

**Mandatory Publication pursuant to section 27 (3) sentence 1 and section 14 (3)  
sentence 1 of the German  
Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*,  
WpÜG)**

**Joint Reasoned Statement  
of the Management Board and the Supervisory Board**

of

**Software Aktiengesellschaft**

Uhlandstraße 12  
64297 Darmstadt  
Germany

**pursuant to section 27 (1) WpÜG**

**on the voluntary public takeover offer**

of

**Mosel Bidco SE**

Elbestraße 31-33  
45478 Mülheim an der Ruhr  
Germany

**to the shareholders of Software Aktiengesellschaft**

SAG Shares: ISIN DE000A2GS401  
Tendered SAG Shares: ISIN DE000A35JSW8

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## 1. INTRODUCTION

On 21 April 2023, pursuant to section 10 (1) s 1 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, "**WpÜG**"), Mosel Bidco SE (previously: Blitz 22-449 SE), a European stock corporation (*Europäische Aktiengesellschaft; Societas Europaea*) incorporated under the laws of the Federal Republic of Germany, with its registered office in Munich, Germany, registered with the commercial register (*Handelsregister*) of the Local Court (*Amtsgericht*) of Munich under HRB 280569, business address: Elbestraße 31-33, 45478 Mülheim an der Ruhr, Germany ("**Bidder**"), announced its decision to launch a voluntary public takeover offer to all shareholders of Software Aktiengesellschaft, a stock corporation (*Aktiengesellschaft*) incorporated under the laws of the Federal Republic of Germany, with its registered office in Darmstadt, Germany, registered with the commercial register (*Handelsregister*) of the Local Court (*Amtsgericht*) of Darmstadt under HRB 1562, business address: Uhlandstraße 12, 64297 Darmstadt ("**Target Company**" or "**SAG**") and together with its affiliates within the meaning of sections 15 *et seq.* of the German Stock Corporation Act (*Aktiengesetz*, "**AktG**"), hereinafter referred to as "**SAG Group**". The shareholders of SAG are hereinafter referred to as the "**SAG Shareholders**".

The subject matter of the Offer is the acquisition of all no-par value registered shares in SAG, not directly held by the Bidder, including all ancillary rights associated with these shares at the time of the settlement of the Offer (as defined below), each share representing a *pro rata* amount of EUR 1.00 of the share capital of the Target Company (ISIN DE000A2GS401; WKN A2GS40) ("**SAG Shares**").

On 17 May 2023, pursuant to section 14 (2) s 1 and (3) s 1 WpÜG, the Bidder published the offer document within the meaning of section 11 WpÜG ("**Offer Document**") containing the offer ("**Offer**") to acquire all SAG Shares in return for a cash consideration of EUR 32.00 per SAG Share ("**Offer Price**") following approval by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "**BaFin**") on 17 May 2023.

On 17 May 2023, the Offer Document was submitted to the management board (*Vorstand*) of SAG ("**Management Board**") pursuant to section 14 (4) s 1 WpÜG and on 17 May 2023 the Management Board forwarded the Offer Document to the takeover committee of the supervisory board (*Aufsichtsrat*) of SAG ("**Supervisory Board**") and the competent works council.

The Offer Document was published on the internet at [www.offer-2023.com](http://www.offer-2023.com) in accordance with section 14 (3) s 1 WpÜG. In addition, based on the information



provided by the Bidder, copies of the Offer Document are available free of charge at BNP Paribas S.A., Niederlassung Deutschland, Senckenberganlage 19, 60325 Frankfurt am Main, Germany ("**Clearing Agent**") (requests can also be sent by fax to +49 69 1520 5277 or by email to frankfurt.gct.operations@bnpparibas.com). According to the information provided by the Bidder, a non-binding translation into English, which has not been reviewed by BaFin, is also available at [www.offer-2023.com](http://www.offer-2023.com). Both a link to the website where the Offer Document is published and information on the availability of copies for distribution free of charge were announced in the Federal Gazette (*Bundesanzeiger*) on 17 May 2023.

## 2. LEGAL BASIS FOR THE STATEMENT

Pursuant to section 27 (1) WpÜG, the Management Board and the Supervisory Board of the Target Company shall issue a reasoned statement on a takeover offer and any amendments thereof.

Due to potential conflicts of interest, the Supervisory Board established a takeover committee, consisting of the supervisory board members Oliver Collmann, Madlen Ehrlich and Ursula Soritsch-Renier ("**Takeover Committee**"), and authorised the Takeover Committee, inter alia, to resolve on the issuance of the reasoned statement on the Offer on behalf of the Supervisory Board (for further details please refer to section 10.1 of this Statement). To the extent this reasoned statement on the Offer refers to any statements, assessments or assumptions of the Supervisory Board, unless stated otherwise herein, such statements, assessments and assumptions were formed by the Takeover Committee on behalf of the Supervisory Board.

Pursuant to section 27 (1) s 2 WpÜG, the reasoned statement must, in particular, deal with (i) the type and amount of the consideration being offered, (ii) the expected consequences of a successful Offer for the Target Company, the employees and their representative bodies, the terms and conditions of employment and the business locations of the Target Company, (iii) the objectives pursued by the Bidder with the Offer, and (iv) the intention of the members of the Management Board and the Supervisory Board regarding acceptance of the Offer, insofar as they hold securities of the Target Company.

The Management Board and the Supervisory Board (through the independent Takeover Committee) are hereby issuing this joint reasoned statement on the Offer ("**Statement**") pursuant to section 27 WpÜG. On 26 May 2023, the members of the Management Board discussed the Statement and unanimously resolved that the Management Board recommends in accordance with this Statement that the SAG Shareholders accept the Offer. At its meeting on 26 May 2023, the Takeover Committee discussed the Statement and unanimously resolved on behalf of the Supervisory Board to also recommend to the Shareholders to accept the Offer in accordance with this Statement.

### 3. GENERAL INFORMATION ON THIS STATEMENT

#### 3.1 Factual basis

All information, forecasts, assessments and forward-looking statements, assumptions and declarations of intent contained in this Statement are based on the information available to the Management Board and the Supervisory Board at the time of publication of this Statement. They reflect their current assessments and assumptions, which may change after publication of the Statement. Such statements are indicated in particular by words such as "expects", "believes", "is of the opinion", "seeks", "estimates", "intends", "plans", "assumes", and "endeavours". These statements may be amended following the publication of this Statement. Assumptions may also turn out to be incorrect in the future. The Management Board and the Supervisory Board are under no obligation to update this Statement, unless they are required by German law.

Unless expressly stated otherwise, times in this Statement are given in Central European Summer Time ("**CEST**"). The currency indication "**EUR**" or "**Euro**" refers to the currency of the European Economic and Monetary Union in accordance with Article 3 (4) of the Treaty on European Union. References to a "**Banking Day**" refer to a day on which banks in Frankfurt am Main are open for general business. According to the Offer Document, for the purposes of the settlement of the Offer (see section 3 (Settlement) and section 13.5 of the Offer Document), the following days are also deemed not to be Banking Days: 4 July 2023, 15 August 2023, 28 August 2023, 4 September 2023, 9 October 2023, 1 November 2023, 10 November 2023, 23 November 2023, 24 November 2023, 15 January 2024, 4 February 2024, 12 February 2024, 19 February 2024, 6 May 2024, 27 May 2024, 19 June 2024 and 24 June 2024. The afore-mentioned dates are public holidays in the United States of America (State of New York and State of California), England and Wales and/or the Grand Duchy of Luxembourg.

The information in this Statement regarding the Offer and the Bidder and its affiliates are based exclusively on publicly available information, in particular on the Offer Document (except as stated explicitly otherwise). Information on the Bidder's intentions (see section 9.1 of this Statement) is based exclusively on the information provided by the Bidder in the Offer Document, the Investment Agreement concluded between the Bidder and SAG (see section 6 of this Statement) and other publicly available information.

The Management Board and the Supervisory Board point out that they are not able to verify all the information provided by the Bidder in the Offer Document. The Management Board and the Supervisory Board have not conducted an independent review of the Offer with regard to compliance with all capital markets and securities law requirements, especially foreign ones. The Management Board and the Supervisory

Board point out that – subject to the Investment Agreement with the Bidder (see section 6 of this Statement) – they are not in a position to verify the Bidder's intentions (see section 9.1 of this Statement) or to ensure their implementation. The Management Board and the Supervisory Board also point out that the Bidder's intentions and objectives may change at a later date.

The description of the Bidder's Offer in this Statement does not purport to be complete. As regards the terms and conditions of the Offer, only the Offer Document is relevant.

### 3.2 Statement of the works councils

Pursuant to section 27 (2) WpÜG, SAG's competent works council (*Betriebsrat*) may provide the Management Board with a statement on the Offer, which the Management Board, pursuant to section 27 (2) WpÜG, must attach to its own statement, without prejudice to its obligation pursuant to section 27 (3) s 1 WpÜG. On 25 May 2023, the competent works councils (*Betriebsräte*) submitted a statement to the Management Board, which is attached to this Statement as **Annex 1**.

### 3.3 Own responsibility of SAG Shareholders

The Management Board and the Supervisory Board point out that their statements and assessments in this Statement are by no means binding on the SAG Shareholders.

The SAG Shareholders are responsible for drawing their own conclusions on the basis of the Offer or other available sources and for acting accordingly. In particular, it is their own responsibility whether or not to accept the Offer. The Management Board and the Supervisory Board assume no liability should the acceptance or decision not to accept the Offer prove to have a negative financial impact for the SAG Shareholders or the Target Company. The Management Board and the Supervisory Board urgently recommend that SAG Shareholders study the Bidder's Offer Document in detail, irrespective of reading this Statement.

The Management Board and the Supervisory Board also point out that they are not in a position to provide any assessment of tax consequences for individual SAG Shareholders, nor state whether accepting or declining the Offer may have a negative impact on SAG Shareholders from a tax perspective (in particular with regard to the obligation to pay tax on capital gains). The Management Board and the Supervisory Board recommend that SAG Shareholders obtain tax advice based on their own personal tax circumstances before deciding whether to accept the Offer.

SAG Shareholders with their place of residence, registered office, or habitual abode outside of Germany, especially in the United States of America ("USA"), are asked to pay particular attention to the information provided by the Bidder under section 1.6 of the Offer Document. Holders of ADRs are asked to pay particular attention to the

information provided by the Bidder under section 13.9 of the Offer Document which sets out important information and steps for holders of ADRs to participate in the Offer.

### 3.4 Publication of the Statement

This Statement and any statements on changes to the Offer by the Bidder will be published on the internet on the website of the Target Company at

[https://investors.softwareag.com/de\\_de.html](https://investors.softwareag.com/de_de.html)

in German and at

[https://investors.softwareag.com/en\\_en.html](https://investors.softwareag.com/en_en.html)

as a non-binding English translation. Copies of the Statement can be obtained free of charge from the Target Company. Both a link to the website where the Statement is published and information on where copies can be obtained free of charge were submitted to the Federal Gazette on 26 May 2023 for publication.

No liability will be assumed for the accuracy and completeness of the English translations. The German-language version is the only binding version of this Statement and any statements on changes to the Offer by the Bidder.

## 4. INFORMATION ON THE TARGET COMPANY

### 4.1 General information about the Target Company

SAG is a German stock corporation (*Aktiengesellschaft*) incorporated under the laws of the Federal Republic of Germany, with its registered office in Darmstadt, registered with the commercial register (*Handelsregister*) of the Local Court (*Amtsgericht*) of Darmstadt under HRB 1562. SAG was established on 30 May 1969 and registered with the commercial register (*Handelsregister*) of the Local Court (*Amtsgericht*) of Darmstadt.

SAG's financial year is the calendar year.

Pursuant to Article 2 (1) of the articles of association of SAG ("**SAG's Articles of Association**"), SAG's corporate purpose is the generation and commercial exploitation of data processing solutions and all other products from the realm of data processing, including the provision of all associated services. Pursuant to Article 2 (2) of SAG's Articles of Association, SAG may take all actions which are appropriate to achieve its corporate purpose. SAG may establish other businesses and may acquire, and acquire participations in, other businesses of the same or similar type. SAG may also limit its commercial activities to a portion of the fields of operations regarding the corporate purpose of SAG.

## NON-BINDING CONVENIENCE TRANSLATION OF THE ORIGINAL GERMAN VERSION

The Management Board currently consists of the following members, the number of Management Board members being determined by the Supervisory Board pursuant to section 7 (1) of SAG's Articles of Association:

- (i) Sanjay Brahmawar (chief executive officer – *CEO*);
- (ii) Daniela Bünger (chief financial officer – *CFO*);
- (iii) Joshua Husk (chief revenue officer – *CRO*);
- (iv) Dr. Benno Quade (chief operating officer – *COO*);
- (v) Dr. Stefan Sigg (chief product officer – *CPO*).

The Supervisory Board currently consists of six members, four of whom are elected by the annual general meeting and two of whom are elected by the employees in accordance with the provisions of the German One-Third Employee Participation Act (*Drittelbeteiligungsgesetz* – "**DrittelbG**"). The Supervisory Board currently consists of the following members:

- (i) Christian Yannick Lucas (chairman of the Supervisory Board);
- (ii) Madlen Ehrlich (vice chairwoman of the Supervisory Board, employee representative);
- (iii) Oliver Collmann (chairman of the audit committee);
- (iv) Bettina Schraudolf (employee representative);
- (v) Ursula Soritsch-Renier;
- (vi) James Moon Whitehurst.

The Takeover Committee is chaired by Oliver Collmann, who also serves as chairman of the audit committee.

### 4.2 Capital and shareholder structure of SAG

The share capital of SAG entered in the commercial register amounts to EUR 74,000,000.00. The share capital is divided into 74,000,000 no-par value registered shares, each with a nominal amount of EUR 1.00 of SAG's share capital. There are no different share classes. Each share entitles the holder to one vote, with the exception to the treasury shares held by SAG, which confer no rights to SAG (see section 11 of this Statement).

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Since the SAG's initial public offering (IPO) on 26 April 1999, the SAG Shares have been admitted to trading on the sub-segment of the Frankfurt Stock Exchange with additional post-admission obligations (*Prime Standard*) under ISIN DE000A2GS401 (WKN A2GS40) and are currently included *inter alia* in the SDAX, TecDAX, DAX100, and TechAllShare share indices. In addition, the SAG Shares are tradable via the XETRA electronic trading system and on the regulated unofficial market of the stock exchanges of Düsseldorf, Hamburg, Hanover, Munich, and Stuttgart as well as via Tradegate.

Based on the voting rights notifications received by 25 May 2023, the following shareholders, in addition to the Foundation, hold an interest of 3% or more of the SAG Shares and voting rights:

| Shareholder                         | Percentage of Share Capital |
|-------------------------------------|-----------------------------|
| Schroders plc                       | 6.69                        |
| Royal Bank of Canada                | 5.51                        |
| Bain (Rocket Software Inc.)         | 4.51                        |
| Silver Lake (SLP Cayman Holding LP) | 4.05                        |
| Morgan Stanley                      | 3.62                        |
| JPMorgan                            | 3.4                         |

In addition, there are the following authorised and conditional capital amounts:

### 4.2.1 Authorised Capital 2021

On 12 May 2021, the annual general meeting of SAG authorised the Management Board, with the approval of the Supervisory Board, to increase SAG's share capital at one or more occasions until 11 May 2026 by up to a total of EUR 14,800,000.00 by issuing new no-par value registered shares in return for cash contributions and/or contributions in kind ("**Authorised Capital 2021**"). In the event of capital increases, SAG Shareholders generally have a subscription right. However, the Management Board is authorised, subject to the consent of the Supervisory Board, to exclude shareholders' subscription rights in certain cases. Such cases include:

- (i) The exclusion of shareholders' subscription rights in respect of fractional amounts.

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- (ii) The exclusion of subscription rights when capital increases are made in exchange for non-cash capital contributions for the purpose of acquiring companies, company divisions, equity holdings, or in connection with mergers.
- (iii) The exclusion of subscription rights when capital increases are made in exchange for cash capital contributions if it is necessary to grant holders of option or conversion rights or persons obliged to exercise option or conversion rights under warrant bonds or convertible bonds, which were issued by SAG or a direct or indirect wholly-owned subsidiary of SAG, a right to subscribe new shares to the extent to which they would be entitled to subscribe as shareholders after exercising the option or conversion right or after fulfilling the option or conversion obligation.
- (iv) The exclusion of subscription rights when capital increases are made in exchange for cash capital contributions, if the capital increases approved on the basis of this authorisation do not exceed in their entirety a total of 10% of the registered share capital as it exists at the time the resolution of the shareholders' meeting is adopted or, if this amount is lower, at the time the relevant authorisation is exercised, and provided that the issue price is not significantly lower than the stock exchange price. The maximum limit of 10% of the registered share capitals will be reduced by the pro rata amount of the registered share capital that is attributable to those company treasury shares that are sold during the term of the Authorised Capital 2021 under exclusion of the shareholders' subscription rights pursuant to section 71 (1) no 8 s 5, 186 (3) s 4 AktG. Further, the maximum limit shall be reduced by the pro rata amount of the registered share capital that is attributable to the maximum number of shares that had to be issued in order to service warrant bonds or convertible bonds containing option or conversion rights or duties, to the extent that the bonds are issued during the term of the Authorised Capital 2021 while excluding the subscription rights under the mutatis mutandis application of section 186 (3) s 4 AktG.

The sum of the shares issued pursuant to this authorization excluding the subscription right in return for cash and non-cash contributions may not exceed a pro rata share of the registered share capital of EUR 7,400,000.00.

The Management Board is authorised, subject to the consent of the Supervisory Board, to stipulate the additional details about the capital increase and the terms and conditions of the share issue.

At the time of publication of this Statement, the Management Board has not yet exercised this right.

#### 4.2.2 Conditional Capital 2021

At its annual general meeting on 12 May 2021, SAG's shareholders authorised a conditional increase in its share capital of up to EUR 14,800,000 by issuing up to 14,800,000 new no-par value registered shares ("**Conditional Capital 2021**"). The Conditional Capital 2021 only serves to the extent that the holders of warrant bonds or convertible bonds issued by SAG in the period up to 11 May 2026 (see section 4.2.3 of this Statement), exercise their option or conversion rights, or holders of warrant or convertible bonds fulfil their obligation to exercise their option or conversion rights, or if SAG delivers new no-par value registered shares instead of cash as part of its settlement obligations.

The new shares shall be issued at a price determined in the authorising resolution and will be eligible for profits from the fiscal year in which they are issued. The Management Board may, with the approval of the Supervisory Board, determine further details of the implementation of the Conditional Capital 2021.

At the time of publication of this Statement, the Management Board has not yet exercised the authorisation granted by the annual shareholders' meeting on 12 May 2021.

#### 4.2.3 Authorisation to issue Convertible Bonds and Convertible Bonds 2022

On 12 May 2021, the annual general meeting granted authorisation to the Management Board, in the period up to 11 May 2026 and subject to the consent of the Supervisory Board, to issue registered warrant bonds and/or convertible bonds and/or a combination of these instruments, with or without a specified maturity date, up to a total nominal amount of EUR 750,000,000.00. The owners or holders of the bonds would have the right to convert them into new, no-par value registered shares of SAG representing a pro rata amount of the registered share capital of up to EUR 14,800,000.00, in accordance with the more detailed provisions of the terms of the bond ("**Bond Authorisation 2021**"). The Management Board is authorised, subject to the consent of the Supervisory Board, to exclude shareholders' subscription rights. This exclusion is applicable only if, *inter alia*, the Management Board concludes that the issue price of the bonds does not materially fall short of the hypothetical market value of the bonds.



On 13 December 2021, the Management Board resolved, with the approval of the Supervisory Board, to make partially use of the Bond Authorisation 2021 and to issue subordinated, unsecured convertible bonds to SLP Clementia Holdco, Grand Cayman, Cayman Islands ("**SLP Investor**") and SLA Clementia Holdco, Grand Cayman, Cayman Islands ("**SLA Investor**"), with a nominal value of EUR 344,300,000.00, divided into shares of EUR 100,000.00, and a coupon of 2% per annum to the exclusion of shareholders' subscription rights pursuant to sections 203 (2), 186 (3) s 4 AktG (see section 9.2.6 for further details).

#### 4.3 Business activities and group structure

SAG Group is a corporate group specialising in enterprise software for application and data integration, business process intelligence and the 'Internet of Things'. SAG's digital business solutions are intended to enable customers to develop new business models and robust solutions that meet the needs of their end users with the primary goal of generating sustainable profitable growth in order to increase enterprise value. SAG has global market coverage, including America, Europe, Middle East, and Africa (*EMEA*), as well as Asia-Pacific and Japan. The EMEA region, with Germany as SAG's home market, is the largest market in terms of percentage of product revenue. Key customers include the public sector, the IT industry, and financial services providers, as well as manufacturing companies.

SAG operates three complementary business lines to address differing customer requirements and business objectives:

- (i) *Digital Business*: The Digital Business line groups multiple technologies that meet key requirements of the digital transformation and support digital business models. The business line is divided internally into three product lines: API Management, Integration & Microservices; IoT & Analytics; and Business Transformation.
- (ii) *Adabas & Natural (A&N)*: Adabas (Adaptable Database) and Natural (a fourth-generation software development language, 4GL) were SAG's first product releases. They power, for example, financial institutions and the public sector in more than 30 countries around the world (more than half of the 50 states in the USA use A&N). A&N applications run airlines, railways, and freight services. They are used wherever mission-critical, high-transaction, industrial-strength applications with extremely high levels of performance, availability, and security are required. In 2016, SAG launched its A&N 2050+ programme, a roadmap of technology updates, support services, and maintenance initiatives that will ensure that customers can rely on

their installations into the year 2050 and beyond. The programme includes an active talent search for A&N employees.

- (iii) *Professional Services*: The Professional Services (PS) business line provides implementation, development, and upgrade/migration services across SAG's entire product portfolio. Professional Services supports both the Digital Business and A&N business lines to ensure that customers get the maximum benefit from their technology investments as quickly as possible.

The first two business lines, *Digital Business* and *A&N*, represent SAG's broad product portfolio and are the main revenue drivers through licence and maintenance fees. Together, the business lines enable enterprises to successfully master the digital transformation from any starting point and in any direction. The *Digital Business* line includes Alfabet, ARIS, Cumulocity IoT, TrendMiner, and the webMethods product families as well as the StreamSets DataOps platform. Adabas and Natural, as well as CONNX, make up the product offering of the *A&N* business line.

