company to a third party acquirer, a sale of all or substantially all of the Company's assets, and a listing of the shares in the Company shall be considered to constitute an exit.

According to the terms and conditions of the warrants, recalculation of the strike price and/or the number of underlying shares per warrants, at the board's choice, shall be made by the board if, among other situations, the Company carries out an issue of bonus shares, a share split or a reverse share split.

Warrant program	Warrants (Number)	Exercise price (SEK)	Subscription period
Warrant program 2021/2024	500,000*	250	1 May 2024 - 1 July 2024 (or the date when a statement has been sent to the warrant holder by the Company that an exit has occurred or is expected by the board to occur)

*After recalculation due to the share split carried out on 21 September 2021, each warrant entitles the holder to subscribe for 10 shares at SEK 25 per share.

Dividends and dividend policy

Pagero's dividend policy is that Pagero intends to reinvest its cash flow in growth initiatives and will therefore not apply any annual dividend within the foreseeable future.

Shareholders' agreements, etc.

Pagero's annual report for the financial year 2022 does not contain any information on any agreement between any shareholders of Pagero that may restrict the transferability of the shares in Pagero. The Bid Committee of Pagero is not aware of any agreements between shareholders of Pagero or between larger shareholders in Pagero and Pagero or Vertex.

Material agreements

Pagero's annual report for the financial year 2022 does not contain any information on any material agreement that Pagero is a party to which could come into effect, or be amended or terminated if the control of Pagero would change as a result of a public offer.

Articles of association of Pagero

This section contains a translation of Pagero's articles of association that were adopted at an extraordinary general meeting on 21 September 2021.

Articles of association

1. Business

The Company's name is Pagero Group AB (publ).

2. Domicile

The Board of Directors shall be domiciled in the Municipality of Gothenburg, Västra Götaland.

3. Company operations

The mission of the Company is to own and administer real estate, movable property and operations associated therewith, in addition to supplying other companies in the Group with services, primarily in the areas of administration, management, legal advice and marketing, as well as pursuing business activities associated therewith.

4. Share capital

The Company's share capital shall be no less than SEK 1 million and no more than SEK 4 million.

5. Shares

The number of outstanding shares shall be no less than 100,000,000 and no more than 400,000,000.

6. Board of Directors and Auditors

The Board of Directors shall consist of three to ten (3-10) Directors and no more than five (5) Deputy Directors. The Company shall have one to two (1-2) Auditors and no more than two (2) Deputy Auditors. Also, a registered Public Accounting Firm may be elected Auditor.

7. Notice of the Annual General Meeting of shareholders

The notice of the Annual General Meeting of shareholders shall take place by advertising in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) and by keeping the notice available on the Company's website within the time frame stated in the Companies Act. Simultaneously with the notice, information that the notice has been issued shall be advertised in Dagens Industri or other nationwide daily newspaper.

Shareholders who wish to participate in the Annual General Meeting must have been registered as shareholders in the printout of the Shareholders' Register as of six business days prior to the Annual General Meeting, in addition to having notified their participation to the Company no later than 12:00 noon on the date stated in the notice of the Annual General Meeting. This date must not fall on a Sunday, other general holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and must not fall on a date earlier than the fifth business day prior to the Annual General Meeting.

8. Opening of the Annual General Meeting

The Chairman of the Board of Directors or the individual whom the Board has elected Chairman opens the meeting and chairs the negotiations until a Chairman for the meeting has been elected.

9. Agenda at the Annual General Meeting of shareholders

The Annual General Meeting is held annually within six months of the expiration of the financial year. At the Annual General Meeting, the following business agenda may be transacted:

- 1) Election of Chairman for the meeting;
- 2) Establishment and approval of an electoral register;
- 3) Approval of the agenda for the meeting;
- 4) Election of one or two individuals to check the Minutes of the Meeting;
- 5) Determination of whether the meeting has been properly convened;
- 6) Presentation of the Annual Report and Auditor's Report, and where appropriate, the Group Annual Report and Group Auditor's Report;
- 7) Resolutions
 - a. Determination of the Statement of Income and Balance Sheet, and where appropriate the Group Annual Report and Group Auditor's Report;
 - b. Disposition of the Company's profit or loss according to the Balance Sheet adopted;
 - c. Discharge from liability of Board members and Managing Director when available
- 8) Determination of remuneration for Board members and Auditor(s);
- 9) Election of Board of Directors and Public Accounting Firm or Auditor(s), as well as potential Deputy Auditors;
- 10) Other agenda items raised at the meeting in accordance with the Swedish Companies Act or the Articles of Association.

10. Financial year

The Company's financial year shall run from January 1 until December 31.

11. Central Securities Depository (CSD) clause/Record Day Provision

The Company shares shall be registered in a Central Securities Depository Register according to the Swedish Central Securities Depositories and Financial Instruments Act (SFS 1998:1479).

Board of directors, senior executives and auditor

Board of Directors²

Birger Steen

Born: 1966

Chairman of the Board since: 2020

Current assignments: Principal with Summa Equity, Chairman of the Board at Myneva Gmbh and Nordic Semiconductor ASA, Chairman of the Board's Operations and Sustainability Committee at Nordea Bank Abp and Board Member at PragmatIC Semiconductor Ltd.

Previous engagements/experience: Non-Executive Director at Schibsted ASA, Cognite AS and Skooler AS. CEO of Parallels Inc., VP of SMB and Distribution at Microsoft Corp., General Manager at Microsoft Russia and Microsoft Norway and CEO of Scandinavia Online AB.

Education: Holds an MBA from INSEAD and a Master of Science in Computer Science/Industrial Engineering from Norwegian Institute of Technology.

Independent in relation to Pagero and its management: Yes

Independent in relation to Pagero's major shareholders: No

Shareholding in Pagero: 19,870 shares, 30,000 warrants and a call option that gives the right to acquire 147,910 shares from Vålåuggen Invest AB.

Fredrik vom Hofe

Born: 1966

Board member since: 2021 (Vice Chairman since 2023)

Current assignments: Founder and CEO of Shoreside Equity Partners and Board member at Industri-Matematik International AB, Hantverksdata Holding AB, Flowfactory AB, Absolute Unlisted AB, PU sensor AB, Regenerate Group AB and Coeli European AB.

Previous engagements/experience: Group Senior Vice President at IFS AB, senior positions at Cap Gemini Ernst & Young, Framfab, Ericsson and ASEA Brown Boveri.

Education: Master of Science in Industrial Engineering and Management from Chalmers University of Technology in Sweden, including studies at the University of California, Berkeley in the United States.

Independent in relation to Pagero and its management: Yes

Independent in relation to Pagero's major shareholders: Yes

Shareholding in Pagero: 5,655 shares and 15,000 warrants.

² All information about shares held includes shares held by closely related parties.

Bengt Nilsson

Born: 1955

Board member since: 2008

Current assignments: CEO of Pagero Group AB, Chairman of the Board of GJL Group AB, Norelia AB, Ides AB, Board member of GreenTrade Aviation AB, Oneflow AB, GreenTrade AB, Vilja Solutions AB, Industrial Design Software, Homes and Villas Limited and Co-chairman of EESPA.

Previous engagements/experience: Co-founder, CEO and Vice Chairman of IFS.

Education: Industrial Engineering at Linköping University of Technology.

Independent in relation to Pagero and its management: No

Independent in relation to Pagero's major shareholders: Yes

Shareholding in Pagero: 13,211,400 shares and 27,000 warrants.

Christian Melby

Born: 1974

Board member since: 2017

Current assignments: Partner and CIO at Summa Equity and board member of Eco Online and Myneva GmbH.

Previous engagements/experience: Partner at Norvestor Equity and Reiten & Co. Management Consultant at Arthur Andersen.

Education: Master's in Industrial Economics and Technology Management from the Norwegian University of Science and Technology.

Independent in relation to Pagero and its management: Yes

Independent in relation to Pagero's major shareholders: No

Shareholding in Pagero: 0

Karin Sandsjö

Born: 1965

Board member since: 2020

Current assignments: CFO of Tibber and Board member of Q-Free.

Previous engagements/experience: Group CFO of Bisnode, Parallels and NetOnNet, and CFO of Microsoft Russia and Microsoft Norway.

Education: Bachelor's degree in Finance and Administration from Karlstad University.

Independent in relation to Pagero and its management: Yes

Independent in relation to Pagero's major shareholders: Yes

Shareholding in Pagero: 33,250 shares and 5,000 warrants.

Mats Ryding

Born: 1962

Board member since: 2000

Current assignments: Chairman of the Board of LEAF Supply & Services AB.

Previous engagements/experience: Co-founder of Pagero AB, Co-founder and Vice President of Products at Diamo AB, Vendimo AB and Unifaun.

Education: Master of Science and Engineering from Chalmers University of Technology in Sweden.

Independent in relation to Pagero and its management: Yes

Independent in relation to Pagero's major shareholders: Yes

Shareholding in Pagero: 6,720,420 shares and 8,000 warrants.

