

Software AG recommends acceptance of voluntary public tender offer by Silver Lake

- Joint Reasoned Statement by Software AG's Management Board and Supervisory Board published, recommending shareholders accept the offer
- The offer combines an attractive premium for shareholders with benefits for all other stakeholders based on a shared strategic vision and company values
- Full and unreserved support by the Software AG Foundation, the Company's largest investor, who entered into a share purchase agreement with Silver Lake

Darmstadt, Germany – May 26, 2023: Pursuant to the German Securities Acquisition and Takeover Act (WpÜG), the Management Board and Supervisory Board of Software AG (the "Company") today issued their Joint Reasoned Statement on the voluntary public tender offer by Mosel Bidco SE (previously: Blitz 22-449 SE), a holding company controlled by funds managed or advised by Silver Lake, for all outstanding shares of Software AG. To avoid any conflicts of interest, the two Silver Lake representatives of the Supervisory Board recused themselves and an independent Takeover Committee was established to resolve on the issuance of the reasoned statement on the offer on behalf of the Supervisory Board. After a careful analysis of the offer document published on 17 May 2023, both boards recommend that the shareholders of Software AG accept the offer (subject to the further details contained in the Joint Reasoned Statement).

On the basis of a thorough assessment and analysis of the appropriateness of the offer, taking into account the results of fairness opinions provided to the Management Board and the Takeover Committee by PJT Partners and KPMG respectively, each independently came to the conclusion that the offered EUR 32.00 per Software AG share is fair from a financial point of view. This considered, but not exclusively, the 63 percent premium on the stock exchange price on the last trading day prior to the publication of the decision to launch the offer, previous broker target prices and the results of various valuation methods usually applied in similar takeover situations.

The fairness of the offer is also supported by the fact that the Software AG Foundation, the Company's largest investor, after negotiations with Silver Lake as well as discussions with other interested parties, decided to enter into a share purchase agreement relating to a stake of 25.1 percent of Software AG's shares with the bidder for a price of EUR 30.00. As outlined in detail in the Joint Reasoned Statement, following an indicative non-binding expression of interest by Rocket Software, negotiations between Software AG and Silver Lake resulted in the actual offer price of EUR 32.00. Silver Lake also purchased an additional 5 percent in the market at a price not higher than the offer price.

In addition, the assessment considered transaction certainty as well as the economic and strategic background of the offer, such as Silver Lake's strong support for the Company's strategic vision in focusing on the cloud application and data integration market, transitioning to a cloud-first business model and in exploring M&A opportunities.

As is mandatory in takeover situations, the Management Board and the Takeover Committee also assessed the impact of the offer on other stakeholder groups, in particular the employees of Software AG.

In a statement submitted as an attachment to the Joint Reasoned Statement, the Works Councils of Software AG declared that they fundamentally support offers which are in the best interest of the Company's employees, the customers, and Software AG.

The Management Board and the Takeover Committee of Software AG consider the economic and strategic reasons which have led the bidder to submit an offer to be in the best interests of all stakeholders. On this basis the Management Board and the Supervisory Board recommend that the Software AG shareholders accept the offer.

Sanjay Brahmawar, Software AG CEO, commented: *"We have thoroughly assessed the offer from Silver Lake in line with our fiduciary duties and with all stakeholder groups in mind. It offers an attractive premium, provides a high degree of transaction certainty, and fully supports our strategy as an independent company. In order to successfully execute the next phase of our transformation, Software AG would benefit from the stability and certainty provided by a single major shareholder."*

Oliver Collmann, Chair of the Takeover Committee, commented: *"Based on a thorough review of the offer document and supported by an independent fairness opinion, the Takeover Committee has resolved to recommend the offer by Silver Lake on behalf of the Supervisory Board. Good corporate governance is central to our decision making at Software AG and that continues to be a guiding principle through this process. Silver Lake's offer provides our shareholders with the opportunity of realizing significant value while at the same time preserving the identity of Software AG and supporting the Group in its long-term transformation."*

Pursuant to Section 27 WpÜG, the Joint Reasoned Statement by the Management Board and Supervisory Board has been published on the company website of Software AG at https://investors.softwareag.com/en_en.html (non-binding English translation; the binding German version is available at https://investors.softwareag.com/de_de.html).

Copies of the Joint Reasoned Statement can also be obtained free of charge from Software AG, Investor Relations, Uhlandstr. 12, 64297 Darmstadt, investor.relations@softwareag.com. The announcement that the statement has been published and is available free of charge was further made in the Federal Gazette today.

The tender period for the offer started with the publication of the offer document on 17 May 2023 and will end on 14 June 2023, 24:00 hrs (CEST). The success of the offer is subject to a minimum acceptance threshold of 50 percent plus one share of the share capital of Software AG and further customary conditions, including regulatory clearances.

Please kindly note that only the reasoned statement of the Management Board and Supervisory Board is authoritative. The information in this press release does not constitute an explanation or supplement to the content in the reasoned statement and may not contain all information that could be relevant to shareholders of Software AG. Shareholders of Software AG should therefore carefully read the entire reasoned statement of the Management Board and Supervisory Board.

About Software AG

Software AG simplifies the connected world. Founded in 1969, it helps deliver the experiences that employees, partners and customers now expect. Its technology creates the digital backbone that integrates applications, devices, data and clouds; empowers streamlined processes; and connects "things" like sensors, devices and machines. It helps 10,000+ organizations to become a truly connected enterprise and make smarter decisions, faster. The Company has about 5,000 employees across more than 70 countries and annual Group revenue of more than €950 million.

For more information, also follow us on [**LinkedIn**](#) and [**Twitter**](#).

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Disclaimer

This document is for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell securities. The terms and conditions for the voluntary public takeover offer for the outstanding ordinary shares (including ordinary shares represented by American depositary receipts) of Software AG (together with its consolidated subsidiaries, the "**Software AG Group**") have been published on the internet at www.offer-2023.com.

Acceptance of the takeover offer by shareholders that are resident outside Germany and the United States may be subject to further legal requirements. With respect to the acceptance of the takeover offer outside Germany and the United States, no responsibility is assumed for the compliance with such legal requirements applicable in the respective jurisdiction.

The Tender Offer Statement (including the offer document, a related letter of transmittal and other related offer materials) and any related statement, as they may be amended from time to time, contain important information that should be read carefully before any decision is made with respect to the takeover offer because they, and not this document, govern the terms and conditions of the takeover offer.

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Cautionary statement regarding forward-looking statements

This document contains forward-looking statements, including statements regarding the expected consummation of the proposed transaction and Software AG's future performance, which involves a number of risks and uncertainties, including the satisfaction of closing conditions for the transaction, the possibility that the transaction will not be completed, the failure to retain key Software AG employees, customers and partners, uncertainty regarding the anticipated benefits of the transaction

and the failure of the parties to achieve anticipated goals of the transaction, and other risks and uncertainties discussed in Software AG's public disclosure, as well as the offer document published by Silver Lake. These documents and statement are based on current expectations, assumptions, estimates and projections, and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Software AG and Silver Lake, that may cause results, levels of activity, performance or achievements to be materially different from any future statements. These statements are generally identified by words or phrases such as "believe", "anticipate", "expect", "intend", "plan", "will", "may", "should", "estimate", "predict", "potential", "continue" or the negative of such terms or other similar expressions. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results and the timing of events may differ materially from the results and/or timing discussed in the forward-looking statements, and you should not place undue reliance on these statements. Software AG undertakes no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise, unless expressly required to do so by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.