SAG Group is managed globally by the parent company, SAG, in its role as a holding company. SAG has control and profit transfer agreements with its four German subsidiaries: SAG Deutschland GmbH, SAG Consulting Services GmbH, Cumulocity GmbH, and SAG LVG mbH. Otherwise, SAG Group is structured as a matrix organisation, which is reflected in its reporting lines, global policies, and committees. The SAG Group currently consists of 72 affiliated companies.

#### 4.4 Business development and selected key financial figures

According to the audited consolidated annual financial statements, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as well as the supplementary provisions applicable pursuant to section 315a (1) of the German Commercial Code (*Handelsgesetzbuch*, "**HGB**"), SAG Group reported revenues of approximately EUR 834.8 million and an EBIT of approx. EUR 136.4 million on the basis of the consolidated annual accounts for the financial year 2020. In the financial year 2021, SAG generated revenues of approx. EUR 833.8 million and an EBIT of approx. EUR 122.1 million based on the consolidated annual accounts. In the financial year 2022, SAG generated revenues of approx. EUR 958.2 million and an EBIT of approx. EUR 78.1 million based on the consolidated annual accounts.

As of 31 December 2022, the SAG Group had 4,996 employees (measured in full-time equivalents) across four main business areas: support and services, research and development, sales and marketing, and administration. This represents an increase from 4,819 employees at the end of 2021, and 4,700 employees at the end of 2020. SAG

Group's largest locations based on employees are Germany, India, the United States, Israel, Bulgaria, the United Kingdom and Malaysia.

4.5 Persons acting jointly with SAG

The subsidiaries of SAG specified in **Annex 2** of this Statement constitute persons acting jointly with SAG and each other pursuant to section 2 (5) s 2 in conjunction with s 3 WpÜG. At the time of publication of this Statement there are no other persons deemed to be persons acting jointly with SAG and each other pursuant to section 2 (5) s 2 WpÜG.

5. **INFORMATION ON THE BIDDER**

5.1 The Bidder

The Bidder is a European Stock Corporation (*Europäische Aktiengesellschaft; Societas Europaea – SE*) incorporated under the laws of the Federal Republic of Germany, with its registered office in Munich, Germany, registered with the commercial register (*Handelsregister*) of the Local Court (*Amtsgericht*) of Munich under HRB 280569. The current business address of the Bidder is Elbestraße 31-33, 45478 Mülheim an der Ruhr, Germany. The Bidder was established on 22 November 2022 and first registered with the commercial register on 28 November 2022 under the company name Blitz 22-449 SE. The Bidder changed its company name to Mosel Bidco SE on 27 April 2023. Its financial year is the calendar year. The Bidder's share capital amounts to EUR 120,000.00 and is divided into 120,000 no-par value registered shares.

According to the Bidder's articles of association, the corporate purpose of the Bidder is the acquisition and disposal as well as the administration of interests in other enterprises and the administration of the Bidder's assets. The Bidder may acquire interests in other enterprises in Germany and abroad.

The Bidder's Executive Board currently consists of its sole member, Gerd Kleemeyer.

The Supervisory Board of the Bidder currently consists of the following members:

- (i) Christian Yannick Lucas (Chairman of the Supervisory Board);
- (ii) Christoph Alexander Ernst Anthony (Vice Chairman of the Supervisory Board);
- (iii) Michael Peter Katzdobler.

According to the information provided by the Bidder in the Offer Document, the Bidder does not hold any shares in other undertakings and does not have any employees.

## 5.2 Bidder's Shareholder Structure

According to Bidder's information, the Bidder is a holding company controlled by funds managed or advised by the private equity investor Silver Lake ("**Silver Lake**"). Based on the Offer Document, the following entities, excluding Silver Lake Group, L.L.C., Wilmington, Delaware, United States of America, and SLTM GP, L.L.C., Wilmington, Delaware, United States of America, directly or indirectly control the Bidder (collectively the "**Bidder Controlling Shareholders**"). Unless specified below, the limited partners of the limited partnerships described in this section do not exercise controlling influence over such limited partnerships.

The Bidder is a direct wholly-owned subsidiary of Mosel Midco 3 GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung*), with registered seat in Frankfurt am Main, Germany, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main under HRB 130494.

Mosel Midco 3 GmbH is a direct wholly-owned subsidiary of Mosel Midco 2 GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung*), with registered seat in Frankfurt am Main, Germany, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main under HRB 130486.

Mosel Midco 2 GmbH is a direct wholly-owned subsidiary of Mosel MidCo 1 GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung*), with registered seat in Frankfurt am Main, Germany, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main under HRB 130493.

Mosel Midco 1 GmbH is a direct wholly-owned subsidiary of Mosel Topco GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung*), with registered seat in Frankfurt am Main, Germany, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main under HRB 130562.

Mosel Topco GmbH is a direct wholly-owned subsidiary of Mosel Holdco GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung*), with registered seat in Frankfurt am Main, Germany, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main under HRB 130492.

Mosel Holdco GmbH is a direct wholly-owned subsidiary of Mosel Midco S.à r.l., a limited liability company (*Société à responsabilité limitée – S.à r.l.*) established under the laws of Luxembourg, with registered seat in Luxembourg, Luxembourg, registered in the commercial register (*Registre de Commerce et des Sociétés*) of Luxembourg under no B276754.

## NON-BINDING CONVENIENCE TRANSLATION OF THE ORIGINAL GERMAN VERSION

Mosel Midco S.à r.l. is a direct wholly-owned subsidiary of Mosel Topco S.à r.l., a limited liability company (*Société à responsabilité limitée – S.à r.l.*) established under the laws of Luxembourg, with registered seat in Luxembourg, Luxembourg, registered in the commercial register (*Registre de Commerce et des Sociétés*) of Luxembourg under no B276588.

Mosel Topco S.à r.l. is a direct wholly-owned subsidiary of SLP Cayman Holding LP, an exempted limited partnership established under the laws of the Cayman Islands, with registered seat in George Town, Cayman Islands.

The sole general partner of SLP Cayman Holding LP is SLP VI Cayman Aggregator GP, L.P., an exempted limited partnership established under the laws of the Cayman Islands, with registered seat in George Town, Cayman Islands.

The majority limited partner of SLP Cayman Holding LP is SLP Cayman Top Holding LP, an exempted limited partnership established under the laws of the Cayman Islands, with registered seat in George Town, Cayman Islands.

The sole general partner of SLP Cayman Top Holding LP is SLP VI Cayman Aggregator GP, L.P., an exempted limited partnership established under the laws of the Cayman Islands, with registered seat in George Town, Cayman Islands.

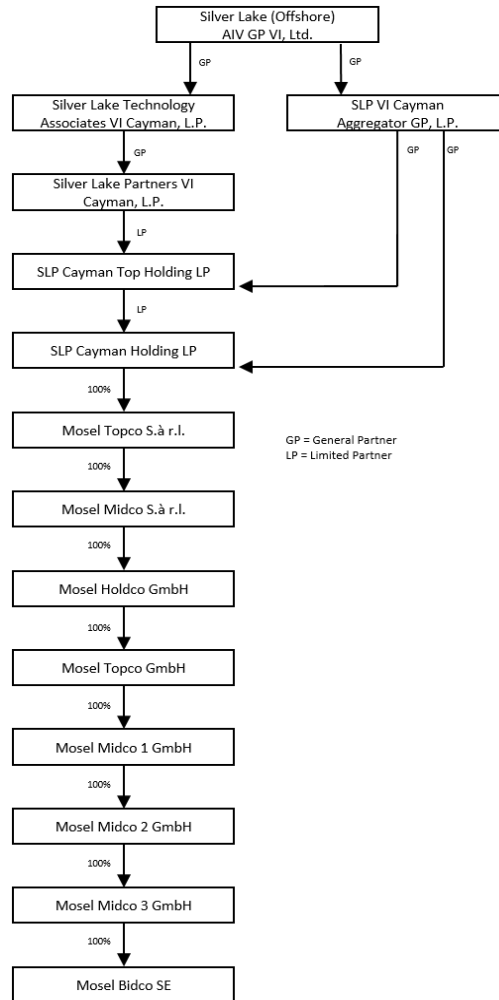
The majority limited partner of SLP Cayman Top Holding LP is Silver Lake Partners VI Cayman, L.P., an exempted limited partnership established under the laws of the Cayman Islands, with registered seat in George Town, Cayman Islands.

The sole general partner of Silver Lake Partners VI Cayman, L.P. is Silver Lake Technology Associates VI Cayman, L.P., an exempted limited partnership established under the laws of the Cayman Islands, with registered seat in George Town, Cayman Islands.

The sole general partner of Silver Lake Technology Associates VI Cayman, L.P. and SLP VI Cayman Aggregator GP, L.P. is Silver Lake (Offshore) AIV GP VI, Ltd., an exempted company with limited liability established under the laws of the Cayman Islands, with registered seat in George Town, Cayman Islands.

Silver Lake (Offshore) AIV GP VI, Ltd., Grand Cayman, Cayman Islands is acting in concert within the meaning of section 30 (2) WpÜG with regard to SAG Shares acquired under the Offer with Silver Lake Group, L.L.C., Wilmington, Delaware, United States of America, and SLTM GP, L.L.C., Wilmington, Delaware, United States of America (collectively the "**Acting in Concert Parties**").

According to this information, the Bidder's shareholder structure is set out in the following overview:



### 5.3 Background information on Silver Lake

Silver Lake is a global technology investment firm, with more than USD 95 billion (equals approx. EUR 87 billion at an exchange rate of USD 1.0875 = EUR 1.00 as of 31 March 2023 (source: European Central Bank)) in combined assets under management and committed capital and a team of professionals based in North America, Europe, and Asia.

### 5.4 Persons acting jointly with the Bidder

The Bidder qualifies as direct or indirect subsidiary of the Bidder Controlling Shareholders within the meaning of section 2 (6) WpÜG. Thus, the Bidder Controlling Shareholders are each regarded as persons acting jointly with the Bidder pursuant to section 2 (5) s 3 WpÜG.

In addition, according to BaFin's administrative practice, the Bidder Controlling Shareholders' further subsidiaries (please see Annex 3 to the Offer Document for a complete

list of companies) at the time of publication of the Offer Document are regarded as persons acting jointly with the Bidder and each other pursuant to section 2 (5) WpÜG.

According to the information provided by the Bidder, the Acting in Concert Parties (with the exception of Silver Lake (Offshore) AIV GP VI, Ltd., Grand Cayman, Cayman Islands) are persons acting jointly with the Bidder pursuant to section 2 (5) s 2 WpÜG.

Furthermore, there are no other persons acting jointly with the Bidder within the meaning of section 2 (5) WpÜG.

5.5 SAG Shares currently held by the Bidder and by persons acting jointly with the Bidder and their subsidiaries; attribution of voting rights

5.5.1 Shares

According to the information provided by the Bidder, at the time of the publication of the Offer Document, SLP Cayman Holding LP, Grand Cayman, Cayman Islands, a person acting jointly with the Bidder, held 3,000,000 SAG Shares. This corresponds to approx. 4.05% of the issued share capital and of the voting rights. The voting rights attached to these SAG Shares are attributed to Silver Lake Group, L.L.C., Wilmington, Delaware, United States of America and SLTM GP, L.L.C., Wilmington, Delaware, United States of America (each pursuant to section 30 (2) WpÜG) and to Silver Lake (Offshore) AIV GP VI, Ltd., Grand Cayman, Cayman Islands, Silver Lake Technology Associates VI Cayman, L.P., Grand Cayman, Cayman Islands, Silver Lake Partners VI Cayman, L.P., Grand Cayman, Cayman Islands, SLP Cayman Top Holding LP, Grand Cayman, Cayman Islands, and SLP VI Cayman Aggregator GP, L.P., Grand Cayman, Cayman Islands (each pursuant to section 30 (1) s 1 no 1 WpÜG).

Besides the above, according to the information provided by the Bidder, at the time of publication of the Offer Document, neither the Bidder nor any person acting jointly with the Bidder pursuant to section 2 (5) WpÜG nor their subsidiaries hold any SAG Shares or voting rights attached to the SAG Shares, and no SAG Shares or voting rights attached to the SAG Shares are attributed to the Bidder, persons acting jointly with the Bidder, or their subsidiaries in accordance with section 30 of WpÜG.

5.5.2 Instruments

According to the information provided by the Bidder, at the time of publication of the Offer Document, the Bidder held instruments within the meaning of

section 38 (1) s 1 no 2 of the German Securities Trading Act (*Wertpapierhandelsgesetz*, "**WpHG**").

On 21 April 2023, Software AG – Stiftung, Darmstadt ("**Foundation**"), under the Foundation SPA (as defined and described in more detail below in section 5.6.1), agreed to transfer 18,558,425 SAG Shares to the Bidder at a price equal to the Offer Price. This corresponds to approx. 25.08% of SAG's issued share capital and of the voting rights. The Bidder's right to acquire these SAG Shares from the Foundation constitutes an instrument with respect to voting rights in relation to SAG within the meaning of section 38 (1) s 1 no 2 WpHG which is directly held by the Bidder.

This instrument is indirectly held by the Bidder Controlling Shareholders (each pursuant to section 34 (1) s 1 no 1 WpHG) and the Acting in Concert Parties (each pursuant to section 34 (2) WpHG).

On 28 April 2023, the Bidder and another SAG shareholder entered into a share purchase agreement. As per the agreement, the shareholder agreed to transfer 691,000 SAG Shares to the Bidder outside of the Offer at a price equivalent to the Offer Price. The Bidder's right to acquire the aforementioned shares, which make up approx. 0.93% of the issued share capital and voting rights of SAG constitutes an instrument with respect to voting rights in relation to SAG within the meaning of section 38 (1) s 1 no 2 WpHG which is directly held by the Bidder.

This instrument is indirectly held by the Bidder Controlling Shareholders (each pursuant to section 34 (1) s 1 no 1 WpHG) and the Acting in Concert Parties (each pursuant to section 34 (2) WpHG).

On 15 February 2022, SAG made partial use of the Bond Authorisation 2021 and issued subordinated, unsecured convertible bonds in a total nominal amount of EUR 344,300,000.00 denominated in bonds of EUR 100,000.00 each and at an initial conversion price of EUR 46.54 per share subject to certain conversion price downward adjustments over time and related to certain events ("**Convertible Bond 2022**") to SLP Investor, a person acting jointly with the Bidder pursuant to section 2 (5) WpÜG ""and SLA Investor. SLP Investor holds 2,754 convertible bonds which entitle the holder to convert into a maximum of 5,917,490 SAG Shares. SLA Investor holds 689 bonds which entitle the holder to convert into a maximum of 1,480,447 SAG Shares which would result in an aggregate of 7,397,937 SAG Shares (which corresponds to approx. 9.09% of the issued share capital and of the voting rights on a fully diluted basis). The subscription rights associated with the convertible bonds constitute instruments with respect to voting rights in relation to SAG within the meaning of section 38



(1) s 1 no 2 WpHG which are directly held by the SLP Investor and the SLA Investor. Please see section 6.5.2 of the Offer Document for further details.

The instrument directly held by SLP Investor, is indirectly held by Silver Lake Group, L.L.C., Wilmington, Delaware, United States of America and SLTM GP, L.L.C., Wilmington, Delaware, United States of America (each pursuant to section 34 (2) WpHG) and by Silver Lake (Offshore) AIV GP VI, Ltd., Grand Cayman, Cayman Islands, Silver Lake Technology Associates VI Cayman, L.P., Grand Cayman, Cayman Islands, Silver Lake Partners VI Cayman, L.P., Grand Cayman, Cayman Islands, SLP Clementia Aggregator, L.P., Grand Cayman, Cayman Islands and SLP VI Cayman Aggregator GP, L.P., Grand Cayman, Cayman Islands (each pursuant to section 34 (1) s 1 no 1 WpHG).

The instrument directly held by SLA Investor is indirectly held by Silver Lake (Offshore) AIV GP VI, Ltd., Grand Cayman, Cayman Islands and SLTM GP, L.L.C., Wilmington, Delaware, United States of America (each pursuant to section 34 (2) WpHG) and by Silver Lake Group, L.L.C., Wilmington, Delaware, United States of America, SLAA II (GP), L.L.C., Wilmington, Delaware, United States of America, Silver Lake Alpine Associates II, L.P., Wilmington, Delaware, United States of America, Silver Lake Alpine II, L.P., Wilmington, Delaware, United States of America, SL Alpine II Aggregator GP, L.L.C., Wilmington, Delaware, United States of America and SLA Clementia Aggregator, L.P., Grand Cayman, Cayman Islands (each pursuant to section 34 (1) s 1 no 1 WpHG).

Furthermore, pursuant to section 6.5 of the Offer Document, apart from the foregoing, neither the Bidder nor the persons acting jointly with the Bidder within the meaning of section 2 (5) WpÜG directly or indirectly hold any instruments or voting rights which must be notified pursuant to sections 38, 39 WpHG.

### 5.5.3 Overview

In aggregate, the Bidder and persons acting jointly with the Bidder together hold

- 3,000,000 SAG Shares (corresponding to 4.05% of the issued share capital and of the voting rights);
- instruments in relation to share purchase agreements for 19,249,425 SAG Shares (corresponding to 26.01% of the issued share capital and of the voting rights);
- instruments in relation to the Convertible Bond 2022 for 7,397,937 SAG Shares (corresponding to 9.09% of the issued share capital and of the voting rights on a fully diluted basis).

Furthermore, approx. 5% of the SAG Shares held by the Foundation and not transferred to the Bidder or persons acting jointly with the Bidder are subject to a lock up under the Foundation SPA and cannot be acquired by other shareholders for the lock-up period (18 months) (cf. section 5.6.1 of this Statement).

## 5.6 Information about securities acquisitions

In the period beginning six months before the announcement of the decision to launch the Offer on 21 April 2023 and in the period between such announcement and the publication of the Offer Document the Bidder and the persons acting jointly with the Bidder within the meaning of section 2 (5) WpÜG acquired SAG Shares as described below and entered into the following agreements in respect of SAG Shares:

### 5.6.1 Share purchase agreements

In section 6.6 of the Offer Document, the Bidder describes two share purchase agreements with SAG Shareholders, which were concluded during the aforementioned period. Provided that the agreements are implemented, a total of 19,249,425 SAG shares will have been sold and transferred to the Bidder under the share purchase agreements. This corresponds to 26.01% of SAG's share capital.

On 21 April 2023, the Bidder and the Foundation entered into a share purchase agreement ("**Foundation SPA**"). According to the Foundation SPA, the Foundation agreed to transfer 18,558,425 SAG Shares to the Bidder outside of the Offer at a price equal to the Offer Price. The Foundation's transfer is subject to the fulfilment of all Offer Conditions, expiration of the additional acceptance period, and receipt of the purchase price. However, the Foundation SPA does not contain any restrictions on the Bidder's ability to waive any of the Offer Conditions. Furthermore, the Foundation SPA allows the Foundation to either sell its shares directly to Silver Lake or to tender the sold SAG Shares to the Bidder into the Offer without the right to withdraw from the Foundation SPA or the Offer, even in cases where other shareholders could withdraw from the Offer. Additionally, the parties agreed that the Foundation shall not sell or transfer any SAG Shares it holds, including the approx. 5% of the SAG Shares not sold to the Bidder under the Foundation SPA, to parties other than the Bidder for 18 months.

On 28 April 2023, the Bidder entered into another share purchase agreement with another SAG shareholder. Under this agreement, the shareholder agreed to transfer 691,000 SAG Shares to the Bidder outside of the Offer at a price equal to the Offer Price.

#### 5.6.2 Acquisitions via the stock exchange

Furthermore, according to the information provided in section 6.6 of the Offer Document, SLP Cayman Holding LP, Grand Cayman, Caymans Islands, a person acting jointly with the Bidder within the meaning of section 2 (5) WpÜG, acquired a total of 3,000,000 SAG Shares (corresponding to approx. 4.05% of SAG's share capital).

The aggregate amount of SAG Shares either held or purchased (but not held) by the Bidder respectively persons acting jointly with the Bidder within the meaning of section 2 (5) WpÜG correspond to approx. 30.1% of the issued share capital and voting rights of SAG.

Furthermore, according to the information provided in the Offer Document, neither the Bidder nor the persons acting jointly with the Bidder, nor their subsidiaries have acquired any SAG Shares or entered into any agreements regarding the acquisition of SAG Shares within the last six months prior to the announcement of the decision to submit the Offer on 21 April 2023 and in the period between such announcement and the publication of the Offer Document.

#### 5.7 Possible parallel acquisitions

In section 6.7 of the Offer Document, the Bidder reserved the right to acquire further SAG Shares outside the Offer, directly or indirectly either on or off the stock exchange to the extent legally permissible. If and to the extent that further SAG Shares are acquired in this way, the Bidder shall publish this on the internet at [www.offer-2023.com](http://www.offer-2023.com) and in the Federal Gazette (*Bundesanzeiger*) pursuant to section 23 (2) WpÜG in conjunction with section 14 (3) s 1 WpÜG.

Please see section 8.2 of this Statement for the possible consequences of the compensation to be paid under the Offer.

### 6. INVESTMENT AGREEMENT

#### 6.1 Background of the Investment Agreement

On 16 April 2023, the Management Board received a non-binding expression of interest from Silver Lake for an acquisition of up to 100% of the SAG Shares. According to the letter, Silver Lake was already in advanced negotiations with the Foundation about the acquisition of 25.1% in the Target Company on an exclusive basis, which precluded the Foundation from speaking or negotiating with any other potentially interested parties, effectively eliminating the chances for SAG to run a formal competitive sale process. As subsequently stated by the Foundation, it had previously held discussions with several interested parties before making its decision to sign an exclusivity agreement

with Silver Lake. The letter stated that the Silver Lake transaction would be financed through a combination of equity (funded by Silver Lake) and third party debt and that financing commitments of the third party debt providers could be finalized within a matter of days. The letter further stated that the potential offer at a price of EUR 30.00 per SAG Share was already approved by Silver Lake's investment committee and only subject to a limited and customary confirmatory due diligence. The letter also stated that Silver Lake was supporting the Target Company's business strategy and was looking to strengthen the Target Company's business and generate growth. The letter was accompanied by a draft investment agreement, the conclusion of which with the Target Company was, according to the letter, a pre-condition for completion of a potential transaction.