Marianne K. Knudsen

Born: 1975

Board member since: 2022

Current assignments: Co-CEO of ChronosHub ApS. Board member of Vilja Solutions and AquaGreen.

Previous engagements/experience: Senior executive roles at Grundfos A/S, including CEO of a Grundfos Venture Business in Africa and Global Group Vice President of Global Market Segment Water Utility.

Education: Master of Science in Business Administration and Computer Science from Copenhagen Business School, including studies at Harvard University in the United States.

Independent in relation to Pagero and its management: Yes

Independent in relation to Pagero's major shareholders: Yes

Shareholding in Pagero: 0

Management³

Bengt Nilsson

Position: Chief Executive Officer.

See further in section "Board of Directors" above.

Jan-Olof Ohlsson

Position: Chief Financial Officer since 2017.

Current assignments: Co-founder and Partner at Business Control Partner Norden AB.

Previous engagements/experience: CFO at Hexatronic, Viking Telecom, Carmen Systems and Meda.

Education: Finance and Controlling at the Institute for Higher Marketing studies in Gothenburg.

Shareholding in Pagero: 1,152,600 shares and 15,000 warrants.

³ All information about shares held includes shares held by closely related parties.

Julius Nilsson

Position: Chief Commercial Officer since 2020.

Current assignments: -

Previous engagements/experience: VP of Growth and Strategy and Managing Director of the MENA region. Drove Boston Scientific's O2C transformation project in the Nordics as E-business Manager.

Education: International Management at Jönköping International Business School.

Shareholding in Pagero: 2,222,119 shares and 50,000 warrants.

Gustav Dahllöf

Position: Chief Product Officer since 2019.

Current assignments: -

Previous engagements/experience: Held roles within several departments in Pagero, including pre-sales, delivery and customer success.

Education: Bachelor of Business Administration from Jönköping International Business School, the University of Gothenburg, and Keimyung University in South Korea.

Shareholding in Pagero: 685,234 shares and 40,000 warrants.

Ulf Andersson

Position: Chief Delivery Officer since 2022.

Current assignments: -

Previous engagements/experience: IT PMO Director and Senior Manager for Global Program Management within companies like Mölnlycke Healthcare, Jeppesen Aviation, Boeing, Ericsson, StreamServe/OpenText and IKEA.

Education: Bachelor of Engineering in Transportation and Logistics and an Extension education to Master of Science in Mechanical Engineering from Chalmers University of Technology. He has been a part of the IKEA of Sweden Trainee program for future Leaders.

Shareholding in Pagero: 0

Helena Stolpe

Position: Chief Production Quality Officer & VP Support and Integration since 2022.

Current assignments: -

Previous engagements/experience: Chief Delivery Officer and Project Manager at Pagero and Solution Integrator at Ericsson.

Shareholding in Pagero: 125,310 shares and 17,000 warrants.

Oscar Wegland

Position: Chief Marketing Officer since 2020.

Current assignments: -

Previous engagements/experience: Various commercial roles at Pagero, including Managing Director of Pagero West Europe.

Education: London School of Business and Finance.

Shareholding in Pagero: 362,670 shares.

Bård Langöy

Position: Chief Technology Officer since 2009.

Current assignments: Interim member of the Peppol Change Management Board (CMB) of eDEC specifications.

Previous engagements/experience: Software Engineer at Pagero.

Education: Master of Science in Computer Science from the University of Gothenburg.

Shareholding in Pagero: 67,830 shares.

Christer Wejke

Position: Chief Information Security Officer since 2015.

Current assignments: -

Previous engagements/experience: R&D Manager at Pagero, Project Manager at Volvo IT and Support Manager at IFS.

Education: Master of Science in Information Technology and Computer Science from Linköping University.

Shareholding in Pagero: 283,740 shares.

Suzie Woodhams

Position: Chief People Officer since 2023.

Current assignments: -

Previous engagements/experience: Chief People Officer at Tungsten Network (acquired by Kofax in 2022) and Gamma Communications plc. Senior HR Director positions at Optivo (now Southern Housing), Vix Technology and TelecityGroup plc (now Equinix).

Education: Bachelor of Arts Degree in Psychology at Essex University and a Postgraduate Diploma in Personnel Management at Kingston University. Chartered Fellow of the Chartered Institute of Personnel and Development since 2016.

Shareholding in Pagero: 0

Fredrik Rosenqvist

Position: Chief Relationship Officer since 2020.

Current assignments: -

Previous engagements/experience: CEO of Pagero Sweden AB, Pagero SRL Belgium and Diamo AB and Bank Clerk.

Education: Political Economy at the University of Gothenburg.

Shareholding in Pagero: 340,682 shares.

Nazar Paradivskyy

Position: VP Regulatory Affairs since 2017.

Current assignments: Tax Administrations Lead of OpenPeppol's CTC project and member of the EESPA Public Policy and Compliance Working Group.

Previous engagements/experience: Senior Manager of Merchant Underwriting at Klarna and Analyst of Special Credits Management at SEB.

Education: LL.M. from Stockholm University and Master in International Relations from Lviv National University in Ukraine.

Shareholding in Pagero: 274,850 shares and 5,000 warrants.

Fredrik Hjorth

Position: General Counsel and Secretary of the Board since 2020.

Current assignments: -

Previous engagements/experience: Working with public authorities, the Administrative Court in Gothenburg, ICA Banken and Transcendent Group.

Education: Master of Laws from the University of Lund in Sweden.

Shareholding in Pagero: 27,180 shares and 10,000 warrants.

Luis Ortega

Position: VP of Growth since 2022.

Current assignments: -

Previous engagements/experience: Previously led Pagero Middle East, Africa, Asia region.

Education: MSc Engineering Telecommunication degree.

Shareholding in Pagero: 120,000 shares and 10,000 warrants.

Alexander Jansson

Position: VP Partnerships & Alliances since 2020.

Current assignments: -

Previous engagements/experience: Held various commercial leadership positions at Pagero including Managing Director South Europe. Prior to Pagero, he co-founded Brick Digital Outdoor Media.

Education: Industrial Engineering & Management at Linköping University in Sweden.

Shareholding in Pagero: 874,580 shares and 31,000 warrants.

Auditor

Öhrlings Pricewaterhouse Coopers AB was elected by the annual general meeting held on 11 May 2023 as the Company's auditor for the period until the annual general meeting in 2024. Patrik Resebo, authorized public accountant and member of the Swedish Professional Institute for Authorized Public Accountants (Sw. *Föreningen Auktoriserade Revisorer, FAR*), is the auditor in charge

Interim Report

Q3 2023

For the period 1 January – 30 September 2023

PAGERO



THIRD QUARTER OF 2023

POSITIVE THIRD QUARTER DEVELOPMENTS AND INCREASING GROWTH

- Net sales amounted to SEK 204.0 million (151.1), which is an organic increase of 35% (26%) and 28% adjusted for currency.
- Recurring revenue amounted to SEK 176.2 million (129.9), which is an organic increase of 36% (21%). The increase is a result of a strong growth of both transactions and licences in the Pagero Network.
- Operating loss after depreciation/amortization (EBITA) amounted to SEK 5.9 million (16.4). Adjusted EBITA amounted to a loss of SEK 5.9 million (15.7). This result is in line with the international expansion strategy.
- Cash flow from operating activities amounted to an outflow of SEK 34.6 million (31.3) for the quarter.
- Earnings per share after dilution amounted to a loss of SEK 0.49 (0.91).
- Pagero entered into an advance payment agreement with the minority shareholders of Gosocket to strengthen cooperation (Note 7).
- Belgium announce country-wide e-invoicing mandate.

JANUARY – SEPTEMBER 2023

- Net sales amounted to SEK 572.4 million (430.5), which is an increase of 33% (40%) and 26% adjusted for currency. Organic growth amounted to 33% (22%).
- Recurring revenue amounted to SEK 497.5 million (377.4), which is an increase of 32% (36%). The increase is a result of a strong growth of both transactions and licences in the Pagero Network. Organic growth of recurring revenue amounted to 32% (19%).
- Annual Recurring Revenue (ARR) amounted to SEK 739.5 million (535.9), which is an organic growth of 38% (19%).
- Operating loss after depreciation/amortization (EBITA) amounted to SEK 57.7 million (77.5). Adjusted EBITA amounted to a loss of SEK 57.7 million (60.6). The result is in line with the international expansion strategy.
- Cash flow from operating activities amounted to an outflow of SEK 44.8 million (22.4). The company's cash and cash equivalents amounted to SEK 395.3 million.
- Earnings per share after dilution amounted to a loss of SEK 1.45 (1.42).
- Pagero's warrants programme 2020/2023 raised SEK 54 million for the company fully utilised.
- Pagero received an order for EUR 4.2 million.
- Pagero and Thomson Reuters announce a partnership to offer customers a service for indirect tax compliance.