On 20 April 2023, the Management Board received the non-binding expression of interest from Rocket Software, Inc., with backing by Bain Capital Private Equity (together the "**Interested Third Party**") for a potential acquisition of up to 100% of SAG Shares stating a price range (with the initial offer price of Silver Lake of EUR 30.00 also being in such range). Such non-binding expression of interest specifically stated, amongst various other conditions, that it had neither approval from the board of Rocket Software, Inc. nor investment committee approval of Bain Capital Private Equity. The non-binding expression of interest was also subject to completion of a full due diligence. Further, according to the Interested Third Party, it had no financing secured. After a call between the CEO and the CFO of the Target Company with the Interested Third Party on 21 April 2023, the Management Board and the Takeover Committee considered such expression of interest by the Interested Third Party diligently, but saw no basis for engaging with such the Interested Third Party, inter alia for the following reasons:

- (i) The Foundation had already on 21 April 2023 concluded the Foundation SPA with Silver Lake for 25.1% of the SAG Shares. As verified by SAG prior to entering into the Investment Agreement, it is not conditional on the Bidder reaching 50%+1 of SAG Shares in the Offer. Furthermore the Foundation is not entitled to withdraw from the Foundation SPA, even in cases where other shareholders could withdraw from the Offer, namely a change of the offer or a Competing Offer (irrespective of a potential higher price being offered). This would have rendered the likelihood of any successful third-party offer to be very low.
- (ii) The preparations of the Interested Third Party were in a very early stage with low transaction certainty. The offer was subject to multiple pre-requisites including satisfactory completion of due diligence, internal approvals and financing.

- (iii) The Management Board and the Takeover Committee were not able to exclude potential regulatory issues with regard to a transaction involving the Interested Third Party as a strategic investor.
- (iv) The Management Board and the Takeover Committee believed that a transaction with the Interested Third Party as a strategic investor would have likely had negative effects for the employees of SAG Group and Darmstadt as the headquarter of the Target Company, particularly based on the stated intent of the Interested Third Party to combine the Target Company with Rocket Software, Inc.
- (v) The Management Board and the Takeover Committee believed that a transaction with the Interested Third Party would be less attractive than the Offer from a strategic perspective (cf. section 9.2 for an assessment of the intentions of the Bidder), particularly based on the stated intent of the Interested Third Party to combine the Target Company with Rocket Software, Inc.

On the other hand, Silver Lake was able to announce its Offer shortly given its secured financing confirmed by a cash confirmation subsequently issued by J.P. Morgan SE, Frankfurt am Main, Germany (not subject to a domination and/or profit and loss transfer agreement), its agreement with the Foundation and its very focused confirmatory due diligence (as further described in section 2.2 of the Offer Document).

Accordingly, the Management Board and the Takeover Committee came to the conclusion that the transaction with Silver Lake was in the best interest of SAG and resolved to enter into an investment agreement with the Bidder in order to preserve an attractive divestment opportunity for the SAG Shareholders. This investment agreement was concluded on 21 April 2023 and amended on 4 May 2023 (together "**Investment Agreement**").

Following signing of the Investment Agreement and announcement of the Bidder's intention to launch the Offer on 21 April 2023 and a further call between the CEO and the CFO of the Target Company with the Interested Third Party on 28 April 2023, on 2 May 2023, the Management Board received a non-binding offer letter from the Interested Third Party, offering a price of EUR 32.00 for a non control transaction (assuming a 40% minimum acceptance threshold) and a price of EUR 34.00 for a control transaction (assuming a 62.5% minimum acceptance threshold with the intention to enter into a domination and profit and loss transfer agreement with SAG). The Interested Third Party had still not yet secured financing of the contemplated offer and the contemplated offer was subject to certain prerequisites, including a satisfactory 3-4 week due diligence, availability of financing and future confirmation of internal approvals both at the levels of Rocket Software, Inc., and Bain Capital Private Equity. Given that there

was no right of withdrawal of the Foundation under the Foundation SPA in case of a Competing Offer and that Silver Lake had acquired another approximately 5% of the SAG Shares in the meantime (cf. section 6.6 of the Offer Document), the Management Board and the Takeover Committee concluded on the basis that for all practical purposes approx. 35% of the SAG Shares were not accessible for the Interested Third Party that there was no realistic scenario for any third party to obtain the required majority for a domination and profit and loss transfer agreement and that the control transaction envisaged by the Interested Third Party with a minimum acceptance threshold of 62.5% was therefore not executable.

Since the indicative offer for the non-control transaction (with a 40% acceptance threshold) was potentially executable, the Management Board and the Takeover Committee duly considered it and entered into negotiations with the Bidder, and agreed to increase the Offer Price to EUR 32.00, as well as a change of the definition of Superior Offer under the Investment Agreement (cf. section 6.4 of this Statement). The Investment Agreement was amended accordingly. On this basis, after due consideration, the Management Board and the Takeover Committee concluded to have no basis for engaging with the Interested Third Party.

On 9 May 2023, the Interested Third Party further increased its non-binding offer to EUR 34.00 for a non-control transaction (40% minimum acceptance threshold) respectively EUR 36.00 for a control transaction (62.5% minimum acceptance threshold subject to the support of the Bidder and the Foundation as well as subject to and with the intention to enter into a domination and profit and loss transfer agreement). The Interested Third Party had still not yet secured financing of its potential offer and the offer was still subject to certain pre-requisites, including a satisfactory 3-4 week due diligence, availability of financing and internal approvals. The Management Board reached out to Silver Lake to further assess whether the offer for a control transaction by the Interested Third Party (62.5% minimum acceptance threshold) had any chance of success since it would depend on Silver Lake cooperating with the Interested Third Party to clear the required 75% of votes cast at a shareholders' meeting. Silver Lake confirmed (also in a public statement) that it does not intend to sell to the Interested Party nor to partner with the Interested Third Party. After reviewing the revised non-binding offer of the Interested Third Party and in light of it having no chances of success to reach a controlling stake, the Management Board and the Takeover Committee again and for the reasons explained in detail above concluded that the offer for a controlling stake was not realistic.

While the Bidder did not further increase its Offer Price in reaction to the revised non-binding bid, the Management Board and the Takeover Committee concluded that the Offer was still in the best interest of the Target Company. In addition to the reasons described above, the Management Board and the Takeover Committee, *inter alia*, considered the following aspects:

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- (i) In the view of the Management Board and the Takeover Committee, the conditions of the Offer have a high likelihood of being fulfilled. Since the Interested Third Party is a competitor of the Target Company, merger control clearance of its potential offer would likely be more difficult to achieve.
- (ii) The price indicated in the non-binding offer by the Interested Third Party is still subject to further conditions, including satisfactory due diligence, and could therefore be lower than stated in the non-binding offer.
- (iii) Silver Lake has proven to be a reliable partner of the Target Company over the last years, with respect to financial and strategic matters. It has committed to the existing strategy of the Management Board. Also, there is a higher risk that, after a successful offer, the Interested Third Party would change the headquarters of the Target Company and reduce the work force significantly. In addition to work force reduction and change of headquarters, the Management Board and the Takeover Committee expected that a combination of the Target Company with the Interested Party in case of a successful offer by the Interested Party would not be beneficial for the Target Company's stakeholders, inter alia, due to a lack of strategic alignment.
- (iv) Because a control transaction is unrealistic, given the Foundation SPA and the clear statement of the Bidder not to divest the shares acquired under the Foundation SPA, the potential outcome of an offer by the Interested Third Party would be that two major shareholders emerge with large stakes in SAG and non-aligned strategic rationales and objectives (independent company vs. combination into Rocket Software, Inc.). In the opinion of the Management Board and the Takeover Committee it is not in best interest of the Target Company to have two such anchor shareholders, each with a strategic blocking majority of more than 25% of all shares in the Target Company, and none of these two shareholders willing to cooperate with the respective other shareholder.
- (v) The due diligence requested by the Interested Third Party would have exposed the Target Company to a competitive risk given that the Interested Third Party is a competitor of the Target Company. The Management Board and the Takeover Committee consider this risk not to be appropriate in a non-control transaction with unsecure deal certainty.

Further, the Management Board and the Takeover Committee concluded that the non-binding offer of the Interested Third Party did not constitute a Superior Offer within the meaning of the Investment Agreement (cf. section 6.4 of this Statement) and that they were therefore not allowed to engage with the Interested Third Party.

## 6.2 Overview of Investment Agreement

The Investment Agreement sets out certain parameters of the Offer and its implementation as well as reciprocal undertakings and certain statements as to the Bidder's intentions regarding the Target Company.

The Target Company had previously engaged PJT Partners (UK) Ltd. ("**PJT Partners**" or "**Financial Advisor**") as financial advisor to support with the evaluation of the Offer from a financial point of view already at the time of the conclusion of the Investment Agreement on 21 April 2023 (see section 8.3.3 of this Statement regarding the PJT Fairness Opinion subsequently rendered by PJT Partners for the purposes of this Statement). The Investment Agreement sets out, among other things, the parties' common understanding of the modalities of the Offer, the strategy of SAG, the intended delisting of the Target Company, the refinancing of the Target Company and certain aspects in relation to the corporate governance, the headquarter, the sites and locations, the workforce and the employees of the Target Company.

A summary of the key provisions of the Investment Agreement from the perspective of the Management Board and the Supervisory Board is provided below. In addition, please refer to section 9.1 of this Statement as regards the main objectives and intentions pursued by the Bidder.

## 6.3 Modalities of the Offer

In the Investment Agreement, the parties have agreed on the procedure for the Offer process. It also sets out the key aspects of the Offer, including the Offer Price in the amount of EUR 32.00. The Investment Agreement also stipulates that the Offer shall be subject to a number of conditions, including a minimum acceptance threshold of at least 50.0% plus one share of all SAG Shares, with the option for the Bidder to alter the conditions under certain circumstances. For the final set of conditions, please refer to section 12 of the Offer Document.

## 6.4 Support of the Offer

In view of the modalities of the Offer as agreed in the Investment Agreement and the other commitments given by the Bidder in the Investment Agreement, SAG has undertaken to support the Offer and to refrain from (i) actively soliciting a competing offer ("**Competing Offer**"), and (ii) entering into any communications, discussions, negotiations, correspondence or arrangements or make available any confidential documents



relating to the Target Company or its business with a view to soliciting any Competing Offer, unless actively approached by a third party with a proposal that is reasonably likely to result in Superior Offer (as defined below).

As a particular expression of their obligation to support the Offer, the Management Board, and the Supervisory Board, having duly reviewed and analysed the Offer (including the Offer Document) and acting in good faith with regard to their duties, shall confirm in the Statement pursuant to section 27 WpÜG, that (i) the Offer Price is fair (*angemessen*), (ii) they welcome and support the Offer, and (iii) they recommend to the SAG Shareholders the acceptance of the Offer.

However, support for the Offer in the Statement is subject to certain conditions, including in particular that (i) the Offer complies with the terms of the Investment Agreement, (ii) the financing confirmation pursuant to section 13 (1) WpÜG has not been withdrawn, (iii) the Bidder has not publicly abandoned its intention to fulfil its obligations under the Investment Agreement, (iv) in the event of a fully-financed Competing Offer, which provides for equivalent commitments as provided by the Bidder in the Investment Agreement and an all-cash offer consideration per share significantly higher than the Offer Price ("**Superior Offer**"), the Bidder has not matched such more beneficial terms, and (v) no other circumstances exist which would cause the members of the Management Board to breach their duties under applicable law by welcoming and supporting the Offer or not issuing a recommendation for a Superior Offer.

## 6.5 Covenants

Pursuant to the terms of the Investment Agreement, SAG and SAG Group shall, to the extent permitted by law, until the earlier of completion of the Offer and termination of the Investment Agreement, carry on its business in the ordinary course, including the current strategy. The Investment Agreement specifies certain measures which SAG Group particularly shall refrain to take during this time period, including certain capital measures, material investments and divestments, convening an extraordinary general meeting unless required by applicable law, incurring any new indebtedness or replacing any existing financial indebtedness or prepaying, repaying, redeeming or terminating any indebtedness before its stated maturity and any action that would adversely affect the consummation of the transaction.

Further, SAG undertook not to acquire, and to procure that none of the members of SAG Group acquires, directly or indirectly, SAG Shares or similar instruments at a price higher than the Offer Price in the time period ending one year after the publication of the final results of the Offer.

6.6 Tendering of SAG Shares

SAG confirmed in the Investment Agreement that all members of the Management Board and the Supervisory Board who hold SAG Shares have individually declared their intention to tender the SAG Shares held by them into the Offer, subject to the launch of a Superior Offer.

6.7 Business Strategy

The Bidder has confirmed in the Investment Agreement that it acknowledges and strategically supports SAG's business strategy, as defined by the Management Board, which aims at simplifying and refocusing SAG's business and enhance the customer value proposition, resulting in a sustainable and profitable growth trajectory by (i) refocusing SAG's business on the cloud application and data integration market, (ii) transforming SAG towards a SaaS (software as a service)-first company, and (iii) supporting SAG in its M&A endeavours both through divesting of components following a strategic review, as well as strengthening its integration portfolio through respective acquisitions. In addition, the Bidder and SAG agreed to (i) in good faith agree the primary measures of success (e.g., ARR and free cash flow), and (ii) jointly develop, based on the current strategy of SAG, a value creation plan.

6.8 Corporate Governance

The Bidder has confirmed its full support for the current composition of the Management Board in delivering the refined strategy. The Management Board shall continue to manage the Target Company independently and exclusively in its own responsibility. Consequently, and as long as SAG is incorporated in the legal form of a stock corporation (*Aktiengesellschaft*) and has not entered into a domination agreement (*Beherrschungsvertrag*) with the Bidder, the Bidder acknowledges that it shall not issue directives to the Management Board or any of its members.

The Bidder has declared that it currently does not intend to change the legally required co-determination of the Supervisory Board.

The Bidder has expressed its support for SAG's focus on talent development and culture. Therefore, the Bidder has agreed to evaluate together with the Management Board (i) appropriate incentives to retain and motivate key talents of SAG and (ii) suitable schemes for all employees to participate in the value creation potential of SAG, also following a delisting.

6.9 Headquarters, Sites and Locations, Workforce and Employees

The Bidder confirmed that it currently does not intend to cause SAG to relocate the locations of any of its important operations and assets (*wesentliche Unternehmensteile*) other than as proposed by the Management Board and resolved from time to time.

The Bidder confirmed that it intends to continue and further strengthen a constructive dialogue with all of SAG Group's workforce constituencies and to support the Management Board in maintaining and developing an attractive and competitive framework to retain an excellent employee base. The Bidder further confirmed that it (i) respects the rights of the employees and work councils (*Betriebsräte*) existing within or with regard to SAG Group under applicable laws, regulations, arrangements and agreements, and (ii), acknowledging the independence of the Management Board, does not intend to induce SAG to implement any new headcount reduction program, i.e. headcount reduction programs not already planned by the management.

6.10 Delisting

Under the Investment Agreement SAG has acknowledged that the transaction forms part of a larger taking-private strategy of the Bidder, who, to the extent legally and practically possible, intends to end the listing of the SAG Shares. The Management Board has stated its commitment to support the taking-private strategy, and both parties are prepared to take all reasonably necessary actions reasonably required on their part to effectuate a delisting of the SAG Shares as soon as possible and to the extent legally and practically possible following the completion of the Offer.

6.11 Financing

The Bidder has acknowledged that upon completion of the Offer (i) the bondholders would be entitled to demand repayment of all, or part of the convertible bonds not yet converted, and (ii) the counterparties under several financing agreements may have a termination right as a consequence of or in anticipation of a change of control in SAG (the maximum aggregate amount outstanding as of 31 March 2023 repayable as a consequence of the exercise of any such rights the "**Refinancing Amount**").

The Bidder has confirmed that it intends to finance the acquisition of 100% of the SAG Shares under the Offer and the Refinancing Amount through equity as well as a syndicated term loan facility ("**Syndicated Term Loan**"). In addition, the Bidder entered into documentation to secure binding commitments in respect of a syndicated revolving credit facility in an amount of EUR 100 million ("**Syndicated RCF**").

The Bidder confirmed that the terms of the Syndicated Term Loan and of the Syndicated RCF provide that they are available to be utilised subject to and in accordance with their terms (i), in case of the Syndicated Term Loan, in an amount up to the

Refinancing Amount for the purposes of refinancing the relevant facilities of SAG, and (ii), in case of the Syndicated RCF, in the full amount for the purposes of its liquidity requirements, in each case (at the option of SAG) either by way of SAG borrowing directly under the Syndicated Term Loan respectively the Syndicated RCF by way of accession to such agreements or by way of borrowing under a shareholder loan to be made available by Bidder on no worse terms as those that would have applied under the Syndicated Term Loan respectively the Syndicated RCF.

The Bidder and the Target Company acknowledged that the Target Company intends to maintain liquidity (being cash and cash equivalents on balance sheet of SAG Group and available commitments to SAG Group including the Syndicated RCF (as defined below)) of at least EUR 250 million. The Bidder and SAG agreed to cooperate to facilitate the financing and liquidity requirements of SAG. The Bidder acknowledged that SAG will be entitled to arrange debt financing in accordance with the foregoing, and the Bidder and SAG will reasonably cooperate to evaluate financing opportunities in accordance with SAG's strategy, including any additional liquidity requirements which may require incremental financing arrangements. SAG will be entitled to determine its own debt capital structure and will not be required to utilise the Syndicated Loan or Syndicated RCF.

The Bidder confirmed that the conclusion of a domination and/or profit and loss transfer agreement is not a prerequisite for taking out the Syndicated Term Loan, the Syndicated RCF or any other financing in relation to the Offer.

#### 6.12 Term

The Investment Agreement has a term of 24 months from its conclusion on 21 April 2023.

The Investment Agreement may be terminated by both parties in the event (i) that the Offer lapses as a result of non-satisfaction of the Offer Conditions or (ii) of any material violations of the Investment Agreement, which have not been cured within ten business days.

In addition, SAG is entitled to terminate the Investment Agreement, *inter alia*, if a third party launches a Superior Offer and (i) Bidder has not amended the Offer to match such Superior Offer after good faith negotiations with SAG within a period of ten business days following the publication of an offer document relating to such Superior Offer, as a consequence thereof, and (ii) SAG's Management Board and the Supervisory Board have decided to no longer support the Offer.

The Bidder conversely, is entitled to terminate the Investment Agreement if (i) the Management Board and/or Supervisory Board, does not support the Offer in its reasoned statement pursuant to section 27 (1) WpÜG, or withdraws it or amends it in any way

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that could impair, interfere with, hinder, delay or otherwise adversely affect the consummation of the Offer; and/or (ii) the consummation of this Offer does not occur or is reasonably likely not to occur other than for reasons for which the Bidder is responsible; and/or (iii) a Superior Offer has been settled.

### 7. INFORMATION CONCERNING THE OFFER

#### 7.1 Overview of the Offer

The following is a description of selected information from the Bidder's Offer and an overview for ease of reference; it does not include all of the information relating to the Offer. In their own interest, SAG Shareholders are advised not to rely solely on this overview but should take full and detailed note of this Statement and the Offer Document.

|                                      |   |
|--------------------------------------|---|
| <b>Bidder:</b>                       | Mosel Bidco SE, Elbestraße 31-33, 45478 Mülheim an der Ruhr, Germany.   |
| <b>Target Company:</b>               | Software Aktiengesellschaft, Uhlandstraße 12, 64297 Darmstadt, Germany.   |
| <b>Subject of the Offer:</b>         | Acquisition of all SAG Shares (ISIN: DE000A2GS401) not directly held by the Bidder, including all ancillary rights, in particular the right to dividends, existing at the time of the settlement of the Offer.  |
| <b>Compensation (Offer Price):</b>   | EUR 32.00 per SAG Share.  |
| <b>Acceptance Period:</b>            | 17 May 2023 to 14 June 2023, 24:00 hrs (CEST) / 18:00 hrs. (local time New York).   |
| <b>Additional Acceptance Period:</b> | The Additional Acceptance Period (as defined in section 7.7 of this Statement) will presumably begin on 20 June 2023 and end on 3 July 2023, 24:00 hrs (CEST) / 18:00 hrs. (local time New York).   |
| <b>Closing Conditions:</b>           | The settlement of the Offer and the agreements which have been entered into as a result of the acceptance of the Offer are subject to the following Offer Conditions (conditions subsequent, for details see section 12 of the Offer Document):<br><br>(i) Minimum Acceptance Threshold |

- (ii) Merger Control Clearance
- (iii) Foreign Direct Investment Clearance
- (iv) No Material Compliance Violation
- (v) No Capital Measures, No Insolvency
- (vi) No Material Market Adverse Change
- (vii) No Prohibition or Illegality of the Offer

If and to the extent one or more of the Offer Conditions are not fulfilled in due time and the Bidder has not previously effectively waived such condition (for the relevant time periods and more details, please see section 12.1 of the Offer Document), the Offer will lapse and the agreements which have been entered into as a result of the acceptance of the Offer will cease to exist and will not be consummated (conditions subsequent).

**ISIN:**

SAG Shares: ISIN DE000A2GS401.

Tendered SAG Shares: ISIN DE000A35JSW8.

**Acceptance:**

Acceptance of the Offer must be declared in writing or electronically by the respective SAG Shareholder to the respective custodian bank during the Acceptance Period or the Additional Acceptance Period. It will only become valid upon the timely rebooking of the SAG Shares for which the Offer has been accepted during the Acceptance Period ("**Tendered SAG Shares**") into ISIN DE000A35JSW8.

Until the settlement of the Offer, the Tendered SAG Shares for which the acceptance of the Offer has been duly and timely declared and has thus become effective shall remain in the securities account of the accepting SAG Shareholder (for details see section 13.2 of the Offer Document).

**Withdrawal Rights:**

SAG Shareholders who have accepted the Offer are entitled to withdrawal rights, as further specified in section 17 of the Offer Document, in case of an amendment of the Offer pursuant to section 21 (1) WpÜG and in case of a competing offer pursuant to section 22 (1) WpÜG.

**Costs of Acceptance:**

The settlement of the Offer in accordance with the provisions in sections 13.5 and 13.7 of the Offer Document is generally free from costs and expenses of the custodian banks for the accepting SAG Shareholders who hold their SAG Shares in a securities deposit account with a custodian bank in Germany (except for the

costs for transmitting the declaration of acceptance to the relevant custodian bank). Any additional costs and expenses charged by custodian banks or foreign investment service providers and any expenses incurred outside of Germany, however, must be borne by the respective SAG Shareholders. Any taxes and levies related to the conclusion of the purchase agreement and the transfer of the Tendered SAG Shares against payment of the Offer Price must be borne by the respective SAG Shareholder.

**Stock Exchange  
Trading:**

The Tendered SAG Shares can be traded, in accordance with the provisions set forth in section 13.8 of the Offer Document, under ISIN DE000A35JSW8 on the regulated market (*Regulierter Markt*) with additional postadmission obligations (Prime Standard) of the Frankfurt Stock Exchange. Trading will presumably start on the third Banking Day after commencement of the Acceptance Period. Trading is expected to be discontinued with the expiry of the third stock exchange trading day directly preceding the settlement of the Offer.

There is no guarantee that such trading will in fact take place after the commencement of the Acceptance Period.

**Publications:**

The Offer Document, the publication of which was approved by BaFin on 17 May 2023, was published on 17 May 2023 by way of (i) announcement on the internet (together with a non-binding English translation which has not been reviewed by BaFin) at [www.offer-2023.com](http://www.offer-2023.com), and (ii) making copies of this Offer Document available free of charge at BNP Paribas S.A., Niederlassung Deutschland, Senckenberganlage 19, 60325 Frankfurt am Main, Germany (inquiries via telefax to +49 69 1520 5277 or via email to [frankfurt.gct.operations@bnpparibas.com](mailto:frankfurt.gct.operations@bnpparibas.com)).

The announcement about making copies of this Offer Document available free of charge in Germany and the internet address at which the publication of the Offer Document occurs was published on 17 May 2023 in the German Federal Gazette (*Bundesanzeiger*). All notices and announcements required under the WpÜG are published in the German Federal Gazette and on the internet at [www.offer-2023.com](http://www.offer-2023.com) (in German together with a non-binding English translation).

**Settlement:**

The payment of the Offer Price for the Tendered SAG Shares will be made to the account of the relevant custodian bank with

Clearstream Banking AG simultaneously with (*Zug um Zug gegen*) the transfer of the Tendered SAG Shares, as the case may be, to the Bidder.

The payment of the Offer Price for Tendered SAG Shares will be made without undue delay following the expiry of the Additional Acceptance Period; however, payment will be made no later than eight Banking Days following publication of the results of the Offer pursuant to section 23 para. 1 s 1 no. 3 WpÜG if all Offer Conditions have been fulfilled on or before the expiry of the Additional Acceptance Period or have been previously effectively waived by the Bidder.

If the Offer Conditions set out in sections 12.1.2 and 12.1.3 of the Offer Document (Merger Control Clearance and Foreign Direct Investment Clearance) have neither been fulfilled on the date on which the Additional Acceptance Period expires nor been previously effectively waived by the Bidder by one working day prior to the expiry of the Acceptance Period, the settlement of the Offer and the payment of the Offer Price will be made without undue delay, but in no event later than eight Banking Days, after the publication by the Bidder of the fulfilment of all Offer Conditions in accordance with section 12.4 of the Offer Document (to the extent these have not been previously effectively waived).

In the event of the latest possible fulfilment of the Offer Conditions set out in sections 12.1.2 and 12.1.3 of the Offer Document (Merger Control Clearance and Foreign Direct Investment Clearance), i.e., on 14 June 2024, the settlement of the Offer and the payment of the Offer Price for the Tendered SAG Shares can be delayed until 28 June 2024 at the latest.

Upon crediting of the Offer Price to the respective custodian bank's account with Clearstream Banking AG, the Bidder will have fulfilled its obligation to pay the Offer Price. It is the respective custodian banks' responsibility to transfer the Offer Price to the SAG Shareholders.



7.2 Subject of the Offer

The Bidder is offering to purchase all SAG Shares (ISIN DE000A2GS401 (WKN A2GS40)), not directly held by the Bidder, including all ancillary rights, in particular the entitlement to profits, existing at the time of the settlement of the Offer, against payment of a cash consideration in the amount of

**EUR 32.00 per SAG Share**

in accordance with the provisions of the Offer Document.

American Depositary Receipts ("ADR") may not be tendered into the Offer. Holders of ADRs may only accept the Offer after having exchanged their ADRs for SAG Shares (for details see section 13.9 of the Offer Document).

7.3 Execution of the Offer

The Offer relates to shares in a German corporate entity and is subject to the German statutory provisions concerning the execution of such offer.

The Management Board and the Supervisory Board have not conducted their own review of the Offer with regard to compliance with the relevant legal requirements.

7.4 BaFin review and publication of the Offer Document

BaFin has reviewed the German version of the Offer Document in accordance with German law and permitted its publication on 17 May 2023. Reference is made to section 1.4 of the Offer Document for further information.

According to section 1.5 of the Offer Document, the Bidder published the Offer Document on 17 May 2023 on the internet at [www.offer-2023.com](http://www.offer-2023.com) and also made copies of the Offer Document available for free distribution by the Clearing Agent (enquiries by fax to +49 69 1520 5277 or via email to [frankfurt.gct.operations@bnpparibas.com](mailto:frankfurt.gct.operations@bnpparibas.com)). The notification regarding the website on which the Offer Document will be published and the fact that copies of the Offer Document can be obtained free of charge in Germany from the Clearing Agent was published in the German Federal Gazette (*Bundesanzeiger*) on 17 May 2023. Section 1.5 of the Offer Document also states that a non-binding English translation of the Offer Document has been made available via the same channels. The Bidder has not proposed any further publication of the Offer Document above and beyond the above.

## 7.5 Acceptance Period

The period for acceptance of the Offer started upon the publication of the Offer Document on 17 May 2023, 00:00 hrs (CEST) / 18:00 hrs. (local time New York) and ends on 14 June 2023, 24:00 hrs (CEST) / 18:00 hrs. (local time New York).

Details of the procedure for accepting the Offer are set out in sections 13.2 to 13.4 of the Offer Document.

## 7.6 Potential extensions of the Acceptance Period

In the circumstances set out below, the Acceptance Period specified in section 7.5 of this Statement will in each case be extended automatically as follows:

In the event of an amendment of the Offer pursuant to section 21 WpÜG within the last two weeks prior to the expiry of the Acceptance Period, such Acceptance Period will be extended by a further two weeks (section 21 (5) WpÜG). This also applies if the amended Offer violates any legal requirements.

If a third party issues a Competing Offer during the Acceptance Period and the Acceptance Period for the Offer made by the Bidder expires before the acceptance period for the Competing Offer, the Acceptance Period for the Bidder's Offer shall be the same as the acceptance period for the Competing Offer. This also applies if the Competing Offer is amended or prohibited or violates any legal requirements (section 22 (2) WpÜG).

If SAG convenes a general meeting regarding the Offer after the publication of the Offer Document, the Acceptance Period shall be ten weeks from the publication of the Offer Document (section 16 (3) WpÜG).

The Acceptance Period for the Offer, including any extensions thereof pursuant to the provisions of the WpÜG (with the exception of the Additional Acceptance Period), is hereinafter referred to as the "**Acceptance Period**".

## 7.7 Additional Acceptance Period

Any SAG Shareholders who have not accepted the Offer within the Acceptance Period may still accept the Offer within two weeks after the publication of the results of the Offer pursuant to section 23 (1) s 1 no 2 WpÜG (section 16 (2) WpÜG, "**Additional Acceptance Period**"), provided that none of the Offer Conditions set forth in section 12.1 of the Offer Document have definitively lapsed as at the end of the Acceptance Period, unless such condition has been effectively waived by the Bidder in advance up to one working day before the end of the Acceptance Period in accordance with Section 21 (1) s 1 no. 4 WpÜG.

Subject to an extension of the Acceptance Period, the Additional Acceptance Period is expected to commence on 20 June 2023 and end on 3 July 2023 at 24:00 hrs (CEST) / 18:00 hrs. (local time New York). After expiry of the Additional Acceptance Period, the Offer may no longer be accepted (with the exception of the tender right pursuant to section 39c WpÜG referred to in section 7.9 of this Statement).

Details on the procedure for accepting the Offer during the Additional Acceptance Period are set out in section 13.6 of the Offer Document.

#### 7.8 Rights of withdrawal

Reference is made to the statements in section 17 of the Offer Document with regard to the right of SAG Shareholders to withdraw from the Offer in the event of any amendment to the Offer or the submission of a Competing Offer.

#### 7.9 Tender right

In the event that the Bidder holds at least 95% of the outstanding SAG Shares after the conclusion of the Offer, SAG Shareholders who have not accepted the Offer may demand that the Bidder acquires their SAG Shares, pursuant to section 39c WpÜG for a period of three months after expiry of the Acceptance Period or – if the Bidder does not comply with its publication obligation pursuant to section 23 (1) s 1 no 4 WpÜG in conjunction with section 14 (3) s 1 WpÜG – after the fulfilment of the publication obligation.

Reference is made to section 16(g) of the Offer Document for further details of this tender right pursuant to section 39c WpÜG.

#### 7.10 Offer Conditions

The Offer and the agreements resulting from its acceptance by the SAG Shareholders will only be consummated if the conditions described in detail in section 12.1.1 (Minimum Acceptance Threshold), section 12.1.2 (Merger Control Clearance), section 12.1.3 (Foreign Direct Investment Clearances), section 12.1.4 (No Material Compliance Violation), section 12.1.5 (No Capital Measures, No Insolvency), section 12.1.6 (No Material Market Adverse Change), and section 12.1.7 (No Prohibition or Illegality of the Offer) of the Offer Document ("**Offer Conditions**") have been satisfied within the time periods specified in the Offer Document; these time periods generally expire at the end of the Acceptance Period except that the conditions pursuant to section 12.1.2 and 12.1.3 of the Offer Document have to be satisfied by 14 June 2023. Up to one working day prior to the expiry of the Acceptance Period, the Bidder may waive all or individual Offer Conditions – to the extent permissible – pursuant to section 21 (1) s 1 no 4 WpÜG or lower the minimum acceptance threshold pursuant to section 21 (1) s 1 no 3 WpÜG.

If the Offer Conditions specified in section 12.1 of the Offer Document have either not been fulfilled by the relevant date or have finally lapsed prior to such dates and the Bidder has not effectively waived them in advance, the Offer shall lapse. In this case, the contracts which come into existence as a result of accepting the Offer will not become valid and will not be consummated (conditions subsequent); Tendered SAG Shares will be returned pursuant to section 12.3 of the Offer Document.

According to section 12.4 of the Offer Document, the Bidder will promptly make an announcement on the internet at [www.offer-2023.com](http://www.offer-2023.com) (in German and in an English translation) and in the German Federal Gazette (*Bundesanzeiger*) if (i) an Offer Condition has previously been effectively waived, (ii) an Offer Condition has been fulfilled, (iii) all Offer Conditions have either been fulfilled or have been previously effectively waived, or (iv) the Offer is not settled because one or all Offer Conditions have ultimately lapsed. Likewise, the Bidder will promptly announce at the end of the Acceptance Period, as part of the publication according to section 23 (1) no 2 WpÜG, which of the Offer Conditions listed in section 12.1 of the Offer Document have been fulfilled at that time.

#### 7.11 Exchange trading with Tendered SAG Shares

According to section 13.8 of the Offer Document, the Tendered SAG Shares can be traded on the regulated market of the Frankfurt Stock Exchange (*Prime Standard*) under ISIN DE000A35JSW8. Trading is expected to commence on the third Banking Day after the start of the Acceptance Period. Trading is expected to end (i) at the end of the last day of the Additional Acceptance Period if on such date all Offer Conditions have been fulfilled, to the extent that they have not been previously effectively waived by the Bidder, or (ii) otherwise at the end of the third stock exchange trading day directly preceding the settlement of the Offer. The purchasers of Tendered SAG Shares traded under ISIN DE000A35JSW8 will assume all rights and obligations arising from the contracts concluded by acceptance of the Offer in respect of these SAG Shares.

#### 7.12 Holder of American Depositary Receipts

The Offer is not addressed to holders of ADRs issued in relation to SAG Shares. The ADRs are different securities from the SAG Shares and the rights of holders of ADRs are governed by the respective deposit agreement between the relevant U.S. depository and the respective holders of ADRs.

In order to accept the Offer, holders of ADRs must arrange for cancellation of the ADRs and withdrawal of the SAG Shares underlying the ADRs from the deposit facility in accordance with the terms and conditions of such facility (including the payment of any applicable fees, expenses and taxes). Once the former holders of ADRs have obtained SAG Shares after the exchange, these SAG Shares (only full SAG Shares, not fractional

SAG Shares) may then be tendered into the Offer, subject to the terms and conditions of the Offer Document. This process may take several days and may involve costs that are imposed on the holders of ADRs which will be costs that the holders of ADRs will have to bear individually.

### 7.13 Financing of the Offer

Pursuant to section 13 (1) s 1 WpÜG, the Bidder must, before publishing the Offer Document, take the measures necessary to ensure that it has at its disposal the necessary financial means to completely satisfy the Offer at the time the cash consideration will be due. Based on the Bidder's statements in section 14 of the Offer Document, the Management Board and the Supervisory Board believe that the Bidder has met this obligation.

#### 7.13.1 Maximum Consideration

According to section 14.1.1 of the Offer Document and the calculation set out therein, the total amount required by the Bidder to implement the Offer, if the Offer is accepted by all SAG Shareholders, would amount to a total of EUR 2,368,000,000.00, based on the Offer Price in the amount of EUR 32.00 per SAG Share. In addition, if the Convertible Bond 2022 were to be converted into SAG Shares and the Offer were to be accepted for all 7,397,937 new SAG Shares resulting from such conversion, the Bidder would need additional financing in the amount of EUR 236,733,984.00 based on the Offer Price of EUR 32.00 per SAG Share (together "**Maximum Consideration**").

As set out in section 14.1.1 of the Offer Document, the Bidder expects that it will incur estimated transaction costs of a maximum of EUR 300,000,000.00 in connection with the Offer and its settlement. Therefore, based on the Maximum Consideration, the maximum offer costs will amount to EUR 2,904,733,984.00 ("**Offer Costs**").

#### 7.13.2 Financing Measures

According to section 14.2 of the Offer Document, the Bidder has taken the necessary measures prior to the publication of the Offer Document to ensure that it has at its prompt disposal the necessary financial means to fully satisfy the Offer. According to the Bidder, the following measures were taken for this purpose:

On 21 April 2023, Silver Lake Partners VI Cayman, L.P., Grand Cayman, Cayman Islands, has committed *vis-à-vis* the Bidder, to provide the Bidder directly or indirectly an aggregate amount of up to EUR 1,890,000,000.00 by way of one or more direct or indirect capital contributions ("**Equity Financing**").

**Commitment**"). The Equity Financing Commitment would be increased by an amount equal to EUR 236,733,984.00 in the event that the Convertible Bond 2022 is converted into SAG Shares.

In addition, external debt financing will also be available to the Bidder ("**Debt Financing Commitment**"). On 21 April 2023, the Bidder entered into an interim facility agreement with J.P. Morgan SE, Frankfurt am Main, as arranger, JPMorgan Chase Bank, N.A., London Branch as original interim lender, J.P. Morgan SE as interim facility agent and Alter Domus Trustees (UK) Limited, London, as interim security agent for a maximum aggregate amount of up to EUR 1,050,000,000. For further details, please see section 14.2.2 of the Offer Document.

The total amount of the external Debt Financing Commitment and the Equity Financing Commitment amounts to EUR 3,176,733,984.00 and, therefore, exceeds the Offer Costs.

Further details are provided in section 14.2 of the Offer Document.

The Bidder attached to the Offer Document the financing confirmation of J.P. Morgan SE, having its registered office in Frankfurt am Main, Germany, an investment services provider independent of the Bidder, which is required under section 13 (1) s 2 WpÜG.

The Management Board and the Supervisory Board have no reason to doubt the accuracy and completeness of the presentation of the Equity Financing Commitment and the Debt Financing Commitment as described in the Offer Document. In the opinion of the Management Board and the Supervisory Board, due to the Equity Financing Commitment and the Debt Financing Commitment in the total amount of EUR 3,176,733,984.00, it can be assumed that it is sufficiently ensured that the Bidder has at its disposal the necessary financial means to completely satisfy the Offer at the time the cash consideration will become due.

## 8. FAIRNESS OF THE COMPENSATION

### 8.1 Type and amount of the compensation

The Offer provides compensation in the amount of EUR 32.00 per SAG Share. Further details are set out in section 10 of the Offer Document.

### 8.2 Statutory requirements

The Offer Price shall be equivalent to the minimum statutory price provided for in section 31 (1) WpÜG in conjunction with sections 4 and 5 of the regulation relating to the

contents of the Offer Document, the consideration payable in the case of takeover bids and mandatory offers and exemption from the obligation to publish and to make an offer (*Verordnung über den Inhalt der Angebotsunterlage, die Gegenleistung bei Übernahmeangeboten und Pflichtangeboten und die Befreiung von der Verpflichtung zur Veröffentlichung und zur Abgabe eines Angebots (WpÜG-Angebotsverordnung)*) ("**WpÜG Offer Regulation**"). It must therefore at least correspond to the weighted average domestic stock exchange price for the SAG Shares during the last three months prior to the date of publication of the decision to submit the takeover offer on 21 April 2023.

In the event that the Bidder, a person acting jointly with the Bidder, or their subsidiaries has granted or agreed a higher compensation for the acquisition of SAG Shares within the last six months prior to the publication of the Offer Document, the Offer Price must at least correspond to the value of such granted or agreed compensation.

The Management Board and the Supervisory Board of the Target Company hereby jointly note the following:

- (i) The weighted average stock exchange price announced by BaFin for the three-month period prior to the publication of the decision to submit the Offer amounts to EUR 20.32 per share. The Offer Price therefore exceeds the three-months' average stock exchange price.
- (ii) According to section 10.1 of the Offer Document, neither the Bidder nor any person or legal entity acting jointly with the Bidder, or their subsidiaries have acquired SAG Shares during the six-month period prior to the publication of the Offer Document for a price exceeding EUR 32.00 per SAG Share. The Management Board and the Supervisory Board do not have any information or knowledge to the contrary.

To the knowledge of the Management Board and the Supervisory Board, the compensation of EUR 32.00 offered for each SAG Share therefore complies with the statutory requirements.

The Management Board and the Supervisory Board also make reference to section 31 (4) to (5) WpÜG:

- (i) In the event of the Bidder or any person acting jointly with the Bidder or their subsidiaries acquiring SAG Shares following publication of the Offer Document and prior to the publication in line with section 23 (1) s 1 no 2 WpÜG and the value of the compensation offered or agreed in this regard being higher than the compensation specified in the Offer, the value of the compensation payable to the parties receiving the Offer shall be increased by the difference between those values.

- (ii) In the event of the Bidder or any person acting jointly with the Bidder or their subsidiaries acquiring SAG Shares outside of the stock exchange within a period of one year after the publication pursuant to section 23 (1) s 1 no 2 WpÜG and the value of the compensation offered or agreed in this regard being higher than the compensation specified in the Offer, the Bidder shall be required to pay the holders of the SAG Shares accepting the Offer a cash amount in Euros equal to the difference between those values. This shall not apply to the acquisition of SAG Shares in connection with any statutory obligation to offer compensation to SAG Shareholders or to the acquisition of parts or all of the assets of the Target Company by way of a merger, demerger or transfer of assets.

### 8.3 Assessment of the appropriateness of the offered compensation

The Management Board and the Takeover Committee on behalf of Supervisory Board each conducted a careful assessment and extensive examination and analysis of the financial appropriateness of the consideration for the SAG Shares offered by the Bidder on the basis of the Target Company's current strategy and financial planning and certain other assumptions and information (including the current geopolitical and macroeconomic situation and the situation of the software industry). The Management Board and the Supervisory Board each thereby dealt independently with the relevant historical stock exchange prices, the expectations by stock analysts, historical public takeover premia in Germany and in the software industry, trading and transaction multiples, discounted cash flow analysis and the fairness opinions provided to the Management Board respectively the Takeover Committee of the Supervisory Board, discussed the applied methods and results in detail and subjected them to an independent critical appraisal. The Management Board and the Takeover Committee point out explicitly that each of them has assessed the fairness of the consideration independently of each other.

#### 8.3.1 Assessment based on the historic stock exchange price of the SAG Shares

The Management Board and the Supervisory Board believe that the stock exchange price of the SAG Shares is a key criterion in examining the fairness of the offered compensation. They have each independently come to the conclusion that, in comparison with the historical stock exchange prices of SAG Shares, the Offer Price appears fair. Based on the stock exchange price of the SAG Shares prior to the publication of Bidder's decision to make the Offer on 21 April 2023, the Offer Price of EUR 32.00 per SAG Share includes the following premiums:

- (i) The stock exchange price (XETRA closing price) on 20 April 2023, the last trading day prior to the publication of Bidder's decision to make the Offer, amounted to EUR 19.59 per SAG Share (source: Bloomberg).



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Based on this stock exchange price, the Offer Price of EUR 32.00 includes a premium of EUR 12.41 or approx. 63%.

- (ii) The volume-weighted average stock exchange price in the last three months prior to and including 20 April 2023 as notified by BaFin amounted to EUR 20.32 per SAG Share. The Offer Price of EUR 32.00 thus includes a premium of EUR 11.68 or approx. 57% based on this average price.
- (iii) The volume-weighted average XETRA stock exchange price in the period between 1 February 2023, being the first trading day after SAG's guidance update, up to and including 20 April 2023 amounted to EUR 20.10 per SAG Share (source: Bloomberg). Based on this stock exchange price, the Offer Price of EUR 32.00 includes a premium of EUR 11.90 or approx. 59%.
- (iv) The volume-weighted average XETRA stock exchange price in the last month prior to and including 20 April 2023 amounted to EUR 19.89 per SAG Share (source: Bloomberg). Based on this stock exchange price, the Offer Price of EUR 32.00 includes a premium of EUR 12.11 or approx. 61%.

Overall, the Offer Price includes a significant premium as against the historical stock market prices for SAG Shares prior to the announcement of the offer decision. The Offer Price also includes an adequate takeover premium compared with similar transactions in the German market.