Events after the end of the period

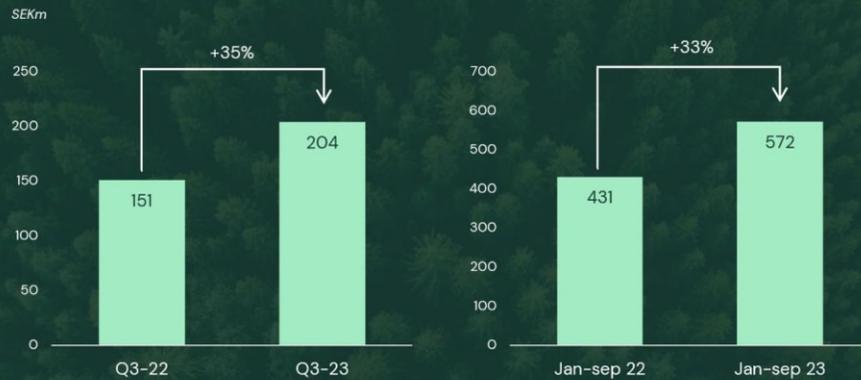
- Pagero and PwC announce alliance to support successful e-invoicing implementations.
- Pagero and Vertex announce partnership to deliver a global e-invoicing solution.
- Pagero opens office in Japan.

Selected financial data

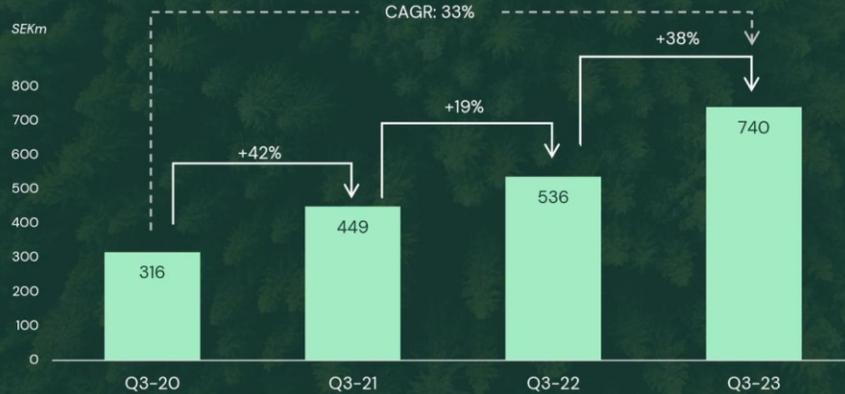
	Note	July-Sept 2023	July-Sept 2022	Jan-Sept 2023	Jan-Sept 2022	Full year 2022
ARR, SEK million	7	739.5	535.9	739.5	535.9	604.2
ARR growth, %		38%	19%	38%	19%	27%
Rule of 40		-	-	28%	11%	11%
Net sales, SEKm	6	204.0	151.1	572.4	430.5	600.1
Net sales growth, %		35%	26%	33%	40%	36%
Organic net sales growth, %		35%	26%	33%	22%	23%
Organic growth in recurring revenue, %		36%	21%	32%	19%	20%
Gross margin, %		87%	86%	87%	87%	87%
EBITA margin, %		-2.9%	-10.8%	-10.1%	-18.0%	-17.2%
Earnings per share after dilution, SEK		-0.49	-0.91	-1.45	-1.42	-1.78
Cash flow from operating activities, SEKm		-34.6	-31.3	-44.8	-22.4	-30.1
FTE (Average)		846	741	823	715	711
R&D costs as % of net sales		25%	26%	25%	24%	25%



CONTINUED STRONG GROWTH IN NET SALES



STRONG GROWTH IN ANNUALIZED RECURRING REVENUE (ARR)



NRR

122%

Q2 23: 117%

RECURRING REVENUE SHARE

87%

Jan-sep 22: 88%

GROSS MARGIN

87%

Jan-sep 22: 87%

CUSTOMER CHURN

1,8%

Jan-sep 22: 1,8%

30x

Jan-sep 22: 24x

CLV/CAC

Customer Life-time Value /Customer Acquisition Cost

21%

Jan-sep 22: 17%

TRANSACTION GROWTH*

**Exclusive Gosocket/LATAM*

13%

Jan-sep 22: 20%

CUSTOMER BASE GROWTH

BUYING AND SELLING SHOULD BE EASY

Pagero offers a *Smart Business Network* that connects buyers and sellers around the world for automated and secure communication of business documents (such as orders, invoices and payment files) in accordance with local regulations. Our open network, combined with a large range of apps, helps our customers streamline their purchase and sales processes and take advantage of accurate and reliable data – independent of business systems.



30+
OFFICES



CUSTOMERS IN
140+
COUNTRIES



A NETWORK OF
14M+
BUSINESSES

PAGERO

CEO COMMENTS

Continued and increasing growth of 38% in the third quarter

Pagero's growth journey continued during the quarter with an increasing net sales growth of 35% (32%) and we are continuing to win business in a number of industries in all of the company's regions. The activity level in the organization is high despite the fact that Q3 is normally a slower quarter and characterized by a holiday period in most of our markets.

The company's ARR shows a growth of 38% and a NRR of 122%. Our targets of SEK 1.5 billion in ARR and EBITA of 20% in 2025 stand firm. An important factor in achieving these targets is the continued development and growth of our investment markets. In these markets, such as the United States and the United Kingdom, we are seeing a continued very strong growth in the period (122%), but also that revenue increases in relation to costs - a development that will lead to good profitability for the group. At the same time, the development in the quarter's earnings shows scalability in the business model.

During the quarter, we launched the next generation of Pagero Network to all users. We want to make it easy for companies to do business by building a network where they can search for, verify and start exchanging business documents digitally with customers and suppliers worldwide. Pagero Network currently reaches more than 14 million companies, and this launch strengthens our position as a leading global platform for digital business communication in compliance with local legal requirements. Data security, privacy and accessibility continue to be our guiding principles.

Furthermore, the company has opened an office and launched our local establishment in Japan, a market where we see great potential in the coming years. The local launch in



Tokyo exceeded our expectations and was executed together with partners such as Deloitte and Thomson Reuters.

Legal requirements on digital business communication (such as e-invoicing) continue to be a very strong adoption driver for our market. In 2024, countries such as Poland, Romania, Greece, Israel, Malaysia and others will introduce legal requirements for electronic invoicing between companies, while countries such as France and Spain have announced legal requirements that will be implemented a bit later.

The second major market driver is automation and the efficiency improvement that digitalisation brings, thus a significant value creator for companies. A company that achieves 100% digital management of information and automates its processes will be among tomorrow's winners. In an increasingly competitive global market, it is not a matter of data quality but simply of being a relevant supplier and ultimately of survival.

Today, Pagero is one of the few players in the global market that can help companies with both compliance with local legal requirements and a platform built for automation - two needs that we expect will be increasingly intertwined in the future. This is

something that positions us well, towards end-users but also towards partners and resellers – actors in related industries who see a growing need in their own customer base. This is evidenced by the fact that we signed global agreements with two industry leaders in the last month, PwC and Vertex. Partner-initiated new sales amounted to 59% during the quarter and during the period contributed 29% of our new subscription of recurring revenue. With the above new global partners, and an increasing level of activity from existing partners, partner sales are something we expect to continue to increase during 2024 and in the future.

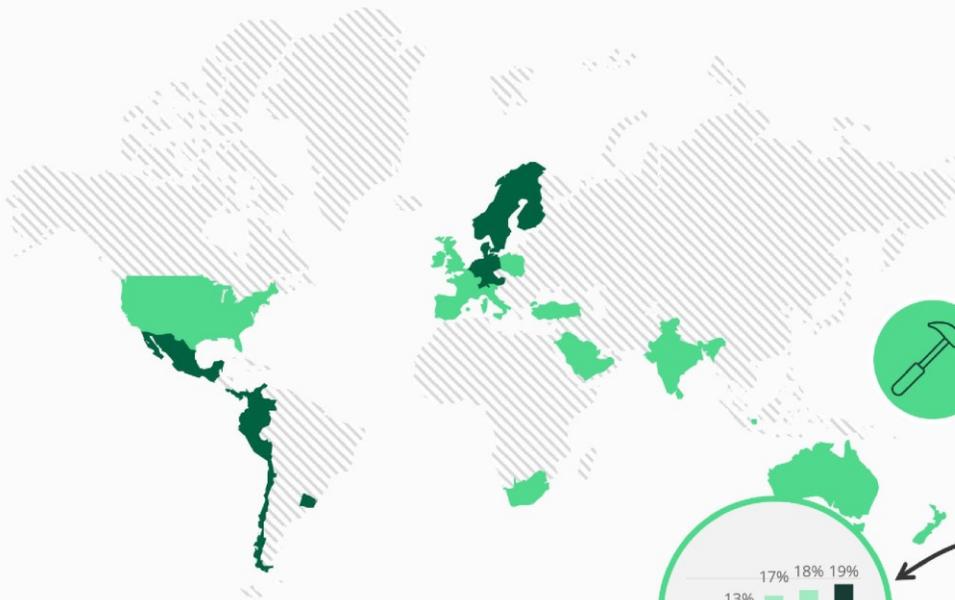
I would like to end by again emphasizing that Pagero is only at the beginning of this journey and that our potential, vision and ambition extend far beyond the goals we set for 2025.