### 8.3.2 Assessment based on research analyst expectations for prices for the SAG Shares

In assessing the fairness of the Offer Price, the Management Board and the Supervisory Board have also considered the recommendations and target prices for the SAG Share issued by selected research analysts published in the last three months on Bloomberg prior to publication of the Bidder's decision to launch the Offer pursuant to section 10 (1) s 1 WpÜG on 21 April 2023, as shown below:

| <b>Bank</b>      | <b>Analysis Date</b> | <b>SAG Price</b> |
|------------------|----------------------|------------------|
| M.M. Warburg Co. | 20-Apr-23            | EUR 23.00        |
| Deutsche Bank    | 18-Apr-23            | EUR 20.00        |
| Goldman Sachs    | 17-Apr-23            | EUR 22.00        |

**NON-BINDING CONVENIENCE TRANSLATION OF THE ORIGINAL GERMAN VERSION**

|                               |           |                  |
|-------------------------------|-----------|------------------|
| Baader Helvea                 | 17-Apr-23 | EUR 33.00        |
| JP Morgan                     | 16-Apr-23 | EUR 23.00        |
| Oddo BHF                      | 14-Apr-23 | EUR 24.00        |
| Barclays                      | 12-Apr-23 | EUR 20.00        |
| BNP Paribas Exane             | 07-Apr-23 | EUR 20.00        |
| Landesbank Baden-Wuerttemberg | 21-Mar-23 | EUR 21.00        |
| Morgan Stanley                | 03-Mar-23 | EUR 24.50        |
| Bankhaus Metzler              | 15-Feb-23 | EUR 21.00        |
| UBS                           | 15-Feb-23 | EUR 22.20        |
| Stifel                        | 13-Feb-23 | EUR 29.00        |
| Bryan Garnier & Co            | 02-Feb-23 | EUR 28.00        |
| Societe Generale              | 02-Feb-23 | EUR 18.00        |
| DZ Bank AG Research           | 02-Feb-23 | EUR 17.00        |
| Kepler Cheuvreux              | 01-Feb-23 | EUR 26.00        |
| <b>Median</b>                 |           | <b>EUR 22.20</b> |

Source: Bloomberg as of 20 April 2023. Includes target price estimate from UBS (as of 15 February 2023) and Kepler (as of 1 February 2023), which are not visible in the Bloomberg overview screen but reflected in Bloomberg's average target price.

Analyst's expectations for the SAG Share result in a SAG price (median) of approx. EUR 22.20. On this basis, the Offer Price of EUR 32.00 includes a premium of EUR 9.80 or approx. 44%.

### 8.3.3 Fairness Opinion by PJT Partners

For the purposes of preparing this Statement, the Management Board commissioned the Financial Advisor to provide the Management Board with a written opinion on the fairness of the Offer Price to the SAG Shareholders from a financial point of view. The Financial Advisor gave a detailed presentation and explanation to the Management Board on the analyses performed by it and the conclusions drawn on its basis and provided its opinion letter on 26 May 2023 (the "**PJT Fairness Opinion**").

In its PJT Fairness Opinion, the Financial Advisor comes to the conclusion that, subject to the assumptions and reservations contained in the PJT Fairness Opinion, the Offer Price of EUR 32.00 per SAG Share was fair to the SAG Shareholders (other than the Bidder, persons acting jointly with the Bidder and their respective affiliates) from a financial point of view on the day the PJT Fairness Opinion was issued. The full wording of the PJT Fairness Opinion is attached to this Statement as **Annex 3**.

The Management Board points out that the PJT Fairness Opinion was issued solely for the information and support of the Management Board in connection with its own assessment of the financial adequacy of the consideration offered. The PJT Fairness Opinion does not operate for the benefit of, and does not confer any rights or remedies upon any SAG Shareholders, the Bidder or any other person. The PJT Fairness Opinion may not be used or relied upon by any person other than the Management Board. Neither the PJT Fairness Opinion nor the mandate agreement on which it is based have any protective effect for third parties or result in the inclusion of third parties in their respective scope of protection.

In particular, the PJT Fairness Opinion is not addressed to the SAG Shareholders and does not constitute a recommendation to the SAG Shareholders in connection with the Offer, in particular as to whether or not to tender SAG Shares pursuant to the Offer. The reference to the PJT Fairness Opinion is solely for the purpose of disclosing the information basis of the Management Board for this Statement.

Furthermore, the PJT Fairness Opinion does not make any statements as to the relative merits of the Offer compared to any other business plan or opportunity that may be available to the Target Company.

In the context of assessing the fairness of the Offer Price from a financial point of view, the Financial Advisor has performed a number of financial studies, analyses and investigations deemed appropriate by it for purposes of rendering the PJT Fairness Opinion. In doing so, the Financial Advisor applied a number of factors, assumptions, procedures, limitations and valuations, which are described in detail in the PJT Fairness Opinion. In the opinion of the Management Board, the analyses underlying the PJT Fairness Opinion are based on methods typically used by investment banks for comparable corporate transactions and appear appropriate in order to provide the Management Board with a sound basis for their own assessment of the fairness of the Offer Price from a financial point of view.

The Management Board points out that the PJT Fairness Opinion is subject to certain assumptions and reservations and that a complete reading of the PJT Fairness Opinion is required to understand it. In particular, the PJT Fairness Opinion is based on the economic, market, monetary, regulatory and other conditions as they existed and could be evaluated at the time the PJT Fairness Opinion was issued and the information available to the Financial Advisor at the time. Subsequent developments could have an impact on the assumptions made in the PJT Fairness Opinion and thus on the result of the PJT Fairness Opinion. The Financial Advisor is not obliged to update or revise its PJT Fairness Opinion based on circumstances or events occurring after the date of the PJT Fairness Opinion.

The Financial Advisor has assumed and relied, without independent verification, on the accuracy and completeness of publicly available information, the information provided or otherwise made available by the Target Company and the other information reviewed by or discussed with the Financial Advisor for the purpose of preparing the PJT Fairness Opinion. With respect to the financial analyses, estimates and forecasts relating to the Target Company that were prepared by or at the direction of the Target Company, the Financial Advisor has assumed that such financial analyses, estimates and forecasts and the assumptions underlying them have been reasonably prepared in accordance with industry practice and represent the Target Company management's best available estimates and judgments at that time as to the business and operations and future financial performance of the Target Company. In addition, the Financial Advisor has assumed that the proposed transaction will be consummated on the terms and subject to the conditions described in the Offer Document, without any waiver, modification or amendment of any of its material terms or, conditions, and that, in the course of obtaining the necessary governmental, regulatory or third party consents and approvals (contractual or otherwise) required in connection with the consummation of the proposed transaction no delay, limitation, restriction or condition will be imposed that would result in a reduction in the benefits of the Offer to the SAG Shareholders or have an adverse effect on the Target Company or the proposed transaction.

The Financial Advisor has not prepared any independent valuation or appraisal of the assets and liabilities (contingent or otherwise) of the Target Company, nor has the Financial Advisor been provided with any such valuations or appraisals. In addition, the Financial Advisor has not conducted, nor has it undertaken any obligation to conduct, a physical inspection of any of the properties or assets of the Target Company. The PJT Fairness Opinion is not a valuation report as typically prepared by auditors according to German company law requirements and is not to be regarded as such. It also does not follow the

standards for such opinions as set by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V.*) ("**IDW**") (for company valuation according to IDW S 1; for the preparation of fairness opinions according to IDW S 8). A fairness opinion of the kind issued by the Financial Advisor differs in important respects from a business valuation by an auditor and from business valuation in general. Furthermore, the Financial Advisor has not examined the solvency of the Target Company under any applicable laws. The PJT Fairness Opinion does not contain any opinion as to the prices or trading ranges at which SAG Shares could be traded on the stock exchange at any time, as to the potential effects of volatility in the credit, financial and stock markets on the Target Company or the proposed transaction or as to the impact of the proposed transaction on the solvency or viability of the Target Company or the ability of the Target Company to pay its obligations when they come due.

Furthermore, the Financial Advisor has not given any opinion as to whether the terms and conditions of the Offer, including the Offer Price, comply with the requirements of the WpÜG or satisfy any other legal requirements.

The Financial Advisor will receive a fee by the Target Company for its services in connection with the Offer. It is possible that the Financial Advisor and its affiliates may in the future provide investment banking and other financial services to the Target Company or other parties involved in the proposed transaction and receive remuneration for such services.

#### 8.3.4 Fairness Opinion by KPMG

For the purposes of preparing this Statement, KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, ("**KPMG** ") has been engaged to provide the Takeover Committee on behalf the Supervisory Board with a written opinion on the fairness of the Offer Price to the SAG Shareholders from a financial point of view in accordance with the standard IDW S8 "Principles for the Preparation of Fairness Opinions" issued by the IDW. KPMG gave detailed presentations and explanations to the Takeover Committee on the analyses performed by them and the conclusions drawn on their basis on 19 May, 25 May and 26 May 2023 and provided the original of their opinion letter on 26 May 2023 ("**KPMG Fairness Opinion**" and together with the PJT Fairness Opinion the "**Fairness Opinions**").

The KPMG Fairness Opinion complies with the standard IDW S 8. KPMG concludes that, subject to the restrictions, including the various assumptions and limitations, contained in the KPMG Fairness Opinion, the Offer Price of EUR 32.00 per SAG Share was fair to the SAG Shareholders from a financial point of view within the meaning of IDW S 8 on the day the KPMG Fairness Opinion

was issued. The full wording of the KPMG Fairness Opinion is attached to this Statement as Annex 4.

KPMG made the KPMG Fairness Opinion available to the Takeover Committee on behalf of the Supervisory Board on 26 May 2023. The Takeover Committee on behalf of the Supervisory Board thoroughly reviewed the KPMG Fairness Opinion and discussed its conclusions with representatives of KPMG and subjected it to an independent critical appraisal.

Within the scope of its assessment of the Offer, KPMG conducted a series of financial analyses it deemed appropriate to provide the Takeover Committee on behalf of the Supervisory Board with a basis for assessing the Offer from a financial point of view. In doing so, KPMG based its opinion on a variety of factors, assumptions, methods, restrictions, and judgements that are described in the KPMG Fairness Opinion.

The purpose and extent of any reference contained in this Statement to the KPMG Fairness Opinion is limited to highlighting the basis of information used by the Takeover Committee on behalf of the Supervisory Board.

KPMG conducted its assessment on the basis of information provided by SAG or publicly available.

SAG is solely responsible for the accuracy and completeness of the information provided to KPMG.

Within the scope of its assessment they conducted the following analyses: (i) review of the Offer; (ii) development of an understanding of the business model of SAG; (iii) analysis of the relevant financial information (financial statements, business plans, other financial data) of SAG; (iv) assessment of the plausibility of the business plans and discussions with the Management Board of SAG about the expected future development as well as the market and competitive situation; (v) analysis of prepared planning scenarios and development of further planning scenarios based on investigations and findings for SAG; and (vi) analysis of the transaction process.

To assess the fairness the following methods were applied: (i) discounted cash flow approach by determining SAG's market value of equity under the premise of stand-alone valuation on the basis of the business plan submitted by the Management Board and the derivation of sustainable results; for this purpose, scenario considerations and a simulation approach was conducted to derive the market value of equity; (ii) market approach based on an analysis of listed share price developments for SAG, trading multiples on the basis of comparable listed companies, and transaction multiples on the basis of transactions of comparable

companies, as well as (iii) analyst target share prices for SAG and observable bid premiums of transactions in the software and services industry.

The KPMG Fairness Opinion was solely prepared for the Takeover Committee on behalf of the Supervisory Board of SAG in context with the statement on the transaction according to section 27 WpÜG.

The KPMG Fairness Opinion is not a substitute for the requirement of SAG's boards' independent assessment whether the conditions of the transaction are financially fair as part of their duty of care. The KPMG Fairness Opinion does not contain any recommendation as to whether the Bidder's Offer should be accepted by shareholders of SAG or not. Also, it does not express any opinion as to whether the statement according to section 27 WpÜG is comprehensive and correct or to whether the conditions of the transaction are in compliance with legal requirements.

It was not part of KPMG's work to provide an opinion on the legal and tax aspects of the transaction in the sense of a legal or tax opinion. The assessment of the fairness is limited to the purely financial aspects of the consideration offered. KPMG points out that the investigations carried out by them within the scope of the preparation of the KPMG Fairness Opinion differ substantially in their scope from an audit of financial statements, a due diligence, an expert opinion in accordance with IDW S 1, or similar examinations. Accordingly, the KPMG Fairness Opinion is not an audit opinion or any other certificate or confirmation relating to the financial statements, the internal control system, the planning system or the business plan of SAG or any other information provided to or obtained by KPMG for the preparation of the KPMG Fairness Opinion. KPMG accepts no responsibility for the realization of the business plan or the respective underlying premises and assumptions. The information and documents underpinning the KPMG Fairness Opinion were neither audited nor reviewed.

The KPMG Fairness Opinion took into account the facts and circumstances known up to 26 May 2023. Events or information occurring after 26 May 2023, will not be considered in the assessment of the financial fairness of the Offer.

The KPMG Fairness Opinion is subject to certain additional assumptions and caveats. A complete reading of the attached KPMG Fairness Opinion is required to understand the underlying analyses and results.

KPMG will receive customary fees for preparing the KPMG Fairness Opinion. This fee is not contingent on the result of the KPMG Fairness Opinion or on the outcome of the Offer.

8.3.5 Overall assessment of the appropriateness of the compensation

The Management Board and the Takeover Committee on behalf of the Supervisory Board conducted a careful analysis of the financial appropriateness of the offered compensation. The Management Board and the Takeover Committee consider it appropriate and positive that a cash payment shall be made. There are no indications that any other type of consideration would be preferable in the present case. Subject to the assumptions and reservations described therein, PJT Partners and KPMG both consider the Offer Price in their Fairness Opinions to be fair from a financial perspective for the holders of SAG Shares. The Management Board and the Takeover Committee have, on the basis of their own experience, verified the plausibility and appropriateness of the procedures, methods and analyses used by PJT Partners (as far as the Management Board is concerned) respectively KPMG (as far as the Takeover Committee is concerned). The Management Board and the Takeover Committee are of the opinion that the methods described in the respective Fairness Opinions are customary and internationally recognized procedures, the application of which are, in the opinion of the Management Board and the Takeover Committee, also appropriate in the case at hand, with respect to the Offer as well as for the purpose of this Statement.

In their respective considerations, the Management Board and the Takeover Committee have taken into account in particular, but not exclusively, the following aspects:

- (i) The Offer Price of EUR 32.00 includes a premium of EUR 12.41 or approx. 63% on the stock exchange price (XETRA closing price) on 20 April 2023, i.e. on the last trading day prior to the publication of Bidder's decision to make the Offer.
- (ii) Based on the volume-weighted average stock exchange price in the last three months prior to and including 20 April 2023, the Offer Price of EUR 32.00 includes a premium of EUR 11.68 or approx. 57%.
- (iii) The Offer Price of EUR 32.00 includes a premium of EUR 9.80 or approx. 44% to the Median Analyst's target price per SAG Share of approx. EUR 22.20.
- (iv) The premium implied by the Offer Price to the last XETRA closing price on 20 April 2023 and to the volume-weighted average stock exchange price in the last three months prior to and including 20 April 2023 is above the average and median of historical premia in German public takeovers as well as public takeovers in the software industry.



- (v) The fairness of the Offer Price is supported by multipliers, taking into account the financial profile of listed undertakings as well as precedent transactions that are considered to be comparable for SAG from the view of the Management Board and the Takeover Committee.
- (vi) The discounted cash flow analysis, which is often used to determine the fundamental enterprise value, renders differing results depending on which expectations and on which discount rate it is based on. Based on the assumptions deemed realistic by the Management Board and the Takeover Committee, the discounted cash flow analysis supports the fairness of the Offer Price.
- (vii) The fairness of the Offer Price is also supported by the fact that the Foundation, after intense negotiations with the Bidder and having discussed a potential divestment also with other interested third parties, was originally willing to sell a stake of 25.1% of the SAG Shares to the Bidder even for a price of EUR 30.00. At the time of the conclusion of the Investment Agreement, the Management Board and the Takeover Committee formed the opinion that even the price of EUR 30.00 would be fair for SAG Shareholders from a financial perspective. This agreed price was later increased to the actual Offer Price as a result of negotiations of the Target Company with Silver Lake (cf. section 6.1 of this Statement).

Against this background, the Management Board and the Takeover Committee conclude that the Offer Price of EUR 32.00 per SAG Share is fair for SAG Shareholders from a financial point of view.

The Management Board and the Supervisory Board do not provide any assessment as to whether an amount higher or lower than the Offer Price may have to be determined in the future in connection with a legally prescribed compensation, for example in connection with a squeeze-out of minority shareholders.

## 9. **OBJECTIVES AND INTENTIONS OF THE BIDDER AND EXPECTED CONSEQUENCES OF A SUCCESSFUL OFFER**

### 9.1 Objectives and intentions of the Bidder as set out in the Offer Document

The objectives and intentions of the Bidder described below are based exclusively on its statements in the Offer Document. The Management Board and the Supervisory Board of the Target Company point out that, beyond certain commitments of the Bidder in the Investment Agreement (see section 6 of this Statement), they are not in a position to verify the Bidder's intentions or to guarantee that they are realised.

9.1.1 Economic and strategic background of the Offer

The Bidder describes the economic and strategic background of the Offer in section 8.1 of the Offer Document. The Bidder states that Silver Lake has very extensive expertise in software investments, both in Europe and worldwide, and is therefore familiar with the strategic, operational, and technological challenges and opportunities of software companies, which enables Silver Lake to be a true value-added partner for SAG. Since the Bidder does not have any operating business, the Bidder does not seek any synergies or in particular cost synergies. The Bidder rather wishes to continue to strengthen SAG's business and promote profitable growth, which, in the Bidder's view, requires a multi-year and investment-heavy value creation plan focusing on defined areas of the business. The Bidder believes that realizing such value creation plan to achieve SAG's business strategy (as described in section 9.1.2 of this Statement) is more difficult to realize in a public company with a strong emphasis on meeting quarterly targets and paying dividends. Consequently, the Bidder believes that delisting of the SAG Shares could assist in realizing the strategy. It is of the view that with the support of a long-term, stable, and partnership-oriented shareholder, the Management Board will be better equipped to implement the business strategy successfully, which would benefit SAG, its employees, customers and other stakeholders.

9.1.2 Future business activities, assets and future obligations of SAG

In section 9.1 of the Offer Document, the Bidder emphasises that SAG pursues a successful business strategy and that it intends to continue to further strengthen SAG's business and promote its growth. To this end, the Bidder recognises and supports SAG's business strategy, which aims at simplifying and refocusing its business and enhancing the customer value proposition, resulting in a sustainable and profitable growth trajectory. This includes (i) refocusing SAG's business on the cloud application and data integration market, (ii) moving towards a SaaS (software as a service)-first company, and (iii) supporting SAG in its M&A endeavours both through divesting of components following a strategic review as well as strengthening its integration portfolio through respective acquisitions. Under the terms of the Investment Agreement, SAG and the Bidder have agreed to establish primary measures of success, such as annual recurring revenue and free cash flow, and jointly develop a value creation plan based on SAG's current strategy and subject to applicable laws.

The Bidder intends to cooperate with SAG in an appropriate manner to evaluate and examine the financing of SAG, including any additional liquidity needs, which may require additional financing, and if required, intends to refinance obligations of SAG or its subsidiaries resulting from certain financing

agreements, through the financial means available for the financing of the Transaction. The Bidder states in the Offer Document that SAG will remain in control of its own debt capital structure and will not be obligated to use the debt capital facilities arranged by the Bidder.

The Bidder has not formed any intentions as to how to proceed with the Convertible Bond 2022 (see section 9.2.6 of this Statement for the available options).

According to section 9.1 of the Offer Document, the Bidder has no intention of taking any further measures with regard to the future business activities, the use of assets or the future obligations of SAG.

9.1.3 Seat of SAG, location of material parts of the business

According to section 9.2 of the Offer Document, the Bidder does not intend to relocate the registered seat (*Satzungssitz*) or the headquarters (*Verwaltungssitz*) of SAG away from Darmstadt, or to relocate any other subsidiary or affiliate of SAG away from their respective registered seat (*Satzungssitz*) or the headquarters (*Verwaltungssitz*). Furthermore, the Bidder does not intend to effect changes to the location of material parts of the business.

9.1.4 Employees, employment conditions and employee representatives

In section 9.3 of the Offer Document, the Bidder states his intention to have an open and constructive dialogue with all of SAG Group's workforce constituencies, and to assist the Management Board in creating and improving an attractive and competitive work environment that retains an excellent employee base. Specifically, the Bidder will honour the rights of the employees and work councils (*Betriebsräte*) existing within or with regard to the SAG Group, in accordance with applicable laws, regulations, arrangements, and agreements. The Bidder has no intention to induce SAG to implement any headcount reduction programs not planned by the Management Board.

9.1.5 Management Board and Supervisory Board

According to section 9.4 of the Offer Document, the Bidder acknowledges and respects the independence of the Management Board of SAG and will not issue any directives or instructions to the Management Board or its members. The Management Board will continue to manage SAG independently and will not carry out or refrain from any legal transactions or acts at the Bidder's inducement. The Bidder fully supports the current Management Board's composition in delivering on the refined strategy.

Section 9.5 of the Offer Document states that the Bidder has no intention of changing the legally required co-determination of the Supervisory Board of SAG. However, the Bidder intends to be appropriately represented on the Supervisory Board based on its voting power following the completion of the Offer.

9.1.6 Structural measures

(i) Delisting

According to section 9.6.1 of the Offer Document, the Bidder intends to delist the SAG Shares from the regulated market of the Frankfurt Stock Exchange and to terminate trading of SAG Shares in the regulated unofficial market (*Freiverkehr*) of the stock exchanges in Berlin, Dusseldorf, Hamburg, Hannover, Munich and Stuttgart as well as Tradegate Exchange as soon as possible and to the extent legally and practically possible following the settlement of the Offer, as agreed in the Investment Agreement. The Bidder has no intentions to maintain or support the trading of SAG Shares on any other regulated stock exchange or trading platform.

(ii) Squeeze-out

According to section 9.6.2 of the Offer Document, the Bidder intends to assess a squeeze-out of minority shareholders of SAG, depending on the Bidder's shareholding after the consummation of the Offer. If the Bidder holds at least 95% of SAG's share capital, it may request the transfer of minority shareholders' SAG Shares in exchange for appropriate cash compensation under section 327a *et seq.* AktG.

If the Bidder holds at least 95% of SAG's share capital at the end of the Additional Acceptance Period, it may implement a squeeze-out of the minority shareholders by court order pursuant to sections 39a, 39b WpÜG.

If the Bidder holds at least 90% of SAG's share capital, it may exclude the outside SAG Shareholders by merging SAG into Bidder and offering appropriate cash compensation pursuant to section 62 (5) of the German Transformation Act (*Umwandlungsgesetz* – "**UmwG**") in conjunction with sections 327a *et seq.* AktG.

A squeeze-out would result in a delisting of SAG if not already delisted.

(iii) Domination and/or profit and loss transfer agreement

According to section 9.6.3 of the Offer Document, a domination and/or profit and loss transfer agreement is not required for the Bidder to finance the Offer

or to realize its economic and strategic objectives. Hence, the Bidder does not intend to implement a domination and/or profit and loss transfer agreement between the Bidder as holding company and SAG as subsidiary.

#### 9.1.7 Intentions regarding the Bidder and the Bidder Controlling Shareholders

The Bidder's corporate purpose is to hold and manage participations in other companies and does not engage in any operational business. The Bidder and the Bidder Controlling Shareholders have no intentions that could affect or change the registered offices of the companies or the location of material parts of the business, their future business activities, the use of assets or future obligations of the Bidder and the Bidder Controlling Shareholders, the members of the governing bodies of the Bidder and the Bidder Controlling Shareholders, or, if any, employees, representation, or employment conditions of the Bidder and the Bidder Controlling Shareholders, beyond the effects on their own assets, liabilities, financial positions and results as described in section 15 of the Offer Document.

#### 9.2 Assessment of the objectives pursued by the Bidder with the Offer and expected consequences of a successful Offer for SAG

The Management Board and the Supervisory Board consider the economic and strategic reasons which have led the Bidder to submit an Offer to be plausible. In particular, the Management Board and the Supervisory Board share the view that the Bidder will be a stable shareholder with a long-term focus and a spirit of partnership, which will help SAG to achieve its strategic goals. According to the Bidder, the aim of the Offer is not to achieve operational or cost synergies between the Bidder and the Target Company.

According to the assessment of the Management Board and the Supervisory Board, the objectives and intentions expressed by the Bidder relating to the Target Company and its employees are reasonable. The objectives and intentions are in line with the Investment Agreement summarised in section 6 of this Statement the aim of which was to set out the Bidder's intentions in a binding agreement. The Management Board and the Supervisory Board appreciate that the Bidder has specified its objectives and intentions further by way of the Offer Document. An assessment of the objectives and intentions of the Bidder by the Management Board and Supervisory Board is set out below and also includes – on the basis of the objectives and intentions communicated by the Bidder – an overview of the consequences of a successful Offer for SAG.

##### 9.2.1 Future business activities, assets and future obligations of SAG

The Management Board and the Supervisory Board welcome the fact that the Bidder confirms and intends to further strengthen SAG's business strategy, which is aimed at simplifying and focusing the business and improving the value proposition for customers, thus leading to a sustainable and profitable

growth trajectory. The Bidder's confirmation of SAG's long-term strategy thus also underlines the fundamentally good positioning and proper strategic orientation of SAG by focusing SAG's business on the cloud application and data integration market and moving SAG towards a SaaS (software as a service)-first company. In addition, the Management Board and the Supervisory Board are convinced that the Bidder's intention to support SAG in its M&A endeavours both through divesting of components following a strategic review as well as strengthening its integration portfolio through relevant acquisitions will help SAG to enter the next growth phase. The Management Board and the Supervisory Board share the view that a delisting, as intended by the Bidder as soon as possible to the extent legally and practically possible following the settlement of the Offer, offers the possibility to implement SAG's strategy easier with the support of a strong and knowledgeable shareholder like Silver Lake (also cf. section 9.2.5 on the potential delisting of the Target Company).

The Management Board and the Supervisory Board also welcome the fact, that SAG and the Bidder have undertaken to jointly agree on the primary measures of success (e.g., annual recurring revenues and free cash flow) and to jointly develop a value creation plan based on SAG's current strategy.

The Management Board and the Supervisory Board appreciate the Bidder's commitment to collaborating with SAG in a suitable manner to assess and analyse SAG's financing, including any potential need for additional liquidity that may necessitate further financing. Additional liquidity needs may in particular arise as a consequence of change of control provisions being triggered in certain financing agreements of the Target Company as a result of the settlement of the Offer (cf. section 9.2.6 of this Statement). The Management Board and the Supervisory Board appreciate that the Bidder has secured financing which the Target Company may utilize should, after making use of its revolving credit facilities, the liquidity of the Target Company would otherwise fall below EUR 250 million. The Management Board and the Supervisory Board further welcome the fact that the Bidder confirmed that SAG shall retain control over its debt capital structure and will not be obliged to utilize the debt capital facilities arranged by the Bidder.

Based on the current assessment of the situation, the Management Board and the Supervisory Board do not expect any material impact of the Offer on the customer basis also as Silver Lake has been a known partner of the Target Company to the customers over the last year, in particular as a result of a potential change of control under customer agreement. In the view of the Management Board and the Supervisory Board, also the strengthening of the focus on the cloud application and data integration market as well as the move of SAG towards a cloud-first company in line with SAG's existing strategy will not

negatively affect the customer base. In particular, a move towards could-first does not foresee to limit services to customers who are using the software "on-premises" if they wish to continue to do so.

9.2.2 Seat of SAG, location of material parts of the business

The Management Board and the Supervisory Board appreciate that the Bidder does not intend to change the registered seat (*Satzungssitz*) or to relocate the headquarters (*Verwaltungssitz*) of SAG from Darmstadt or of any other subsidiary or affiliate of SAG from its respective registered seat (*Satzungssitz*) or headquarters (*Verwaltungssitz*).

The Management Board and the Supervisory Board welcome the fact that the Bidder does not intend to effect changes to the location of material parts of the business.

This also clearly shows that the Bidder is interested in preserving the identity, structure and continued existence of the SAG Group. The Management Board and the Supervisory Board welcome this aim.

9.2.3 Employees, employment conditions and employee representatives

The implementation of the Offer has no direct impact on the employees of SAG. Their employment relationships will continue to exist with the same employer. There will be no transfer of business operations. The content of the employment agreements will not be affected by the implementation of the Offer. Existing collective bargaining agreements and shop agreements will continue to apply unchanged.

The Management Board and the Supervisory Board also consider the Bidder's statements regarding SAG's employees as particularly important. They acknowledge and welcome the Bidder's commitment to have a constructive dialogue with all of SAG Group's workforce constituencies. The Bidder has expressed its intention to support the Management Board in retaining an excellent employee base by maintaining an attractive and competitive framework. The Management Board and the Supervisory Board note positively that the Bidder has affirmed its intention to respect the rights of the employees and works councils (*Betriebsräte*).

An important factor in the weighing of circumstances by the Management Board and the Supervisory Board required with regard to their recommendation to accept the Offer is that the Bidder has also stated it has no intention to induce SAG to implement any headcount reduction programs not planned by the Management Board.

9.2.4 Management Board and Supervisory Board

The Management Board and the Supervisory Board of SAG acknowledge and appreciate the Bidder's commitment to allow the Management Board to continue to manage SAG independently and exclusively on its own responsibility. The Bidder has explicitly acknowledged that it will not issue directives to the Management Board or any of its members and that there is no obligation on the part of the Management Board or any of its members to carry out or refrain from a legal transaction or act at the inducement of Bidder, whether in form of a request, a demand, or an instruction. Furthermore, the Management Board and the Supervisory Board welcome the Bidder's full support for the current composition of the Management Board and its ability to execute on the refined strategy.

The Bidder's intentions as set out in the Offer Document with regard to the co-determination of the Supervisory Board are in line with the Investment Agreement. The Management Board and the Supervisory Board consider the intention of the Bidder to be represented in the Supervisory Board in a manner which appropriately reflects its voting power following the consummation of the Offer to be customary for a transaction of this kind.

9.2.5 Structural measures

The Management Board and the Supervisory Board support the Bidder's intention to delist SAG to the extent legally and practically possible,. The Management Board and the Supervisory Board share the Bidder's conviction that a delisting would help the Target Company focusing better on long term goals without regard to a focus on quarterly results and dividend expectations. In addition, delisting could lead to considerable cost savings, in particular with regard to listing fees, the costs for the disclosure obligations and for publications and notifications under capital market law. It would also free up management capacity. Against this background, SAG has given its commitment in the Investment Agreement to support the Bidder's taking-private strategy and to be prepared to take all reasonably necessary actions reasonably required to effectuate a delisting of the SAG Shares. In the opinion of the Management Board and the Supervisory Board, a delisting would not result in any significant disadvantages for the Target Company. In particular, they do not expect any disadvantages with regard to financing options of SAG. While SAG would no longer have access to the equity capital market, its main source of financing (i.e. debt financing) would remain unaffected. In addition, the Company would have with Silver Lake a strong investor, capable of providing additional equity if needed.



The aforementioned goals are mainly achieved by a delisting of SAG. But if Silver Lake would exceed the relevant thresholds required for a squeeze-out of the minority shareholders, the Management Board and the Supervisory Board may also welcome such squeeze-out if this facilitates a stronger focus on the strategy and fast decision-making. In the opinion of the Management Board and the Supervisory Board, the structural measures reserved by the Bidder are customary measures when exceeding the relevant thresholds.

The Management Board and the Supervisory Board particularly welcome the fact that the Bidder does not intend to conclude a domination and/or profit and loss transfer agreement with SAG as the controlled company. Without the conclusion of a domination and/or profit and loss transfer agreement, SAG will retain a higher degree of legal and economic independence and will be better protected against measures of a controlling shareholder.

For the consequences of the aforementioned structural changes for the SAG Shareholders who do not accept the Offer, please refer to section 9.3.2 of this Statement.

#### 9.2.6 Financial consequences for SAG

The Management Board and the Supervisory Board point out that SAG's financing agreements contain customary change of control provisions. Depending on the success of the Offer or depending on parallel acquisitions to the Offer, termination rights of the respective counterparties could be triggered. However, the Management Board and the Supervisory Board currently have no specific indications that any of the financing banks intends to exercise any special termination right that could arise as a result of a change of control clause.

Likewise, the Bidder has not formed any intentions as to how to proceed with the Convertible Bond 2022. In a change of control event, SLP Investor and SLA Investor have the option to (i) have the Convertible Bond 2022 redeemed for cash, (ii) convert the Convertible Bond 2022 into SAG Shares equal to ca. 10% of the current share capital of SAG at an adjusted lower conversion price depending on the date of the closing of the Offer, or (iii) keep the Convertible Bond 2022 in place, keeping options, including conversion at any time up until repayment in cash at maturity of the Convertible Bond 2022.

In any event, the Management Board and the Supervisory Board welcome the fact that the Bidder confirmed in the Investment Agreement to have secured financing which may be utilized subject to and in accordance with its terms by the Target Company to refinance certain financing agreements that may have a termination right as a consequence of or in anticipation of a change of control

following the completion of the Offer (cf. above, section 9.2.1 of this Statement).

The Management Board and the Supervisory Board note that, should termination rights under the financing agreement be exercised and a need for refinancing arise, this may have a negative impact on a potential future rating of the Target Company.

#### 9.2.7 Tax consequences for SAG

As at 31 December 2022, SAG and SAG Group companies based in Germany reported corporate income tax loss carryforwards in the total amount of approximately EUR 111 million and trade loss carryforwards of approximately EUR 113 million. The Management Board and the Supervisory Board point out that, in the event of a transfer of more than 50% of the SAG Shares to the Bidder (harmful acquisition of shares (*schädlicher Beteiligungserwerb*)), the existing loss carryforwards and any current tax losses incurred in the period leading up to the harmful acquisition of shares might be eliminated unless specific measures, as provided by law, have been taken by the Bidder.

Tax consequences may result from further structural measures; however, these require a tax assessment in each individual case and are therefore not discussed in detail here.

### 9.3 Expected consequences of a successful offer for Shareholders

The following explanations are intended to provide SAG Shareholders with the necessary information to evaluate the consequences of accepting – or rejecting – the Offer. The following information covers aspects which the Management Board and the Supervisory Board consider to be relevant for the decision of SAG Shareholders on the acceptance of the Offer. However, such a list can never be exhaustive as it cannot take into account individual circumstances. SAG Shareholders must take their own decision as to whether and to what extent they wish to accept the Offer in consideration of these uncertainties. The following points are for guidance only. In particular, the Management Board and the Supervisory Board cannot make any assessment as to whether SAG Shareholders may suffer tax disadvantages or miss out on tax advantages as a result of accepting or not accepting the Offer. Each SAG Shareholder should take sufficient account of its own personal circumstances when making the decision. The Management Board and the Supervisory Board recommend that each individual SAG Shareholder seek professional advice if and to the extent necessary.

9.3.1 Expected consequences of a successful offer for Shareholders accepting the Offer

Taking into account the above, all SAG Shareholders intending to accept the Offer should note, *inter alia*, the following:

- (i) SAG Shareholders who accept or have accepted the Offer will no longer benefit from any positive development of the stock exchange price of the SAG Shares, any advantages associated with the transaction or from any favourable business development of SAG.
- (ii) The Tendered SAG Shares will no longer be tradable on the stock exchange in the Tendered SAG Shares from the time of the transfer of their SAG Shares into ISIN DE000A35JSW8. This would significantly reduce the tradability and liquidity of the Tendered SAG Shares.
- (iii) After the completion of the Offer and expiry of the one-year period pursuant to section 31 (5) WpÜG, the Bidder may acquire additional SAG Shares at a higher price, without being obliged to adjust the Offer Price for the benefit of those SAG Shareholders who have already accepted the Offer. To the extent that SAG Shares are still tradable on the stock exchange trading in view of the planned delisting, the Bidder may also acquire SAG Shares at a higher price on the stock exchange within the aforementioned one-year period, without being obliged to adjust the Offer Price for the benefit of those SAG Shareholders who have already accepted the Offer.
- (iv) SAG Shareholders who accept the Offer will not participate in any severance or compensation payments that may be required by law in the event of any structural measures realised after the implementation of the Offer. Such severance or compensation payments may be of higher or lower value than the Offer Price.

9.3.2 Expected consequences of a successful offer for Shareholders not accepting the Offer

In principle, SAG Shareholders not accepting the Offer will remain shareholders of SAG. However, they must consider, *inter alia*, the following aspects:

- (i) Shareholders who do not accept the Offer will not benefit from any possible voluntary or mandatory increase of the Offer Price.
- (ii) Upon settlement of the Offer, the free float of SAG Shares will decrease, which will lead to a reduction in the supply and demand for such shares.

As a result, the liquidity of the SAG Shares may decrease, potentially causing delays or even failure in executing buy and sell orders. This could also lead to greater price fluctuations of SAG Shares in the future.

- (iii) The stock exchange price of the SAG Shares in the last few days prior to the publication of the Offer Document presumably reflects the fact that the Bidder announced its decision to submit an offer on 21 April 2023. It is uncertain whether the stock exchange price of the SAG Share will remain at the current level after settlement of the Offer or whether it will be higher or lower, or whether it will return to a similar level as observed prior to 21 April 2023.
- (iv) The SAG Shares are currently, *inter alia*, part of the SDAX, a share index calculated by Deutsche Börse comprising 70 issuers traded on the Frankfurt Stock Exchange. However, as a result of the completion of the Offer, the free float of the SAG Shares will decrease, which could lead to an exclusion from the SDAX. An exclusion from the SDAX may, *inter alia*, have the consequence that institutional investors who reflect the SDAX in their portfolios may dispose of SAG Shares and refrain from acquiring such SAG Shares in the future. In addition, an increased supply of shares coupled with reduced demand may adversely affect the stock price of SAG Shares.
- (v) Following the settlement of the Offer, the Bidder intends to terminate the admission of the SAG Shares for trading at the regulated market of the Frankfurt Stock Exchange, as well as on the regulated unofficial market (*Freiverkehr*) of the stock exchanges in Berlin, Dusseldorf, Hamburg, Hannover, Munich, Stuttgart, and Tradegate Exchange, to the extent legally and practically possible. The Investment Agreement requires SAG to support delisting of the SAG Shares. Delisting will significantly reduce trading volumes and may no longer allow typical trading activities. It will also remove certain legal requirements, in particular the WpÜG and reporting and transparency obligations, including quarterly financial reporting requirements. These include the rules on the publication and submission of financial statements to the company register, including the requirements to prepare, publish and submit annual and semi-annual financial reports pursuant to sections 114 *et seqq.* WpHG as well as the rules on the supervision of financial reports pursuant to sections 106 *et seqq.* WpHG will no longer apply after completion of a delisting. In the event of a delisting, a delisting purchase offer pursuant to section 39 para. 2 Stock Exchange Act (*Börsengesetz*) will be made to the minority shareholders to acquire their SAG Shares. Pursuant to section 39 para. 3 Stock Exchange Act (*Börsengesetz*), the

WpÜG would apply *mutatis mutandis* for the determination of the consideration, provided that the consideration must consist of a cash payment in euros and must correspond to the weighted average domestic stock exchange price during the last six months prior to the publication pursuant to section 10 (1) s 1 WpÜG. The amount of the consideration under that offer may be equal to, greater than or less than the Offer Price. A delisting of the SAG Shares will result in the SAG Shares being excluded from trading on the regulated market, effectively making them illiquid. A delisting would also terminate the comprehensive capital-market oriented reporting obligations of SAG. SAG has agreed to take the necessary steps to support the delisting of the SAG Shares.

- (vi) Upon completion of this Offer, the Bidder (or the Bidder and those acting together with the Bidder) will have a voting majority at the general meeting of SAG and could therefore enforce significant structural measures under corporate law at the general meeting of SAG. These measures include amendments to the articles of association, capital increases, and, subject to meeting the majority requirements under the law and the articles of association, the exclusion of shareholders' subscription rights in the case of capital measures, as well as transformations, mergers, and the dissolution of the Target Company. Only in the case of some of the aforementioned measures would there be an obligation under German law to submit an offer to the minority shareholders to acquire their SAG Shares against appropriate compensation or to grant other compensation on the basis of a company valuation of SAG's business. This valuation would reflect the circumstances at the time of the general meeting's resolution, and the compensation offered may be equal to or greater than the Offer Price, or it may be lower. Implementation of some of these measures may ultimately result in the delisting of the SAG Shares.
- (vii) If the Bidder directly or indirectly holds the required number of SAG Shares, it could decide to demand the transfer of the SAG Shares held by minority shareholders to the majority shareholder in exchange for appropriate cash compensation (*squeeze-out*) (cf. section 9.1.6 of this Statement for further details). Upon implementation of a squeeze-out, the listing would be discontinued automatically. If SAG or the Bidder is obliged to pay an adequate cash compensation in the case of a squeeze-out, the cash compensation is in principle determined based on the company value of SAG at the relevant time. In the case of a squeeze-out under stock corporation law or under merger law, the cash compensation will be reviewed by an appraiser appointed by the court. The cash

compensation so determined may be equal to the Offer Price in the amount of EUR 32.00 but may also be higher or lower.

- (viii) If the total number of SAG Shares held by the Bidder after the settlement of the Offer amounts to at least 95% of the share capital of SAG, the Bidder may file an application pursuant to section 39a WpÜG to transfer the remaining SAG Shares to the Bidder by court order in return for appropriate compensation (*squeeze-out* under takeover law). The consideration in the amount of EUR 32.00 per SAG Share being paid under the Offer will be irrefutably presumed to constitute an appropriate settlement payment if, as a result of the Offer, the Bidder acquired shares in the amount of at least 90% of the registered share capital to which the Offer relates. If the Bidder is entitled to make such an application, the Bidder would publish the possible attainment of the threshold of 95% of the share capital of SAG required for such an application pursuant to section 23 (1) s 1 no 4 WpÜG. In this case, SAG Shareholders who have not accepted the Offer may exercise a tender right pursuant to section 39c WpÜG for the SAG Shares held by them and accept the Offer with their SAG Shares within three months after the expiry of the Acceptance Period.

## 10. INTERESTS OF THE MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

### 10.1 Specific interests of members of the Management Board and the Supervisory Board

The members of the Management Board and the Supervisory Board hereby declare that, in submitting this Statement, they have acted solely in the best interests of the Target Company. The Bidder and the persons acting jointly with the Bidder have not exerted any influence on SAG or its corporate bodies in connection with the Offer and this Statement.

The members of the Supervisory Board Christian Yannick Lucas and James Moon Whitehurst ("**Silver Lake Representatives**") are either employed by, or advisors of, Silver Lake. Against this background, promptly after receipt of a non-binding offer from Silver Lake, the Silver Lake Representatives on the Supervisory Board recused themselves and the Supervisory Board, established the Takeover Committee, consisting only of members independent from Silver Lake (cf. section 2 of this Statement). The Takeover Committee was established to discuss and adopt resolutions on all matters relating to, or in connection with, the Offer. The Silver Lake Representatives did not participate in any deliberations and resolutions of the Supervisory Board in particular regarding the Offer, the Investment Agreement and the amendment to the Investment Agreement. The Supervisory Board also authorised the Takeover Committee to prepare

and resolve on this Statement in order to prevent any conflicts of interest on the Supervisory Board.

No cash payments, cash-equivalent benefits or other benefits, including any compensation incentives or corresponding commitments from the Bidder or from persons acting jointly with the Bidder, were granted or suggested to the members of the Management Board and the members of the Supervisory Board in the Investment Agreement or otherwise in connection with this transaction.

The Management Board and the Supervisory Board point out that the service agreement of Sanjay Brahmawar provides for a customary change of control provision. However, in his new service agreement, which is applicable as from 1 August 2023, there will no longer be any such change of control provision. The Management Board and the Takeover Committee do not expect the settlement of the Offer to take place prior to 1 August 2023. Thus, the Management Board and the Takeover Committee do not expect the existing change of control provision being triggered by the Offer. The service agreements of other members of the Management Board do not provide for change of control provisions.

- 10.2 Intentions of the Management Board and the Supervisory Board in respect of the Offer to the extent that they are holders of SAG Shares.

All members of the Management Board and the Supervisory Board who hold SAG Shares have individually declared their intention, and still intend, to tender all SAG Shares held by them into the Offer. The members of the Management Board intend to donate all net profits from sales relating to those SAG Shares acquired by them in February 2023 to a charity organisation.

## **11. TREASURY SHARES OF SAG**

At the time of this Statement, SAG holds 20,111 treasury shares representing approx. 0.03% of SAG's share capital. In accordance with a resolution passed at the Annual Shareholders' Meeting on 12 May 2021, the Management Board is authorised to purchase treasury shares on or before 11 May 2026, representing a proportional amount of the SAG share capital of up to 10% of the existing share capital at the time of the resolution. However, in the Investment Agreement, SAG has undertaken not to purchase, redeem or otherwise acquire any treasury shares (cf. section 6.5 of this Statement).