Bengt Nilsson

CEO

GROWTH AND PROFITABILITY

A proven business model in a global expansion phase



ESTABLISHED MARKETS

(Jan-sep)



81%
OF TOTAL
NET SALES
(89%)



+21%
NET SALES
GROWTH
(+18%)



+34%
EBITDA
MARGIN
(+33%)



55%
RULE OF 40
(51%)



INVESTMENT MARKETS

(Jan-sep)



19%
OF TOTAL
NET SALES
(11%)



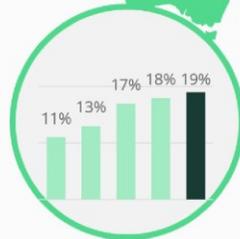
+122%
NET SALES
GROWTH
(+73%)



-172%
EBITDA
MARGIN
(-364%)



-50%
RULE OF 40
(-291%)



GROUP DEVELOPMENT

JULY – SEPTEMBER 2023

Sales

Net sales amounted to SEK 204.0 million (151.1), which is an organic increase of 35% (26%) and 28% (22%) adjusted for currency.

Recurring revenue amounted to SEK 176.2 million (129.9), an organic increase of 36% (21%) and 27% (18%) adjusted for currency. The increase is a result of a strong growth of both transactions and licences in the Pagero Network.

Profit/loss

Operating profit before depreciation/amortization (EBITDA) amounted to SEK 3.4 million (loss: 7.5). The change from the previous year is mainly due to the non-recurring costs incurred in connection with the attempt to acquire Tungsten. Continued investments in both product development and a higher number of employees for the international expansion is according to the set plan.

Operating loss after depreciation/amortization (EBITA) amounted to SEK 5.9 million (16.4). Adjusted EBITA amounted to a loss of SEK 5.9 million (15.7). The adjusted EBITA of last year is due to the non-recurring costs incurred in connection with the attempt to acquire Tungsten.

The negative net financial items of SEK 33.5 million (25.9) in the period are mainly attributable to revaluation and currency adjustment of acquisition liabilities in USD and the interest expense for loans raised in Q2 2022.

Tax recognised in the profit/loss for the period is attributable to income tax and the tax effect of depreciation/amortization of Group surplus values from acquisitions made.

There was a loss for the period in an amount of SEK 76.8 million (69.4). Comprehensive income for the period, which includes negative foreign exchange differences of SEK 4.3 million, amounted to a loss of SEK 72.6 million which may later be returned to the income statement.

JANUARY – SEPTEMBER 2023

Sales

Net sales amounted to SEK 572.4 million (430.5), which is an increase of 33% (40%) and 26% (37%) adjusted for currency. Organic growth amounted to 33% (22%).

Recurring revenue amounted to SEK 497.5 million (377.4), an increase of 32% (36%) and 25% (33%) adjusted for currency. The increase is a result of a strong growth of both transactions and licences in the Pagero Network. Organic growth of recurring revenue amounted to 32% (19%).

Profit/loss

Operating loss before depreciation/amortization (EBITDA) amounted to SEK 30.1 million (52.4). The change from the previous year is mainly due to the non-recurring costs incurred in connection with the attempt to acquire Tungsten. Continued investments in both product development and a higher number of employees for the international expansion is according to the set plan.

Operating loss after depreciation/amortization (EBITA) amounted to SEK 57.7 million (77.5). Adjusted EBITA amounted to a loss of SEK 57.7 million (60.6). The adjusted EBITA of last year is mainly due to the non-recurring costs incurred in connection with the attempt to acquire Tungsten.

The negative net financial items of SEK 67.1 million (63.0) in the period are mainly attributable to revaluation and currency adjustment of acquisition liabilities in USD and the interest expense for loans raised in Q2 2022.

Tax recognised in the profit/loss for the period is attributable to income tax and the tax effect of depreciation/amortization of Group surplus values from acquisitions made.

There was a loss for the period in an amount of SEK 229.6 million (219.4). Comprehensive income for the period, which includes negative foreign exchange differences of SEK 40.9 million, amounted to a loss of SEK 188.8 million which may later be returned to the income statement.

FINANCIAL COMMENTS

JULY – SEPTEMBER 2023

Cash flow

Cash flow from operating activities amounted to an outflow of SEK 34.6 million (31.3), which consists of the loss and the negative change in working capital.

Cash flow from investing activities amounted to an outflow of SEK 43.9 million (37.2). Most of it, SEK 33.9 million, was an investment in the development of the Pagero Network.

Cash flow from financing activities amounted to an inflow of SEK 143.0 million (outflow: 442.9), which is mainly attributable to a new loan of SEK 150 million that was raised within the credit line of SEK 1,500 million.

Total cash flow for the period amounted to an inflow of SEK 64.5 million (outflow: 511.3).

JANUARY – SEPTEMBER 2023

Cash flow

Cash flow from operating activities amounted to an outflow of SEK 44.8 million (22.4), which is attributable to the loss that is partly offset by the positive change in working capital.

Cash flow from investing activities amounted to an outflow of SEK 128.0 million (118.3). Most of it, SEK 95.8 million, was an investment in the development of the Pagero Network.

Cash flow from financing activities amounted to an inflow of SEK 184.1 million (175.0), which is mainly attributable a new loan of SEK 150 million in connection with the announced advance payment to the minority shareholders of Gosocket and the 2020/2023 warrants programme of 4,170,000 shares at SEK 13 that was fully subscribed during the period, which contributed SEK 54.2 million to the company.

Total cash flow for the period amounted to SEK 11.4 million (34.3).

Liquidity

Liquidity amounted to SEK 395.3 million (458.9). Available liquidity, including unutilized overdraft facilities amounted to SEK 397.8 million (461.4).

Liabilities

Interest-bearing liabilities amounted to SEK 498.1 million (323.0) and consist of the loan from Ture Invest, where Pagero holds a total loan facility of SEK 1,500 million. The loan runs for four years. The interest expense is added to the liability during the first 18 months of the loan.

The loan liability of SEK 321.2 million (196.1) is comprised of additional purchase considerations for the acquisitions of Gosocket and the R&D organization in Sri Lanka. The increase is attributable to the liability to Gosocket being revalued in accordance with the new maturity (Note 7) and to the USD effect when converted to SEK.

Parent Company

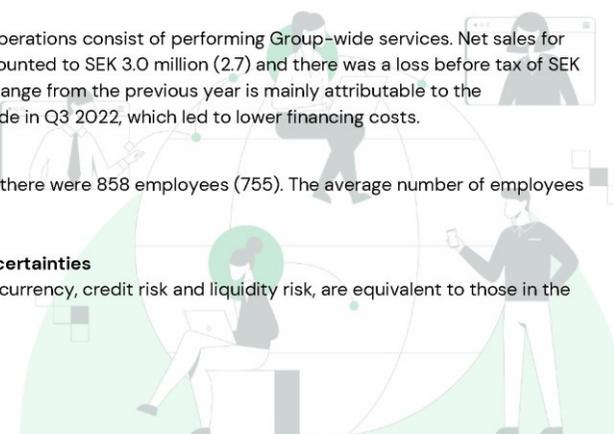
The Parent Company's operations consist of performing Group-wide services. Net sales for the Parent Company amounted to SEK 3.0 million (2.7) and there was a loss before tax of SEK 31.8 million (34.9). The change from the previous year is mainly attributable to the amortization of loans made in Q3 2022, which led to lower financing costs.

Personnel

On 30 September 2023, there were 858 employees (755). The average number of employees was 823 (715).

Significant risks and uncertainties

Significant risks, such as currency, credit risk and liquidity risk, are equivalent to those in the



assessment in the 2022 annual report. We still do not see that the war in Ukraine will directly affect Pagero's operations.

Related party transactions

There are no related party transactions to report in the period.

The share

On 30 June 2023, there were 158,392,263 shares. The share price on 30 September 2023 closed at SEK 15.71 per share. Earnings per share before dilution amounted to a loss of SEK 1.45. Earnings per share after dilution amounted to a loss of SEK 1.45.

Financial targets and dividend policy

- Growth: Increase ARR to at least SEK 1,500 million at the end of the 2025 financial year.
- Profitability: Achieve an EBITA margin of around 20% at the end of the 2025 financial year with retained focus on growth.
- Dividend policy: Pagero intends to reinvest its cash flow in growth initiatives and will therefore not apply any annual dividend.

CONSOLIDATED INCOME STATEMENT

(SEK 000s)	Note	July–Sept 2023	July–Sept 2022	Jan–Sept 2023	Jan–Sept 2022	Full year 2022
<u>Operating income</u>						
Net sales	6	204,013	151,115	572,435	430,483	600,127
Capitalized work on own behalf		32,729	25,181	91,352	73,106	105,406
Customer acquisition expenses		6,235	2,924	18,750	8,801	30,627
Other operating income		0	0	477	2,502	5,277
		242,977	179,220	683,015	514,892	741,437
<u>Operating costs</u>						
Direct sales costs		-26,290	-20,450	-71,932	-57,743	-80,558
Other external expenses		-48,582	-43,544	-149,655	-122,674	-184,505
Personnel costs		-163,048	-121,976	-491,565	-369,926	-533,219
Other operating costs		-1,707	-725	0	-16,917	-16,917
Operating profit/loss before depreciation (EBITDA)		3,351	-7,474	-30,138	-52,368	-73,762
Depreciation of tangible assets		-9,300	-8,920	-27,581	-25,115	-29,250
Operating profit/loss after depreciation (EBITA)		-5,949	-16,394	-57,719	-77,483	-103,012
Amortization of intangible assets		-36,488	-28,082	-103,854	-79,673	-114,137
Operating profit/loss (EBIT)		-42,437	-44,476	-161,573	-157,156	-217,149
<u>Profit/loss from financial items</u>						
Financial income		345	5,646	1,703	6,860	7,938
Financial expenses		-33,880	-31,548	-68,828	-69,869	-64,761
Financial items		-33,535	-25,902	-67,124	-63,009	-56,823
Profit/loss after financial items		-75,972	-70,378	-228,697	-220,166	-273,972
Income tax		-876	978	-931	745	-1,850
Net profit/loss for the period		-76,848	-69,400	-229,628	-219,421	-275,822
Attributable to:						
Shareholders of the Parent Company		-76,848	-69,400	-229,628	-219,421	-275,822

**Consolidated statement of comprehensive income
(SEK 000s)**

	July–Sept 2023	July–Sept 2022	Jan–Sept 2023	Jan–Sept 2022	Full year 2022
Net profit/loss for the period	-76,848	-69,400	-229,628	-219,421	-275,822
Items that may subsequently be reclassified to profit or loss					
Foreign exchange differences	4,272	35,467	40,861	83,162	59,275
Other comprehensive income for the period	4,272	35,467	40,861	83,162	59,275
Comprehensive income for the period	-72,576	-33,933	-188,767	-136,259	-216,547
Attributable to:					
Shareholders of the Parent Company	-72,576	-33,933	-188,767	-136,259	-216,547

CONSOLIDATED BALANCE SHEET

Assets (SEK 000s)	Note	30 Sept 2023	30 Sept 2022	31 Dec 2022
Fixed assets				
Capitalized development expenditures		321,350	256,804	277,734
Technology		34,932	43,790	38,943
Customer relationships		126,364	137,932	130,137
Trade marks		18,598	22,369	21,138
Goodwill		390,283	383,878	376,485
Customer acquisition expenses		17,636	8,338	23,325
Intangible assets		909,163	853,111	867,762
Rights of use		27,351	44,295	37,906
Equipment, computers and installations		30,316	27,685	27,574
Financial assets		2,643	9,473	8,857
Deferred tax assets		20,447	19,881	20,179
Total fixed assets		989,921	954,445	962,278
Current assets				
Accounts receivable		170,588	105,512	200,079
Current tax assets		12,055	6,623	2,021
Other receivables		10,998	3,052	3,985
Prepaid expenses and accrued income		37,304	32,469	32,627
Total current receivables		230,945	147,655	238,711
Cash and cash equivalents		395,307	458,880	383,921
Total current assets		626,252	606,535	622,632
Total assets		1,616,174	1,560,979	1,584,910

CONSOLIDATED BALANCE SHEET

Liabilities and equity (SEK 000s)	Note	30 Sept 2023	30 Sept 2022	31 Dec 2022
Equity				
Share capital		1,584	1,542	1,542
Other contributed capital		1,374,578	1,320,672	1,320,672
Reserves		125,224	108,250	84,363
Retained earnings including profit/loss for the year		-1,057,594	-771,565	-827,966
Equity		443,791	658,899	578,611
<u>Non-current liabilities</u>				
Liabilities to credit institutions		498,136	316,213	323,030
Leasing liability		6,534	23,625	19,021
Non-current liabilities		231,208	205,062	196,064
Deferred tax		52,055	56,896	56,181
Total non-current liabilities		787,933	601,797	594,295
<u>Current liabilities</u>				
Leasing liability		20,817	20,235	19,505
Accounts payable		61,279	56,291	68,382
Other liabilities		47,481	48,350	49,518
Accrued expenses and deferred income		254,873	175,408	274,600
Total current liabilities		384,450	300,284	412,004
Total equity and liabilities		1,616,174	1,560,979	1,584,910

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(SEK 000s)

	Share capital	Other contributed capital	Reserves	Retained earnings including profit or loss for the year	Total equity
Opening balance at 1 January 2022	1,542	1,320,851	25,088	-552,145	795,336
Profit/loss for the year	0	0	0	-275,822	-275,822
Other comprehensive income for the year	0	0	59,275	0	59,275
Total comprehensive income	0	0	59,275	-275,822	-216,546
Transaction costs, new share issue	0	-179	0	0	-179
Total transactions with shareholders, recognized directly in equity	0	-179	0	0	-179
Closing balance at 31 December 2022	1,542	1,320,672	84,363	-827,966	578,611
Opening balance at 1 January 2023	1,542	1,320,672	84,363	-827,966	578,611
Profit/loss for the year	0	0	0	-204,181	-204,181
Other comprehensive income for the year	0	0	40,861	0	40,861
Total comprehensive income	0	0	40,861	-204,181	-163,320
New share issue, warrants programme	42	54,170	0	0	54,212
Transaction costs, new share issue	0	-265	0	0	-265
Total transactions with shareholders, recognized directly in equity	42	53,906	0	0	53,948
Closing balance at 30 September 2023	1,584	1,374,578	125,224	-1,032,147	469,239

CONSOLIDATED CASH FLOW STATEMENT

(SEK 000s)	Note	July–Sept 2023	July–Sept 2022	Jan–Sept 2023	Jan–Sept 2022	Full year 2022
Operating profit/loss		-42,437	-44,476	-161,573	-157,156	-217,149
Non-cash items		45,856	33,766	131,434	104,788	143,387
Interest received		811	4,688	2,014	6,860	7,938
Interest paid		0	-2,171	0	-6,915	-7,461
Income tax paid		-2,035	-1,480	-8,892	-6,434	-7,922
Cash flow from operating activities before changes in working capital		2,195	-9,673	-37,017	-58,857	-81,208
Increase (-)/decrease (+) in accounts receivable		25,688	2,144	29,490	19,626	-74,941
Increase(-)/decrease(+) in operating receivables		-4,304	11,664	-23,271	-11,074	-8,079
Increase (+)/decrease (-) in accounts payable		-5,192	-5,966	-7,103	13,638	25,729
Increase(+)/decrease(-) in operating liabilities		-52,966	-29,450	-6,849	14,306	108,408
Cash flow from changes in working capital	8	-36,774	-21,608	-7,733	36,496	51,117
Cash flow from operating activities		-34,579	-31,281	-44,749	-22,361	-30,091
<u>Investing activities</u>						
Investments in intangible assets		-42,158	-32,297	-124,211	-95,126	-151,857
Investments in tangible assets		-2,218	-3,640	-10,420	-7,236	-12,634
Acquisition of subsidiaries, less acquired cash and cash equivalents		0	0	0	-14,219	-14,219
Change in financial assets		463	-1,259	6,652	-1,752	-1,130
Cash flow from investing activities	8	-43,913	-37,196	-127,979	-118,333	-179,840
<u>Financing activities</u>						
Loans raised		150,000	12,534	150,000	741,908	741,855
Amortization of loans		-6,961	-455,405	-19,833	-566,718	-572,387
New share issues for the period		0	0	53,948	-179	-179
Cash flow from financing activities		143,039	-442,871	184,114	175,011	169,289
<u>Cash flow for the period</u>		64,546	-511,348	11,386	34,317	-40,642
Cash and cash equivalents at the beginning of the period		330,761	970,227	383,921	424,563	424,563
Cash and cash equivalents at the end of the period		395,307	458,880	395,307	458,880	383,921

GROUP KEY PERFORMANCE INDICATORS

(SEKm)	July-Sept 2023	July-Sept 2022	Jan-Sept 2023	Jan-Sept 2022	Full year 2022
Customer base, thousands	93.8	83.0	93.8	83.0	85.9
Customer base growth	13 %	20 %	13 %	20 %	14 %
Transaction volume, million	27.6	23.2	82.3	68.0	94.9
Transaction volume growth	19 %	18 %	21 %	17 %	18 %
Net revenue growth	35%	26%	33%	40%	36%
Organic net sales growth	35%	26%	33%	22%	23%
Recurring revenue, SEK million	176.2	129.9	497.5	377.4	520.7
Recurring revenue's share of net sales	86%	86%	87%	88%	87%
Recurring revenue growth	36%	21%	32%	36%	33%
Customer turnover (churn)	1.8%	1.8%	1.8%	1.8%	1.8%
CLV/CAC, times	30.0	24.4	30.0	24.4	26.2
Rule of 40	-	-	28%	11%	11%
NRR (Net Retention Rate)	-	-	122%	-	-
Gross profit	177.7	130.7	500.5	372.7	519.6
Gross margin	87%	86%	87%	87%	87%
EBITDA	3.4	-7.5	-30.1	-52.4	-73.8
EBITDA margin	1.6%	-4.9%	-3.7%	-12.2%	-12.3%
EBITA	-5.9	-16.4	-12.8	-77.5	-103.0
EBITA margin	-2.9%	-10.8%	-10.1%	-18.0%	-17.2%
Adjusted EBITA	-5.9	-16.4	-12.8	-60.6	-86.1
Adjusted EBITA margin	-2.9%	-10.8%	-9.4%	-14.1%	-14.3%
Net working capital	-132.7	-132.4	-132.7	-132.4	-153.8
Net working capital as a share of net sales	-16%	-22%	-17%	-15%	-26%
Net debt	-103	142.7	-103	142.7	60.9