## **12. SUMMARY AND RECOMMENDATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD**

The Management Board and the Supervisory Board believe that the Offer Price is fair from a financial point of view, particularly in light of the stock exchange prices of the

## NON-BINDING CONVENIENCE TRANSLATION OF THE ORIGINAL GERMAN VERSION

SAG Shares prior to the announcement of the decision to submit the Offer, the current strategy, financial planning and the business development of the Target Company in line with the explanations contained in this Statement. In addition, the Management Board and the Supervisory Board generally consider the intentions expressed by the Bidder in the Offer Document to be positive with respect to the further business operations of the Target Company. They therefore consider the successful implementation of the Offer to be in the best interests of the Target Company.

On this basis and taking into account the explanations contained in this Statement, the Management Board and the Supervisory Board recommend that the SAG Shareholders accept the Offer.

However, the Management Board and the Supervisory Board point out that each SAG Shareholder has to decide for himself whether or not to accept the Offer and if so, for how many SAG Shares, taking into account the overall circumstances, individual circumstances and the personal assessment of the future development of the Target Company, the current stock exchange price and the value of the SAG Shares.

This Statement and the above recommendation have been approved by the Management Board and the Takeover Committee on behalf of the Supervisory Board in each case on 26 May 2023 unanimously without any abstentions.

Subject to the applicable statutory provisions, neither the members of the Management Board, nor the members of the Supervisory Board assume any liability for any adverse economic consequences for any SAG Shareholders resulting from the acceptance or non-acceptance of the Offer. In particular, the Management Board and the Supervisory Board are not providing any assessment on whether a higher or lower consideration than the one specified in the Offer might be set in the future, *e.g.*, when implementing a structural measure (squeeze-out, conclusion of an enterprise agreement, delisting, etc.), to which the SAG Shareholders accepting the Offer will then not be entitled.

Darmstadt, 26 May 2023

The Management Board

The Supervisory Board



**Annex 1**

**Statement of the competent works council**

Darmstadt, Germany

May 25, 2023

## **Statement by Software AG's Works Councils**

### **Preliminary Remarks**

The bidder's offer document was submitted to Software AG's works councils on May 17, 2023. Pursuant to section 27(2) of the German Securities Acquisition and Takeover Act (WpÜG), the works councils are entitled to submit to the Management Board a statement on the offer, which the Management Board is required, pursuant to 27(2) of WpÜG, to attach to its statement without prejudice to its obligation as per section 27(3), sentence 1 of WpÜG.

In this statement, the works councils wish to present their view of the likely consequences of a successful offer to the bidder.

Their intention is to:

- Raise understanding of Software AG's corporate culture
- Emphasize the importance of the employees to the company's success
- Highlight the potential impact on the customer base
- Express the works councils' preferences and expectations

### **Corporate Culture**

The employees see themselves, and thus Software AG, as a global company deeply rooted in Darmstadt, where its corporate headquarters are located, and with many other locations throughout Germany and the world. Open mindedness, tolerance, sustainability, and a world view centered around people shape our self-image. These cultural roots were planted with the founding of Software AG in 1969, and therefore cannot be uprooted. We are proud to belong to one of the oldest software companies in the world and to have evolved from a startup to a modern, innovative company. Software AG has successfully changed and transformed time and again since it was founded. And it is currently undergoing another transformation. We believe in the great potential of our colleagues and our products. We have even offered our customers a value proposition for our first product Adabas that extends beyond the year 2050.

It is important to the works councils that this corporate culture is met with the necessary empathy and continues to be fostered.

### **Employees**

We see individuals at the center of our value proposition. When looking at Software AG and its subsidiaries from the inside, it is the employees who are decisive to the value of the company. Software AG doesn't own production facilities but employs bright and dedicated minds. For this reason, it is important to value work, foster creativity, reward exceptional performance, and provide an overall environment in which everyone wants to work. The fact

that this is the case at Software AG is illustrated by its employees' deep sense of company loyalty.

The wrong business decisions or a flawed strategy can quickly create an environment that leads to performance lags or resignations undesired by Software AG, especially following the staff reductions implemented as part of the current restructuring.

It is important to the works councils that the employees' interests and, above all, the preservation and expansion of jobs are given the highest priority to ensure long-term corporate success and thus enterprise value.

### **Customers**

Both the bidder's offer and the Management Board's statement speak of a strategy to transform Software AG into a Software as a Service (SaaS) company. Elsewhere, there are mentions of a "cloud-first" strategy. Here, it is important for us to emphasize that Software AG is not pursuing a strategy that means our customers will no longer be able to assume operational responsibility themselves. The majority of our customers still use our software on-premises, that is in their own environments under their own operational responsibility. Even with an increasingly relevant SaaS market, the need for on-premises software will remain, particularly for customers in the public sector and those with special security requirements. With this clarification, on one hand we wish to point out to the bidder the business risk should the "cloud-first" strategy be misinterpreted as a "cloud-only" strategy, and on the other, to illustrate the sustainability of our value proposition to our customers.

It is important to the works councils to keep our promises to our customers so that the foundation of our success can grow steadily.

### **The Works Councils' Preferences and Expectations**

The works councils fundamentally support offers which are in the best interest of our employees, our customers, and Software AG. In particular, the preservation of our corporate culture is important to us. In addition, we evaluate offers based on their commitment to:

- The preservation and expansion of jobs
- The location of Germany with headquarters in Darmstadt and the preservation of existing branch offices
- Respecting employee rights, existing employee representation, and existing works council agreements
- Investing in product innovation and good working conditions and compensation to further advance Software AG's competitive position

We expect all stakeholders addressed by the takeover offer to consider the points and positions outlined in this statement.

*The Works Councils of Software AG*

## Annex 2

**Persons acting jointly with SAG  
within the meaning of section 2 (5) WpÜG**

| Name of Company  | Country            | Seat           |
|--|--------------------|----------------|
| A. Zancani & Asociados, C.A.                                   | Venezuela          | Chacao Caracas |
| Cumulocity GmbH  | Germany            | Duesseldorf    |
| FACT Unternehmensberatung GmbH                                 | Germany            | Darmstadt      |
| IDS Scheer Sistemas de Processamento de Dados - in liquidation | Brazil             | Sao Paulo, SP  |
| itCampus Software- und Systemhaus GmbH                         | Germany            | Leipzig        |
| Limited Liability Company Software AG (RUS)                    | Russian Federation | Moscow         |
| Operadora JackBe, S. de R.L. de C.V.                           | Mexico             | Mexico City    |
| PCB Systems Limited  | United Kingdom     | Derby          |
| PT SoftwareAG Indonesia Operations                             | Indonesia          | Jakarta        |
| S.P.L. Software Ltd.   | Israel             | OR-Yehuda      |
| SAG Cloud GmbH   | Germany            | Darmstadt      |
| SAG Consulting Services GmbH                                   | Germany            | Darmstadt      |
| SAG Deutschland GmbH   | Germany            | Darmstadt      |
| SAG Egypt for Information Technology                           | Egypt              | Cairo          |
| SAG LVG mbH  | Germany            | Darmstadt      |
| SAG SALES CENTRE IRELAND LIMITED                               | Ireland            | Dublin         |
| SAG Software AG Luxembourg S.A.                                | Luxembourg         | Capellen       |
| SAG Software Systems AG  | Switzerland        | Zurich         |
| SGML Technologies Limited                                      | United Kingdom     | Derby          |
| Software A.G. (Israel) Ltd                                     | Israel             | OR-Yehuda      |

**NON-BINDING CONVENIENCE TRANSLATION OF THE ORIGINAL GERMAN VERSION**

| <b>Name of Company</b>                                     | <b>Country</b> | <b>Seat</b>                    |
|--|----------------|--------------------------------|
| Software A.G. (Portugal) Alta Tecnologia Informatica, Ltd. | Portugal       | Lisboa                         |
| Software A.G. Argentina S.R.L.                             | Argentina      | Buenos Aires                   |
| Software AG (Canada) Inc.                                  | Canada         | Cambridge, Ontario             |
| Software AG (Gulf) WLL                                     | Bahrain        | Manama                         |
| Software AG (Hong Kong) Limited                            | China          | Hong Kong                      |
| Software AG (India) Private Limited                        | India          | Bangalore                      |
| Software AG (India) Sales Private Limited                  | India          | Bangalore                      |
| Software AG (Philippines), Inc.                            | Philippines    | Makati City                    |
| Software AG (Singapore) Pte LTD                            | Singapore      | Singapore                      |
| Software AG (UK) Limited                                   | United Kingdom | Derby                          |
| Software AG Australia (Holdings) Pty Ltd.                  | Australia      | North Sydney                   |
| Software AG Australia Pty Ltd.                             | Australia      | North Sydney                   |
| Software AG Bangalore Technologies Private Ltd.            | India          | Devarabisanahalli<br>Bangalore |
| Software AG Belgium S.A.                                   | Belgium        | Watermael-Boitsfort            |
| Software AG Bilgi Sistemleri Ticaret A.S.                  | Turkey         | Ataşehir-Istanbul              |
| Software AG Brasil Informatica e Serviços Ltda             | Brazil         | Sao Paulo/SP                   |
| Software AG Chennai Development Center India Pvt Ltd       | India          | Chennai, Tamil Nadu            |
| Software AG China Ltd.                                     | China          | Shanghai                       |
| Software AG De Panamá, S.A.                                | Panama         | Corregimiento de Pueblo nuevo  |
| Software AG De Puerto Rico, Inc.                           | United States  | San Juanto Rico                |
| Software AG Denmark A/S                                    | Denmark        | Hvidovre                       |
| Software AG Development Center Bulgaria EOOD               | Bulgaria       | Sofia                          |

**NON-BINDING CONVENIENCE TRANSLATION OF THE ORIGINAL GERMAN VERSION**

| <b>Name of Company</b>                         | <b>Country</b>            | <b>Seat</b>                           |
|--|---------------------------|---------------------------------------|
| Software AG Development Centre Slovakia s.r.o. | Slovakia                  | Kosice                                |
| Software AG Distribution LLC                   | United States             | Reston                                |
| Software AG ESPAÑA, S.A. Unipersonal           | Spain                     | Tres Cantos, Madrid                   |
| Software AG Factoria S.A.                      | Chile                     | Santiago de Chile                     |
| Software AG Finland Oy                         | Finland                   | Helsinki                              |
| Software AG for Information Technology LLC     | Saudi Arabia              | Riyadh                                |
| Software AG France                             | France                    | Paris La Defense Ce-<br>dex           |
| Software AG Government Solutions, Inc          | United States             | Reston                                |
| Software AG International FZ-LLC               | United Arab Emi-<br>rates | Dubai                                 |
| Software AG Italia S.p.A.                      | Italy                     | Milan                                 |
| Software AG Kochi Pvt. Ltd.                    | India                     | Bangalore                             |
| Software AG Korea Co., Ltd.                    | South Korea               | Seoul                                 |
| Software AG Ltd. Japan                         | Japan                     | Minato-ku, Tokyo                      |
| Software AG Nederland B.V.                     | Netherlands               | Den Haag                              |
| Software AG Operations Malaysia Sdn Bhd.       | Malaysia                  | Kuala Lumpur Sentral,<br>Kuala Lumpur |
| Software AG Polska Sp. z o.o.                  | Poland                    | Warszawa                              |
| Software AG South Africa (Pty) Ltd             | South Africa              | Bryanston                             |
| Software AG Sweden AB                          | Sweden                    | Kista                                 |
| Software AG Sydney PTY LTD                     | Australia                 | North Sydney                          |
| Software AG USA, Inc.                          | United States             | Reston                                |
| Software AG Venezuela, C.A.                    | Venezuela                 | Caracas                               |
| Software AG, Inc.                              | United States             | Reston                                |

NON-BINDING CONVENIENCE TRANSLATION OF THE ORIGINAL GERMAN VERSION

| <b>Name of Company</b>                  | <b>Country</b> | <b>Seat</b>              |
|---|----------------|--------------------------|
| Software AG, S.A. de C.V. (Mexico)      | Mexico         | Mexico, Distrito Federal |
| Software GmbH Österreich                | Austria        | Wien                     |
| StreamSets Technologies Iberica, S.L.U. | Spain          | Barcelona                |
| StreamSets UK Limited                   | United Kingdom | Derby                    |
| StreamSets, Inc.                        | United States  | Wilmington               |
| Terracotta Software India Pvt. Ltd.     | India          | Bangalore, Karnataka     |
| TrendMiner N.V.                         | Belgium        | Hasselt                  |

**Annex 3**

**Fairness Opinion of PJT Partners dated 26 May 2023**



May 26, 2023

To the Management Board of Software Aktiengesellschaft  
Uhlandstr. 12  
64297 Darmstadt  
Germany

Members of the Management Board:

We understand that Mosel Bidco SE (the “**Bidder**”), a holding company controlled by investment funds advised or managed by Silver Lake, launched a voluntary public takeover offer on May 17, 2023 (the “**Offer**” or the “**Transaction**”) for all of the issued registered no-par-value shares of Software Aktiengesellschaft (the “**Company**”), each with a notional interest in the share capital of Euro 1.00 (the “**Shares**”) not directly held by the Bidder for an amount in cash equal to Euro 32.00 per Share (the “**Consideration**”). While certain provisions of the Offer are summarized herein, the terms and conditions of the Offer are more fully set forth in the offer document published on May 17, 2023 (*Angebotsunterlage* or the “**Offer Document**”).

You have asked us for our opinion as to the fairness, from a financial point of view, to the holders of the Shares (other than the Bidder, persons acting jointly with the Bidder and their respective affiliates) of the Consideration to be paid to such holders in the Transaction. In arriving at the opinion set forth below, we have, among other things:

- (i) reviewed the financial terms and conditions of the Offer as set forth in the Offer Document;
- (ii) reviewed certain publicly available information concerning the business, financial condition and operations of the Company;
- (iii) reviewed certain internal information concerning the business, financial condition and operations of the Company prepared and furnished to us by the management of the Company;
- (iv) reviewed certain internal financial analyses, estimates and forecasts relating to the Company, including base case projections for fiscal years 2023 through 2027 that were prepared by or at the direction of and approved for our use by the management of the Company (collectively, the “**Projections**”);
- (v) reviewed the current short term and mid-term financial targets communicated to the market by the Company;
- (vi) held discussions with members of senior management of the Company concerning, among other things, their evaluation of the Transaction and the Company’s business, operating and regulatory environment, financial condition, prospects and strategic objectives;
- (vii) reviewed the historical market prices and trading activity for the Shares;
- (viii) compared certain publicly available financial and stock market data for the Company with similar information for certain other companies that we deemed to be relevant;

- (ix) compared the proposed financial terms of the Transaction with publicly available financial terms of certain other business combinations that we deemed to be relevant; and
- (x) performed such other financial studies, analyses and investigations, and considered such other matters, as we deemed necessary or appropriate for purposes of rendering this opinion.

In preparing this opinion, with your consent, we have relied upon and assumed the accuracy and completeness of the foregoing information and all other information discussed with or reviewed by us, without independent verification thereof. We have assumed, with your consent, that the Projections and the assumptions underlying the Projections, and all other financial analyses, estimates and forecasts provided to us by the Company's management, have been reasonably prepared in accordance with industry practice and represent the Company management's best currently available estimates and judgments as to the business and operations and future financial performance of the Company. For purposes of this opinion and at your direction, we have used the Projections as provided to us by the Company's management. We assume no responsibility for and express no opinion as to the Projections, the assumptions upon which they are based or any other financial analyses, estimates and forecasts provided to us by the Company's management. We have also assumed that there have been no material changes in the assets, financial condition, results of operations, business or prospects of the Company since the respective dates of the last financial statements made available to us. We have relied, with your consent, on the Company management's representations and/or projections regarding taxable income, standalone net operating loss utilization and other tax attributes of the Company. We have further relied, with your consent, upon the assurances of the management of the Company that they are not aware of any facts that would make the information and projections provided by them inaccurate, incomplete or misleading.

We have not been asked to undertake, and have not undertaken, an independent verification of any information provided to or reviewed by us, nor have we been furnished with any such verification and we do not assume any responsibility or liability for the accuracy or completeness thereof. We did not conduct a physical inspection of any of the properties or assets of the Company. We did not make an independent evaluation or appraisal of the assets or the liabilities (contingent or otherwise) of the Company, nor have we been furnished with any such evaluations or appraisals, nor have we evaluated the solvency of the Company under any applicable laws. We have not provided, obtained or reviewed on your behalf any specialist advice, including but not limited to, legal, accounting, actuarial, environmental, information technology or tax advice, and accordingly our opinion does not take into account the possible implications of any such specialist advice.

We also have assumed, with your consent, that the Transaction will be consummated on the terms and subject to the conditions described in the Offer Document, without any waiver, modification or amendment of any of its material terms or, conditions, and that, in the course of obtaining the necessary governmental, regulatory or third party consents and approvals (contractual or otherwise) required in connection with the consummation of the Transaction no delay, limitation, restriction or condition will be imposed that would result in a reduction in the benefits of the Offer to the shareholders or have an adverse effect on the Company or the Transaction. Furthermore, at your direction, we have not taken into account any potential tax consequences from the Transaction or any other direct or indirect costs associated with the Transaction. We do not express any opinion as to any tax or other consequences that might result from the Transaction, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Company obtained such advice as it deemed necessary from qualified professionals. We are not legal, tax or regulatory advisors and have relied upon without independent verification the assessment of the Company and its legal, tax and regulatory advisors with respect to such matters.

We have not considered the relative merits of the Transaction as compared to any other business plan or opportunity that might be available to the Company or the effect of any other arrangement in which the Company might engage and our opinion does not address the underlying decision by the Company to engage in the Transaction. Our opinion is limited to the fairness as of the date hereof, from a financial point of view, to the holders of the Shares (other than

the Bidder, persons acting jointly with the Bidder and their respective affiliates) of the Consideration to be received by such holders in the Transaction, and our opinion does not address any other aspect or implication of the Transaction, the Offer Document or any agreement or understanding entered into in connection with the Transaction or otherwise. We further express no opinion or view whether the Consideration complies with the minimum price requirements as set forth in the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz, WpÜG*) or as to the fairness of the Transaction to the holders of any other class of securities, creditors or other constituencies of the Company or as to the underlying decision by the Company to engage in the Transaction. We also express no opinion as to the fairness of the amount or nature of the compensation to any of the Company's officers, directors or employees, or any class of such persons, relative to the Consideration to be received by the holders of the Shares or otherwise.

Our opinion is necessarily based upon economic, market, monetary, regulatory and other conditions as they exist and can be evaluated, and the information made available to us, as of the date hereof. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. We express no opinion as to the prices or trading ranges at which the Shares will trade at any time, as to the potential effects of volatility in the credit, financial and stock markets on the Company or the Transaction or as to the impact of the Transaction on the solvency or viability of the Company or the ability of the Company to pay its obligations when they come due.

This opinion does not represent a valuation as it is usually carried out by auditors according to German company law requirements and is not to be regarded as such. A fairness opinion to assess the fairness from a financial point of view of an offered consideration varies substantially from valuations conducted by auditors. In particular, we have not conducted a valuation in accordance with the rules and procedures of the Institute of Public Auditors in Germany (IDW) (IDW S1). In addition, this opinion has not been prepared in accordance with the Principles for the Preparation of Fairness Opinions (IDW S8) published by the IDW.

This opinion has been approved by a fairness committee of PJT Partners (UK) Ltd in accordance with established procedures. This opinion is provided solely for the benefit of the Management Board (*Vorstand*) of the Company, in its capacity as such, in connection with, and for the purposes of, its consideration, in its sole independence of judgment, of the Transaction only and is not a recommendation as to any action the Management Board should take with respect to the Transaction or any aspect thereof. It is not meant to address or operate for the benefit of, and shall not confer any rights or remedies upon any shareholder of the Company, the Bidder or any other person. This opinion may not be used or relied upon by any person other than the Management Board (*Vorstand*). This opinion does not constitute a recommendation to any holder of the Shares as to whether or not to tender Shares pursuant to the Offer or as to how any shareholder should vote or act with respect to the Transaction or any other matter.

This opinion is not to be quoted, referenced, summarized, paraphrased or excerpted, in whole or in part, in any registration statement, prospectus or proxy or information statement, or in any other report, document, release or other written or oral communication prepared, issued or transmitted by the Management Board, including any committee thereof, or the Company, without our prior written approval. However, a copy of this opinion may be included, in its entirety, as an exhibit to your reasoned statement pursuant to section 27 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz, WpÜG*) in relation to the Transaction. Any summary of or reference to this opinion or the analysis performed by us in connection with the rendering of this opinion in such documents shall require our prior written approval. We accept no responsibility to any person other than the Management Board of the Company in connection with the Transaction and in relation to the content of this opinion, even if it has been disclosed with our consent.

We are acting as financial advisor to the Company with respect to the Transaction and will receive a fee from the Company for our services, a portion of which is payable upon the rendering of this opinion and a significant portion of which is contingent upon the consummation of the Transaction. In addition, the Company has agreed to

reimburse us for out-of-pocket expenses and to indemnify us for certain liabilities arising out of the performance of such services (including the rendering of this opinion).

In the ordinary course of our and our affiliates' businesses, we and our affiliates may provide investment banking and other financial services to the Company, the Bidder, Silver Lake or their respective affiliates and may receive compensation for the rendering of these services. During the two years preceding the date of this opinion, we and certain of our affiliates advised an affiliate of Silver Lake in connection with a capital raising transaction.

This opinion is issued in the English language and only the English version is binding. If any translations of this opinion may be delivered, they are provided only for ease of reference, have no legal effect and we make no representation as to (and accept no liability in respect of) the accuracy of such translation. This opinion shall be governed by and construed in accordance with German law.

\* \* \*

Based on and subject to the foregoing, we are of the opinion, as investment bankers, that, as of the date hereof, the Consideration to be received by the holders of the Shares in the Transaction (other than the Bidder, persons acting jointly with the Bidder and their respective affiliates) is fair to such holders from a financial point of view.