PARENT COMPANY INCOME STATEMENT

(SEK 000s)	July-Sept 2023	July-Sept 2022	Jan-Sept 2023	Jan-Sept 2022	Full year 2022
<u>Operating income</u>					
Net sales	1,028	633	3,026	2,693	3,703
	1,028	633	3,026	2,693	3,703
<u>Operating costs</u>					
Other external expenses	-1,650	-1,034	-4,593	-3,458	-3,497
Personnel costs	-1,768	-977	-4,308	-4,261	0
Other operating costs	0	0	0	-16,715	-16,715
Operating profit/loss (EBIT)	-2,391	-1,379	-5,875	-21,740	-23,308
<u>Profit/loss from financial items</u>					
Financial income	324	5,641	1,648	6,652	7,712
Financial expenses	-10,088	-12,640	-27,551	-19,773	-27,566
Profit/loss after financial items	-12,156	-8,378	-31,779	-34,862	-43,162
Profit/loss before tax	-12,156	-8,378	-31,779	-34,862	-43,162
Net profit/loss for the period	-12,156	-8,378	-31,779	-34,862	-43,162

PARENT COMPANY BALANCE SHEET

Assets (SEK 000s)	30 Sept 2023	30 Sept 2022	31 Dec 2022
Fixed assets			
Financial assets	2,062,590	1,633,499	2,000,780
Total fixed assets	2,062,590	1,633,499	2,000,780
Current receivables			
Receivables from Group companies	164,143	302,660	0
Other receivables	110	559	48
Prepaid expenses and accrued income	6,059	7,846	7,271
Total current receivables	170,313	311,065	7,319
Cash and cash equivalents	182,741	274,368	201,655
Total current assets	353,054	585,433	208,974
Total assets	2,415,644	2,218,932	2,209,754
Equity and liabilities (SEK 000s)			
Equity			
Share capital	1,584	1,542	1,542
Share premium reserve	1,799,464	1,745,420	1,745,420
Profit or loss brought forward	-43,107	55	55
Comprehensive income for the period	-31,779	-34,862	-43,162
Total equity	1,726,162	1,712,156	1,703,855
Non-current liabilities			
Liabilities to credit institutions	497,798	315,554	322,424
Non-current liabilities	189,295	189,856	181,696
Total non-current liabilities	687,093	505,410	504,120
Current liabilities			
Accounts payable	1,412	739	1,153
Other liabilities	0	108	0
Accrued expenses and deferred income	977	520	625
Total current liabilities	2,389	1,367	1,778
Total equity and liabilities	2,415,644	2,218,932	2,209,754

NOTES

NOTE 1 GENERAL INFORMATION

The consolidated financial statements cover the parent company, Pagero Group AB (“the Parent Company”), with corp. ID no. 559189-9173, and its subsidiaries (“the Group”). The Parent Company is a limited liability company registered in Sweden with its registered office in Gothenburg at the address Västra Hamngatan 1, SE-411 17 Gothenburg, Sweden.

All amounts are presented in SEK thousands (SEK 000s) unless otherwise stated.

Information in parentheses refers to the same period in the previous year unless otherwise stated.

NOTE 2 ACCOUNTING PRINCIPLES

This consolidated interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions in the Swedish Annual Accounts Act. The interim report for the Parent Company was prepared in accordance with RFR 2 and the Swedish Annual Accounts Act’s Chapter 9, Interim reports. For the Group, accounting principles and calculation principles were applied in an equivalent manner as for the 2022 annual report, which was prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The IASB issued amended accounting standards and interpretations that were approved by the EU, effective on 1 January 2023. None of these have had any material impact on the Pagero Group’s financial statements.

The information on every page constitutes an integral part of the financial statement.

For a more complete presentation of accounting principles, refer to the notes in the 2022 annual report.

NOTE 3 WARRANTS

The Annual General Meeting on 22 April 2021 resolved to issue 500,000 warrants to the Board, management and employees of the Group with the aim of creating long-term commitment, which can be expected to increase interest in the business and the development of the company.

The warrants were acquired at market value, which was calculated according to the Black & Scholes valuation model. The redemption period is May 2024 to July 2024. The warrant will be split 1:10 at redemption due to the share split of 1:10 that was carried out on 21 September 2021.

Each warrant entitles the holder to subscribe for one share at a predetermined exercise price three years after its issue. The warrants are acquired by those entitled to subscription against cash payment.

Warrants programme overview	Warrants	Exercise price	Warrants after split 1:10	Exercise price after split 1:10
	Number	SEK	Number	SEK
Warrants programme 2021/2024	500,000	250	5,000,000	25.00
Total/weighted exercise price	500,000	250	5,000,000	25.00

NOTE 4 EARNINGS PER SHARE

SEK	July-Sept 2023	July-Sept 2022	Jan-Sept 2023	Jan-Sept 2022	Full year 2022
Earnings per share before dilution (SEK)	-0.49	-0.91	-1.45	-1.42	-1.79
Earnings per share after dilution (SEK)	-0.49	-0.91	-1.45	-1.42	-1.78
Measurements of earnings used in calculating earnings per share before and after dilution (SEKm)					
Net profit/loss for the period	-76.8	-69.4	-229.6	-219.4	-275.8
The profit/loss above is attributable to the Parent Company's shareholders in its entirety					
Weighted average number of shares before and after dilution					
<i>Before dilution</i>					
Weighted average number of shares when calculating earnings per share before dilution	158,392,263	154,222,263	158,392,263	154,222,263	154,222,263
<i>Warrants</i>					
Adjustments for calculation of earnings per share after dilution for warrants	-	190,983	-	416,350	1,280,342
<i>After dilution</i>					
Weighted average number of shares and potential shares used as the denominator in calculating earnings per share after dilution	158,392,263	154,413,246	158,392,263	154,638,793	155,502,605

NOTE 5 SEGMENTS

Pagero only works within the Digital messaging services segment. Revenue is distributed by revenue type below:

Analysis of revenues by revenue type	July-Sept 2023	July-Sept 2022	Jan-Sept 2023	Jan-Sept 2022	Full year 2022
Licence sales	79.5	60.4	228.3	174.9	239.8
Transaction sales	96.8	69.6	269.2	202.5	280.9
Service sales	27.8	21.2	74.9	53.1	79.5
Net sales	204.0	151.1	572.4	430.5	600.1

NOTE 6 ANNUAL RECURRING REVENUE (ARR)

	30 Sept 2023	30 Sept 2022	31 Dec 2022
Net new and extended customer contracts	487.8	327.2	390.0
Running transactions, rolling 12	228.7	193.1	199.7
Order book, new customer contracts	23.0	15.5	14.5
Total ARR	739.5	535.9	604.2
Total ARR growth, %	38%	19%	27%
Organic ARR growth, %	38%	19%	17%

NOTE 7 AGREEMENT ON ADVANCE PAYMENT TO THE MINORITY SHAREHOLDERS OF GOSOCKET

On 28 September 2023, Pagero entered into an advance payment agreement with the minority shareholders of Gosocket. At the same time, Pagero and the minority shareholders of Gosocket have agreed to move the beginning of the exercise periods for the put option, from 30 June 2024 to 1 January 2026 and the call option, from 30 June 2025 to 1 January 2027. This will enable the parties to continue working together with their expansion plans and other collaborative projects around the world. The advance payment consists of a cash component of USD 8 million and a share component corresponding to USD 4 million which is made through a new share issue of 2,775,223 shares, at a price of SEK 15.87 in accordance with the authorization from the Board of Directors. This entails a dilution of 1.7%. The cash portion of USD 8 million was paid in early October 2023. In connection with the transaction, an additional loan of SEK 150 million was used at the end of September from the existing credit line with Ture Invest. The payment of the USD 8 million was made in early October.

The renegotiation resulted in a revaluation of the liability of SEK 14 million, which is recognised in the quarter as a financial expense not affecting cash flow.

NOTE 8 CORRECTIONS OF CASHFLOW FROM USAGE RIGHTS

In the period, a correction has been made regarding the classification in the cash flow as the cash flow from rights of use in previous periods was incorrectly reported during investment activities. For comparability, comparison periods have also been corrected according to the same principle.

DEFINITIONS

Key performance indicators	Definition
<i>Annualized recurring revenue (ARR)</i>	Contracted recurring revenue and R12 transaction revenue (SAAS). Historical figures are adjusted for comparability.
<i>Net Retention Rate (NRR)</i>	NRR is defined as ARR at a specific time for existing customers who have been customers in the past 12 months divided by total ARR from 12 months earlier. NRR takes into account expansion revenue, which means cross-selling and additional sales to existing customers, and loss of revenue from existing customers.
<i>Net revenue growth</i>	Net sales of current year/net sales of the previous period.
<i>Recurrent revenues</i>	Revenues of an annual nature and refer to income from licence and transaction sales.
<i>Direct sales costs</i>	Third party costs incurred in the provisioning of the company's sold services.
<i>Gross profit</i>	Net sales less direct sales costs.
<i>Gross profit margin</i>	Gross profit as a percentage of net sales.
<i>EBITDA margin</i>	Operating profit/loss before depreciation/net sales.
<i>EBITA</i>	Operating profit/loss after depreciation of tangible assets.
<i>EBITA margin</i>	EBITA as a percentage of net sales.
<i>EBITA (Adjusted)</i>	Operating profit/loss after depreciation of tangible assets, adjusted for Other non-recurring operating expenses.
<i>EBITA margin (adjusted)</i>	Adjusted EBITA as a percentage of net sales.
<i>Operating margin</i>	Profit/loss for the period after financial items/net sales.
<i>Equity/assets ratio</i>	Adjusted equity/total assets.
<i>Number of e-transactions, millions</i>	E-transactions in the Pagero Network platform, excluding transactions through Gosocket's platform.
<i>Organic growth</i>	Growth calculated without acquisitions.
<i>FTE</i>	Full-time equivalents.
<i>Customer turnover</i>	Rolling 12-month sales value of customers who have terminated their contracts in relation to rolling 12-month recurring sales.
<i>CLV/CAC</i>	Customer lifetime value/customer acquisition cost. CLV is calculated as a new annual contract over a rolling period of 12 months multiplied by the gross margin and divided by customer turnover. CAC is calculated as sales and marketing expenses during the previous rolling 12 months.
<i>Net working capital</i>	Current assets, excluding cash and cash equivalents, less non-interest-bearing current liabilities.
<i>Net debt</i>	Current and non-current interest-bearing liabilities to credit institutions less financial assets.
<i>Established markets</i>	Pagero companies that are well established in a geographic market where they serve and invoice customers in the geography in which they are registered and in other geographic markets and generate positive results.
<i>Investment markets</i>	Pagero companies in the build-up phase that have not yet reached maturity according to the established market definition.
<i>Rule of 40</i>	Net sales growth (pro forma) plus EBITDA margin.

BOARD CERTIFICATION

The Board of Directors and CEO provide their assurance that this interim report provides an accurate overview of the operations, position and performance of the Group and the Parent Company, and that it also describes the material risks and uncertainties faced by the Parent Company and the companies within the Group.

GOTHENBURG, 2 November 2023

Birger Steen
Chairman of the Board

Fredrik Vom Hofe
Deputy Chairman of the Board

Marianne K Knudsen
Board Member

Christian Melby
Board Member

Karin Sandsjö
Board Member

Mats Ryding
Board Member

Bengt Nilsson
CEO and Board Member

ADDITIONAL INFORMATION

CALENDAR

Year-end report Q4 2023 – 23 February 2024

Interim Report Q1 2024 – 7 May 2024

Annual General Meeting 2023 – 7 May 2024

FINANCIAL STATEMENTS

Financial statements can be downloaded from www.pagero.com

This interim report has not been reviewed by the company's auditors.

CERTIFIED ADVISER

The company's certified advisor is Erik Penser Bank.

CONTACT PERSONS

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CEO

Bengt.nilsson@pagero.com

Jan-Olof Ohlsson

CFO

Jan-olof.ohlsson@pagero.com





PAGERO

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www.pagero.com



Statement from the Bid Committee of Pagero

The description of Pagero on pages 21 – 70 of this Offer Document has been reviewed by the Bid Committee Pagero. It is the opinion of the Bid Committee that this short description provides an accurate and fair, although not complete, picture of Pagero.

Gothenburg, 13 December 2023

Pagero
The Bid Committee

Swedish tax considerations

The following is a summary of certain Swedish tax issues related to the Offer, which concern individuals and limited liability companies with unlimited tax liability in Sweden, unless otherwise stated. The summary is based on Swedish tax legislation as currently in effect and is intended only as general information. The summary is not intended to be an exhaustive account of all tax consequences that may arise as a result of the Offer. For example, it does not address:

- (i) the special rules which may be applicable to holdings in companies which are or have previously been "closely held companies" (Sw. *fåmansföretag*) or to shares acquired by virtue of "qualified shares in closely held companies" (Sw. *kvalificerade andelar*);
- (ii) the specific rules on tax-free dividends and capital gains (including non-deductibility of capital losses) in the corporate sector that may be applicable when shareholders hold shares that are considered business-related in the corporate sector;
- (iii) shares held by limited or general partnerships;
- (iv) shares held as current assets in a business operation; and
- (v) shares held through certain special investment vehicles such as investment savings accounts or endowment policies.

Special tax rules also apply to certain types of taxpayers, such as investment companies and insurance companies, as well as situations considered abusive. Consequently, the tax treatment of each individual shareholder depends on his/her specific situation. Each shareholder should therefore consult an independent professional advisor to analyze the tax consequences that the Offer may entail for them, including the possible applicability and effect of foreign tax rules and tax treaties and other rules that may be applicable. The following summary is based on the assumption that the shares related to the Offer are considered to be listed for Swedish tax purposes (should this assumption be incorrect, tax rules other than those described below may apply).

General

When publicly traded shares, such as the shares of Pagero, are sold or otherwise disposed of, a taxable capital gain or a deductible capital loss may arise. The capital gain or loss is usually calculated as the difference between the sales proceeds for the shares, after deducting sales costs and the tax basis. The tax basis for all shares of the same type and class is calculated together in accordance with the average cost method (Sw. *genomsnittsmetoden*). As an alternative to the average cost method, the standardized method (Sw. *schablonmetoden*) may be used upon the sale of listed shares, such as shares in Pagero. The standardized method entails that the tax basis may be determined as 20 percent of the sales proceeds for the shares after deducting sales costs.

Individuals

Capital gains for individuals resident in Sweden for tax purposes are taxed as capital income. The tax rate for capital income is 30 percent. Capital losses on listed shares may be fully set off against taxable capital gains arising the same year from listed shares and also, among other things, against non-listed shares in Swedish limited liability and other listed equity securities arising except for shares in mutual funds or special funds containing only Swedish debt securities (so-called interest funds). Capital losses on listed shares which cannot be set off in this manner may be deducted with 70 percent against other capital incomes.

If there is a net loss in the capital income category, a tax reduction is allowed against municipal and national income tax as well as against national real estate tax and municipal real estate charges. The tax reduction is granted at 30 percent on the portion of such net loss that does not exceed SEK 100,000 and at 21 percent on any remaining loss. Such net loss cannot be carried forward to future fiscal years.

Limited liability companies

For limited liability companies, all incomes, including taxable capital gains from divestments of shares, are taxed as business income at a tax rate of 20.6 percent.

Deductible capital losses on shares are only allowed against taxable capital gains on shares and other securities taxed as shares. If a capital loss cannot be deducted by the company that made the loss, it may, under certain conditions, be deducted against taxable capital gains on shares and other securities taxed as shares of another company in the same group, provided that there is a right of group contribution (Sw. *koncernbidrag*) between the companies. Capital losses on shares that have not been utilized in a given year may be carried forward and deducted against taxable capital gains on shares and other securities taxed as shares in subsequent tax years, without limitation in time.

Shareholders with limited tax liability in Sweden

Shareholders with limited tax liability in Sweden and whose holdings are not attributable to a permanent establishment in Sweden are generally not liable for Swedish capital gain taxation upon divestment of Swedish shares. Such shareholders may, however, be subject to taxation in their country of residence for tax purposes.

Under a specific tax rule, individuals that are not resident in Sweden for tax purposes may be subject to Swedish capital gain taxation upon the divestment of shares if they have been resident or stayed permanently (Sw. *stadigvarande vistats*) in Sweden at any time during the calendar year of such divestment or during any of the previous ten calendar years. The applicability of this rule may be limited by tax treaties between Sweden and other countries.

Offer restrictions

Important information

The Offer is not being made, and this Offer Document may not be distributed, directly or indirectly in or into, nor will any tender of shares be accepted from or on behalf of holders in Australia, Belarus, Canada, Hong Kong, India, Japan, New Zealand, Russia, Singapore, South Africa, Switzerland or any other jurisdiction in which the making of the Offer, the distribution of this Offer Document or the acceptance of any tender of shares would contravene applicable laws or regulations or require further offer documents, filings or other measures in addition to those required under Swedish law (together "**Restricted Territories**" and each a "**Restricted Territory**"). Shareholders not resident in Sweden who wish to accept the Offer must make inquiries concerning applicable legislation and possible tax consequences.

Shareholders in the United States should also refer to the section titled "*Special notice to the shareholders in the United States*" on page 76.