Very truly yours,

*PJT Partners (UK) Ltd*

PJT Partners (UK) Ltd

**Annex 4**

**Fairness Opinion of KPMG dated 26 May 2023**



KPMG AG Wirtschaftsprüfungsgesellschaft  
THE SQUAIRE / Am Flughafen, 60549 Frankfurt/Main, Germany

To:  
Software AG  
Supervisory Board  
Uhlandstraße 12  
64297 Darmstadt

Attn.:  
To the members of the Takeover Committee of  
the Supervisory Board

26 May 2023

**Fairness Opinion regarding the voluntary public takeover offer pursuant to para. 29 et seq. WpÜG issued by Mosel Bidco SE, München, (“Mosel Bidco” or “Bidder”) for shares in Software AG, Darmstadt (“SAG” or “Target Company”)**

Dear members of the Takeover Committee of SAG (acting on behalf of the Supervisory Board),

In view of the voluntary public takeover offer pursuant to para. 29 et seq. WpÜG (German Securities Acquisition and Takeover Act) issued by Mosel Bidco, an indirect subsidiary of Silver Lake (Offshore) AIV GP VI, Ltd., Grand Cayman, Cayman Islands, (“Silver Lake”) to the shareholders of SAG on 17 May 2023, and in view of the mandatory statement of the Supervisory Board of SAG in accordance with para. 27 WpÜG, we have been engaged by SAG in our capacity of an independent expert to assess whether the consideration offered for shares in SAG by the Bidder is financially fair from the perspective of the shareholders of SAG under the terms of the German “Principles for the Preparation of Fairness Opinions” (IDW S 8: Grundsätze für die Erstellung von Fairness Opinions) established by the German Institute of Public Auditors (Institut der Wirtschaftsprüfer in Deutschland e.V.).

SAG has informed us that due to potential conflicts of interest, the Supervisory Board of SAG established a Takeover Committee. As agreed with SAG we provide our Fairness Opinion to the Takeover Committee of SAG acting on behalf of the Supervisory Board of SAG.

SAG is an international software corporation that operates in the areas of business process management, integration and data analytics. It was founded in 1969 in Darmstadt, Germany. The company employs approximately 4,800 employees and operates in over 70 countries. It is listed at the Frankfurt stock exchange.

Silver Lake is a global private equity firm focused on investments in technology-related industries. Silver Lake and SAG entered into a strategic partnership in December 2021. In course of this partnership, Silver Lake invested €344.3 million in form of convertible bonds.

On 21 April 2023, an investment agreement was concluded and subsequently the Bidder publicly declared its intention to launch a voluntary public takeover offer for all outstanding shares of SAG at a price of €30.00 per share (“initial consideration offered”).

Pursuant to the Bidder's offer document dated 17 May 2023 ("Offer Document"), the Bidder has offered a consideration per share to SAG's shareholders in an amount of €32.00 („consideration offered"). This consideration offered is based on the amended investment agreement dated 4 May 2023.

According to the Offer Document, the initial consideration offered of €30.00 per SAG share was increased to €32.00 per SAG share as an outcome of an economic decision by the Bidder as a result of the negotiation process with SAG in connection with the amendment of the investment agreement.

We have performed this engagement under the terms of IDW S 8. Accordingly, we have assessed the financial fairness of the consideration offered according to the standards set out in IDW S 8.

We have carried out this engagement in the capacity of an independent expert.

We draw your attention to the fact that it was not part of our work to provide an opinion on the legal and tax aspects of the Transaction. Our evaluation of the fairness of the consideration offered was limited to the purely financial aspects. The work we have carried out in the course of our Fairness Opinion differs substantially in its scope as well as in its objectives from an audit of the financial statements, a due diligence, an expert opinion in accordance with IDW S 1 or similar examinations. Thus, our Fairness Opinion is not an audit opinion or any other certificate or confirmation relating to the financial statements, the internal controlling system, planning system or the business plan of SAG or any other information provided to or obtained by us for the preparation of the Fairness Opinion. We accept no responsibility for the realization of the business plan or the respective underlying assumptions. We have neither audited nor reviewed the information and documents underpinning the Fairness Opinion according to the engagement.

Our report comprises a Valuation Memorandum in addition to this Opinion Letter. The Valuation Memorandum sets out in detail the main conclusions of our work. This Opinion Letter summarizes our analyses and includes our opinion on the financial fairness of the transaction.

Our Fairness Opinion is solely prepared for the Takeover Committee of SAG acting on behalf of the Supervisory Board of SAG in context with the reasoned statement on the voluntary public takeover offer according to para. 27 WpÜG. It is not a substitute for the requirement of SAG's boards' independent assessment whether the conditions of the transaction are financially fair as part of their duty of care. Our Fairness Opinion does not contain any recommendation as to whether Bidder's offer should be accepted by shareholders of SAG or not. Also, it does not express any opinion as to whether the reasoned statement according to para. 27 WpÜG is comprehensive and correct or to whether the conditions of the transaction are in compliance with legal requirements.

The release is conditional upon the third party agreeing in writing to accept our standard release letter. Third parties for the purposes of this agreement do not include SAG's auditors and SAG's professional advisors advising SAG in connection with this transaction provided that they have a duty of confidentiality to SAG and that SAG will not release such professional advisors from this duty of confidentiality to SAG without our prior written consent.

In case SAG wishes to make the Fairness Opinion publicly available or make reference to the Fairness Opinion in a publicly available document (e.g. in your statement according to para. 27 WpÜG), we declare our consent under the provision that SAG adheres to the regulations / requirements of sec. 62 of IDW S 8



and that you agree to hold us harmless from any claims from third parties and costs that may arise as a consequence of the publication of our Fairness Opinion or public reference thereto.

Our work has been carried out subject to the “General Engagement Terms” (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) as of 1 January 2017.

## 1 Financial fairness of the consideration offered

There is no legal definition of the term “fairness” given by WpÜG. According to IDW S 8 (sec. 57), a consideration per share offered is assessed as “financially fair”, if it lies within or above a range of values determined by applying an income approach and reference transaction prices (the benchmarking function).

The financial fairness of the consideration offered has been assessed from the perspective of SAG’s shareholders. Fairness Opinions do not express an opinion as to whether a more advantageous consideration could be achieved with another party.

## 2 Opinion date

Opinion date is 26 May 2023, at which the Takeover Committee of SAG acting on behalf of the Supervisory Board decides on the reasoned statement on the voluntary public takeover offer according to para. 27 WpÜG.

## 3 Engagement execution and basic information

We carried out our content-related work over the period from 25 April 2023 to 26 May 2023 at our own office.

We have carried out our work on the basis of information provided to us by SAG as well as publicly available information. SAG is solely responsible for the accuracy and completeness of the information provided to us by SAG. We have undertaken steps to satisfy ourselves, as far as possible, that the information we have used in our work is consistent with other information which was made available to us. We have not, however, sought to establish the accuracy and completeness of the information provided and the reliability of the sources.

Please note, that the current general economic conditions are characterized by high uncertainty on one hand due to the worldwide spread of the Covid-19 virus and the economic consequences resulting from the protective measures against the virus and on the other hand because of the invasion of Ukraine by the Russian Federation on 24 February 2022 and the sanctions imposed thereafter. The consequences for the global economy, individual countries, individual industries and individual companies are currently very difficult to assess and vary greatly depending on the country, industry and company. During our work, the effects of the Covid-19 crisis and the invasion of Ukraine have been discussed with SAG’s management and taken into account to the best of our knowledge and belief. We took into consideration the technical advice from the expert committee for business valuation and business administration („Fachausschuss für

Unternehmensbewertung und Betriebswirtschaft (FAUB)“ “Effects of the spread of the corona virus on company valuations” („Auswirkungen der Ausbreitung des Coronavirus auf Unternehmensbewertungen“) dated 25 March 2020 and “Impact of Russia's war on Ukraine on company valuations” („Auswirkungen von Russlands Krieg gegen die Ukraine auf Unternehmensbewertungen“) dated 20 March 2022. However, the framework conditions can currently change significantly and at short notice with possibly positive or negative effects on the business model of SAG and the determined values.

In the course of the engagement, we held a number of conversations with the Management Board of SAG as well as with various other key contacts provided by the Management Board of SAG. Key aspects of our discussions with SAG’s management were the evaluation of the performance of the business to date, as well as their assessment of future performance and SAG’s business plan. We would like to underline that the preparation of the business plan (including that of the underlying assumptions) is exclusively the responsibility of SAG.

In particular, we have performed the following tasks in a two-phase-approach:

**Phase 1:** Analysis of relevant information concerning the transaction and SAG

- Analysis of transaction-related contracts (or drafts of contracts)
- Development of an understanding of the business model of SAG
- Analysis of the relevant financial information of SAG (financial statements, business plans, other financial data)
- Assessment of the plausibility of the assumptions underlying the business plan and discussion of the expected development of the market and competitive situation with SAG’s management
- Analysis of planning scenarios
- Analysis of the transaction process and alternative offers / expressions of interest from third parties
- Review of the Offer Document and certain other information regarding the voluntary public takeover offer provided to us

**Phase 2:** Evaluation of the financial fairness of the offered consideration

- Analysis of recent expressions of interest from third parties
- Application of an income approach (discounted cash flow method)
- Application of a market approach, e.g. analysis of share price developments, multiples derived from key figures of comparable companies or comparable transactions
- Analysis of further capital market or transaction market-related information, e.g. target share price for SAG set by financial analysts

Available key information is listed in Appendix 1.

SAG's Management Board has confirmed that we were provided with a complete and accurate set of documents and information for the purposes of this engagement.

## 4 Benchmarks for evaluation of financial fairness

In determining a range of values using a discounted cash flow approach and observable values taken from comparable companies (peer groups) and transactions (precedent transactions), we utilized the following methodologies:

- Income approach
  - The discounted cash flow approach was based on the Weighted Average Cost of Capital approach (WACC approach) to derive SAG's enterprise value considering SAG's business plan until 2027 and expected long term developments reflected in the estimated sustainable result. For this purpose, we used scenario analysis in combination with a simulation approach in order to derive expected values for the sustainable result. Based on SAG's enterprise value, the equity value of the Target Company was determined by subtracting the interest-bearing liabilities (on net debt basis) from the enterprise value derived. Furthermore, tax loss carry forwards as well as pension obligations, related assets, and securities were considered as special item to derive SAG's equity value. We converted SAG's equity value into value per share based on the number of outstanding shares.
- Market approach
  - We analysed the share price development of SAG over relevant periods.
  - Observable values taken from comparable companies were based on EBITDA and EBIT multiples considering consensus estimates for the financial years from 2023 to 2025. Revenue multiples were not considered due to heterogeneous cost structure of the peer groups considered. Overall, individual peer group companies do not reflect the business model of SAG and SAG's transformation process. Hence, trading multiples provide a broader valuation range compared to the discounted cash flow analysis.
  - Observable values taken from precedent transactions were based on EBITDA and EBIT multiples. Given the recent market dynamics more weight was given to recent transactions. Similar to trading multiples individual precedent transactions do not reflect the business model of SAG and SAG's transformation process. Hence, transaction multiples provide a broader valuation range compared to the discounted cash flow analysis.
  - As supplementary information we analysed target share prices for SAG issued by financial analysts and bid-premiums of transactions in the software industry.

The validity of the reference prices (market-based approach) depends on the degree of comparability between the chosen reference companies/transactions and SAG.

As SAG is unique with respect to several characteristics of its business (especially the transformation from perpetual business to subscriptions and a software as a service business and the strategic focus on the integration business), a higher weight was given to the results from the discounted cash flow approach. In addition, this approach is consistent with the specific objective of a Fairness Opinion in accordance with para. 27 WpÜG (see IDW S 8, Tz. 57). However, the reference prices based on the market approach support the value range derived from the discounted cash flow approach.

Our analysis was performed on a stand-alone basis without any effects from the transaction on SAG.

## 5 Income approach

### **Valuation approach**

In line with the individual business activities of the Target Company, we assume the income approach (discounted cash flow approach) to be appropriate to evaluate the consideration offered. We have applied the Weighted Average Cost of Capital approach (WACC approach) which is part of the discounted cash flow method.

Under the WACC approach, the business value of a company with purely financial objectives is based on the present value of the company's future cash flows that are available to company owners. Basis for the valuation was the current business plan of SAG. We analysed the business plan in accordance with IDW S 8.

The financial planning is divided into two phases. In principle, the first phase (detailed planning phase) covers a clear period of three to five years and considers a detailed planning of main forecast items in order to estimate future cash flows. The projections for the years in the second phase (so-called sustainable period or perpetuity) are starting at the end of the detailed planning phase and are normally based on long-term projections of trend developments. Thereby, there is a need to examine if assets, liabilities, financial position and earnings of the Target Company are in a steady state at the end of the detailed planning period or if the annual projected cash flows are still changing. If they are changing it is to examine, whether a constant amount of change or changes with a constant growth rate represent the changing projected cash flows appropriately.

Under the WACC approach, financial benefits to all providers of capital (equity and debt) are estimated for each of several future periods (free cash flows). The equity value of the Target Company is determined by subtracting the interest-bearing liabilities (net debt) from the present value of free cash flows (enterprise value).

To calculate the enterprise value, anticipated future free cash flows are discounted as at the opinion date at an appropriate discount rate. The discount rate reflects the return on an alternative investment which compares to an investment in the Target Company, provided that the two investments are equivalent in terms of maturity, risk and taxation. In this case, the WACC approach is used for the purpose of calculating the equity value. The free cash flows therefore must be discounted with weighted average cost of capital, based on a weighted average of the yield requirements of the providers of equity and net debt. The weighted average cost of capital is calculated as the arithmetic mean of cost of equity and cost of net debt (after-tax).

The weightings of these components are the corresponding percentages of the market values of equity and net debt in relation to the enterprise value. In the sustainable period, WACC is reduced by the terminal growth rate.

Any items that cannot be considered in discounted cash flow, either as a whole or in part, will generally be assessed separately and then added to the discounted cash flow. These special items include not only non-operating assets, but also certain financial assets and tax effects. Non-operating assets are any assets that can be sold without affecting the business operations. However, the Target Company does not dispose of any special items, such as non-operating assets, financial assets or tax losses carried forward, which are to be assessed separately. Based on management discussions and our analysis we treated existing tax loss carry forwards in the US as well as pension obligations, related assets, and securities as special items. Further non-operating assets were not identified.

The value and reference price analyses have been performed on a stand-alone basis excluding any synergy or integration effects from the transaction.

When applying the income approach, we have determined the equity value of SAG (100%) as a first step. Hence, we determined the value per share based on a number of shares outstanding of 73,979,889 (i.e., the total number of shares less treasury shares).

## 6 Market approach

We have applied the following market approaches:

- analysis of listed share price development for SAG,
- trading multiples on the basis of comparable listed companies and,
- transaction multiples on the basis of comparable transactions.

### ***Analysis of listed share price development***

In general, share prices have to be applied to assess the financial fairness of offer prices (IDW S 8, sec. 26). The analysis of share prices of the Target Company provides the opportunity to compare transaction prices with expectations at capital markets. However, the significance of a company's share price may be limited due to potential impacts of special circumstances (e.g. marketability, insufficient trading or potential manipulation of share prices). Therefore, it may be appropriate to determine average share prices.

In case of voluntary public takeover offers, para. 31 WpÜG stipulates that the Bidder has to offer an appropriate minimum consideration to be determined according to para. 31 WpÜG in conjunction with para. 3 ff. WpÜGAngebotV (German Ordinance on the Content of the Tender Document, the Consideration for Takeover Offers and Mandatory Offers and the Exemption from the Duty to Publish and Submit an Offer) et seq. In case of share listings at a German stock exchange, the minimum consideration is in principle the volume-weighted average share price during the last three months before the announcement of the voluntary public takeover offer and the announcement of achieving control respectively (para. 5 sec. 1 and 3 WpÜGAngebotV

in conjunction with para. 10 sec. 1 sent. 1 WpÜG). Hence, the share price is a benchmark for assessing financial fairness of offer prices.

According to the Offer Document and approved by the German Federal Financial Supervisory Authority (“BaFin”), BaFin has determined a legal minimum consideration of €20.32 per share for shares in SAG. The determination of the legal minimum consideration is based on a volume-weighted three-months average share price before 21 April 2023 (announcement date of intention to launch a voluntary public takeover offer by Bidder).

As the stock exchange price could be influenced by the offer process, we have analysed the stock exchange price for various periods both before and after the announcement of the offer by Bidder. In doing so, the provisions of the WpÜGAngebotV have been observed.

Special factors that could affect the stock exchange price were considered in the analysis.

To analyse the development of share prices of the Target Company, we have considered that the earnings release on 31 January 2023 of SAG affected the share price significantly. Therefore, our stock price analysis focused on average stock prices after 31 January 2023. Also, stock price averages that take into account longer horizons, would not result in significantly different results.

Based on our trading volume and bid ask spread analysis we consider the share price of SAG as meaningful.

### ***Trading multiples***

When applying trading multiple analyses, the assessment is based on market prices of comparable listed companies (“trading multiples”). For this, the financial reference value of the Target Company (e.g. sales, EBITDA, EBIT, net income) is multiplied by market-based multiples. The market-based multiples are calculated as ratio of market price or enterprise value to the corresponding financial reference value of the peer group company.

The significance of comparable company analysis is limited even when comparing companies in the same industry or companies that are operating in closely related industries. This can be attributed to different portfolios or segments in business, difference in size, different business policy or further influences impacting the business value.

The trading multiples were generally derived from the same peer group of comparable and listed companies which was also used for the determination of the beta factor when applying the income approach. We also used those peer group companies, which were eliminated in the beta factor analysis due to statistical reasons.

Applying EBITDA (= earnings before interest, taxes, depreciation and amortization) and EBIT (= earnings before interest and taxes) multiples on the corresponding financial reference value of the Target Company yields in an enterprise value of the Target Company. Deducting net debt of the Target Company results in the equity value.

In line with the discounted cash flow valuation we have included the value of tax loss carry forwards in the US as well as pension obligations, related assets, and securities as special items in our trading multiple analysis.

We considered EBITDA and EBIT multiples taking consensus estimates for financial years from 2023 to 2025 into account. Revenue multiples were not considered due to heterogeneous cost structure of the peer groups.

Overall, individual peer group companies do not reflect the business model of SAG and SAG's transformation process. Hence, trading multiples provide a broader valuation range compared to the discounted cash flow analysis and therefore trading multiples were not applied as a primary benchmark to assess the financial fairness of the consideration offered.

### ***Transaction multiples***

When applying transaction multiple analyses, the assessment is based on transaction prices of comparable transactions. For this, the sustainable financial reference value of the Target Company (e.g. sales, EBITDA, EBIT, net income) is multiplied by multiples derived from comparable transactions (precedent transactions). These transaction multiples are calculated as ratio of transaction price or enterprise value to the corresponding financial reference value of the company subject to the reference transaction.

Depending on the financial reference value, the enterprise value or the equity value of the Target Company are determined. Deducting net debt from the enterprise value yields the equity value.

In line with the discounted cash flow valuation we have included the value of tax loss carry forwards in the US as well as pension obligations, related assets, and securities as special items in our transaction multiple analysis.

Similar to trading multiples individual precedent transactions do not reflect the business model of SAG and SAG's transformation process. Hence, transaction multiples provide a broader valuation range compared to the discounted cash flow analysis and therefore transaction multiples were not applied as a primary benchmark to assess the financial fairness of the consideration offered.

Furthermore, the significance of comparable transaction analysis is limited due to individual influences (strategic purpose, expectations) from buyers' side in each case. Overlapping in business portfolios or individual expectations on synergies are of significant importance.

For the derivation of transaction multiples we have analysed transactions in the software and services industry from 1 April 2018 to end of April 2023. We considered transactions with a total transaction volume greater than \$500 million and focused on the regions Europe and North America. The resulting long list of transactions was narrowed by a qualitative screening of the targets' business descriptions to derive at a short list of precedent transactions. Given the recent market dynamics more weight was given to recent transactions.

Our analysis based on EBITDA and EBIT as financial reference values of comparable transactions.

## 7 Analysis of supplementary information related to capital and transaction markets

Additionally, we have analysed the following supplementary information related to capital and transaction markets:

### ***Target share prices***

As supplementary information, we have analysed target share prices issued by financial analysts regarding listed shares of SAG from 31 January 2023 (issued after the earnings release of SAG) to 21 April 2023 (announcement date of intention to launch a voluntary public takeover offer by Bidder).

### ***Bid premiums in the software industry***

As further supplementary information, we analysed observable bid premiums of transactions in the software and services industry from 1 April 2018 to end of April 2023. We considered transactions with a total transaction volume greater than \$500 million and focused on the regions Europe and North America.

### ***Non-binding expression of interest from a third party***

Close to the time of the voluntary public takeover offer by the Bidder, SAG received also a non-binding expression of interest from a third party.

The non-binding expression of interest from a third party received by SAG close to the time of the voluntary public takeover offer by the Bidder does not affect our assessment whether the consideration offered for shares in SAG by the Bidder is financially fair from the perspective of the shareholders of SAG under the terms of IDW S 8.

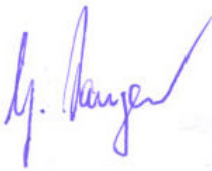
Please note that our Fairness Opinion is limited to the financial fairness of the consideration offered. It is not within the scope of a Fairness Opinion to assess the probability of realization of any offers or expressions of interest (i.e. whether these reach required or agreed thresholds or are otherwise completed or successful).



## 8 Opinion

Based on our work carried out in accordance with IDW S 8, it is our opinion, that the consideration offered by Bidder in an amount of €32.00 per SAG's share is financially fair within the meaning of IDW S 8.

Kind regards



Dr. Gunner Langer  
Director



ppa.  
Thilo Hoppe  
Senior Manager

### *Enclosures*

- Appendix 1: Key information received
- Appendix 2: General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften as at 1 January 2017

## Appendix 1: Key information received

The following key documents were made available to us:

- Business plan for the period from 2023 to 2027 as well as financial information for the actual periods 2020 to 2022;
- Revenue splits and detailed revenue planning on offering level;
- Net debt overview as of the latest balance sheet date available;
- SAG peer group analysis;
- Market model;
- Articles of Association of SAG dated 24 June 2021;
- SAG's Certificate of Registration.

In the course of our analyses, we also made use of the following sources of publicly available information:

- Information services such as S&P Capital IQ, and Refinitiv Workspace;
- Annual reports of SAG as well as for certain comparable listed peer group companies.

# General Engagement Terms

for  
**Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften**  
[German Public Auditors and Public Audit Firms]  
as of January 1, 2017

## 1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

## 2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

## 3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

## 4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

## 5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

## 6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

## 7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [*Translators Note: The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

## 8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of *Wirtschaftsprüfer: Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

## 9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

## 10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

## 11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

## 12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

## 13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

## 14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

## 15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.