The Offer is not being made, directly or indirectly, in or into the Restricted Territories by use of mail or any other communication means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex, telephone and the internet) of interstate or foreign commerce, or of any facility of national securities exchange or other trading venue of the Restricted Territories and the Offer cannot be accepted by any such use or by such means, instrumentality or facility of, in or from, the Restricted Territories. Accordingly, the Offer Document and any documentation relating to the Offer are not being and should not be sent, mailed or otherwise distributed or forwarded in or into the Restricted Territories.

The Offer Document is not being, and must not be, sent to shareholders with registered addresses in the Restricted Territories. Banks, brokers, dealers and other nominees holding shares for persons in the Restricted Territories must not forward the Offer Document or any other document received in connection with the Offer to such persons. Persons receiving such documents or information (including custodians, nominees and trustees) should not distribute or send them in or into a Restricted Territory or use the mails or any means, within a Restricted Territory in connection with the Offer.

Any failure to comply with these restrictions may constitute a violation of the securities laws of any of the Restricted Territories. It is the responsibility of all persons obtaining the Offer Document, acceptance form or other documents relating to the Offer Document or to the Offer or into whose possession such documents otherwise come, to inform themselves of and observe all such restrictions. Any recipient of the Offer Document who is in any doubt about his or her status in relation to these restrictions should consult his or her professional adviser in the relevant territory.

Neither Vertex, Inc., Vertex nor any of their advisers accepts or assumes any responsibility or liability for any violation by any person of any such restrictions. The Offer Document does not represent an offer to acquire or obtain securities other than the shares of Pagero that are subject to the Offer.

Any purported tender of shares in the Offer resulting directly or indirectly from a violation of the restrictions described in the Offer Document and the related documents will be invalid. Further, any person purporting to tender shares pursuant to the Offer will be deemed not to have made a valid tender if such person is unable to make the representations and warranties set out in the section "*Certifications as to restrictions*" below and any corresponding representations and warranties in the acceptance form. Acceptances of the Offer and tenders of shares of Pagero made by a person located in a Restricted Territory, by any trustee, representative, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the Restricted Territories, or by the use of mails or any other communication means, within the Restricted Territories, directly or indirectly, will not be accepted (and should not be accepted by any such custodians, nominees and trustees or other intermediary holding shares of Pagero for any persons).

Any acceptance form or other communication relating to the Offer that originates from, is postmarked from, bears a return address in, or otherwise appears to have been dispatched from, the Restricted Territories will not be accepted (and should not be accepted by any custodian, nominee, trustee, agent, fiduciary or other intermediary).

Acceptances of the Offer and tenders of shares of Pagero will not be accepted (and should not be accepted by any custodian, nominee, trustee agent, fiduciary or other intermediary) if the consideration for the shares of Pagero is required to be mailed or otherwise delivered in or into a Restricted Territory or if an address within a Restricted Territory is provided for receipt of the price of the shares in the Offer or the return of the acceptance form. Each of Vertex, Inc., Vertex, Aktieinvest and their advisers reserve the right, in their absolute discretion (and without prejudice to the relevant shareholder's responsibility for the representations and warranties made by it), to (a) reject any tender of shares without investigation because the origin of such tender cannot be determined, or (b) investigate, in relation to any tender of shares pursuant to the Offer, whether any such representations and warranties given by a shareholder are correct and, if such investigation is undertaken and as a result Vertex determines (for any reason) that such representations and warranties are not correct, such tender may be rejected.

Certifications as to restrictions

By accepting the Offer through delivery of a duly executed acceptance form to Aktieinvest, the holder of tendered shares, and any custodian, nominee, trustee, agent, fiduciary or other intermediary submitting the acceptance form on behalf of such holder, certifies that such person:

- was not present or resident in, nor is a citizen of, a Restricted Territory at the time of receiving the Offer Document, the acceptance form or any other document or information relating to the Offer, and has not mailed, transmitted or otherwise distributed any such document or information in or into a Restricted Territory;
- has not used, directly or indirectly, the mails, or any means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex and telephone) of interstate or foreign commerce, or the facilities of the securities exchanges, of a Restricted Territory in connection with the Offer;
- was not present or resident in, nor is a citizen of, a Restricted Territory at the time of accepting the terms of the Offer, at the time of returning the acceptance form or at the time of giving the order or instruction to accept the Offer (whether orally or in writing); and
- if acting in a custodial, nominee, trust, fiduciary, agency or other capacity as an intermediary, then either (i) has full investment discretion with respect to the shares covered by the acceptance form or (ii) the person on whose behalf it is acting has authorized it to make the foregoing representations and was not present or resident in, nor is a citizen of, a Restricted Territory at the time he or she instructed such custodian, nominee, trustee, fiduciary, agent or intermediary to accept the Offer on his or her behalf, and such custodian, nominee, trustee, fiduciary, agent or other intermediary is processing that acceptance as part of its normal securities custodial function.

Special notice to the shareholders in the United States

The Offer described in this Offer Document is being made for the issued and outstanding shares of Pagero, a company incorporated under Swedish law, and is subject to Swedish disclosure and procedural requirements, which may be different from those of the United States. Holders of the shares of Pagero domiciled in the United States ("**U.S. Holders**") are advised that the Pagero shares are not listed on a U.S. securities exchange and that Pagero is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended ("**U.S. Exchange Act**"), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission ("**SEC**") thereunder. Pagero's financial statements and all financial information included in this Offer Document, or any other documents relating to the Offer, have been or will be prepared in accordance with IFRS and may not be comparable to the financial statements or financial information of companies in the United States or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles.

The Offer is being made to the U.S. Holders on the same terms and conditions as those being made to all other eligible shareholders of Pagero. Any information documents, including this Offer Document, will be disseminated to U.S. Holders on a basis comparable to the method pursuant to which such documents are provided to Pagero's other shareholders.

The Offer is being made in the United States pursuant to the applicable requirements of the U.S. Exchange Act, and the applicable rules and regulations promulgated thereunder, including Section 14(e) of the U.S. Exchange Act and Regulation 14E thereunder, in each case to the extent applicable, subject to the exemption provided under Rule 14e-1(d) under the U.S. Exchange Act ("**Tier II Exemption**"). The Offer will be made in the United States by Vertex and no one else.

The Offer will otherwise be made in compliance with the disclosure and procedural requirements of Swedish law, including with respect to withdrawal rights, the Offer timetable, notices of extensions, announcements of results, settlement procedures (including as regards to the time when payment of the consideration is rendered) and waivers of conditions, which may be different from requirements or customary practices in relation to U.S. domestic tender offers. Accordingly, the settlement of the Offer will be based on the applicable Swedish law provisions which differ from the settlement procedures customary in the United States, particularly as regards the time when payment of the consideration is rendered. US Holders should closely the section titled "*Terms and conditions*" on page 16 of this Offer Document for further details. The U.S. Holders should consider that the Offer Price is being paid in SEK and that no adjustment will be made based on any changes in the exchange rate.

It may be difficult for Pagero's shareholders to enforce their rights and any claims they may have arising under the U.S. federal or state securities laws in connection with the Offer, since Pagero and Vertex are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. Pagero's shareholders may not be able to sue Pagero or Vertex or their respective officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult to compel Pagero or Vertex and/or their respective affiliates to subject themselves to the jurisdiction or judgment of a U.S. court.

In accordance with normal Swedish practice, Vertex and its affiliates or its brokers and its brokers' affiliates (acting as agents for Vertex or its affiliates, as applicable) may from time to time and during the pendency of the Offer, and other than pursuant to the Offer, directly or indirectly purchase or arrange to purchase shares of Pagero outside the United States, or any securities that are convertible into, exchangeable for or exercisable for such shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent required under applicable law or regulations, information about such purchases will be disclosed by means of a press release or other means reasonably calculated to inform U.S. Holders of such information to the extent that such information is made public in Pagero's home jurisdiction. In addition, the financial advisor to Vertex may also engage in ordinary course trading activities in securities of Pagero, which may include purchases or arrangements to purchase such securities as long as such purchases or arrangements are in compliance with the applicable law.

The receipt of cash pursuant to the Offer by a U.S. Holder may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each shareholder

is urged to consult an independent professional adviser regarding the tax consequences of accepting the Offer. Neither Vertex nor any of its affiliates and their respective directors, officers, employees or agents or any other person acting on their behalf in connection with the Offer shall be responsible for any tax effects or liabilities resulting from acceptance of this Offer.

NEITHER THE SEC NOR ANY U.S. STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE OFFER, PASSED ANY COMMENTS UPON THE MERITS OR FAIRNESS OF THE OFFER, PASSED ANY COMMENT UPON THE ADEQUACY OR COMPLETENESS OF THIS OFFER DOCUMENT OR PASSED ANY COMMENT ON WHETHER THE CONTENT IN THIS OFFER DOCUMENT IS CORRECT OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

For purposes of this section "**United States**" and "**U.S.**" means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

U.S. Holders are encouraged to consult with their own advisors regarding the Offer.

Addresses

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