

REPORT OF THE SUPERVISORY BOARD

DEAR LADIES AND GENTLEMEN, DEAR SHAREHOLDERS,

Fiscal year 2023 was an exciting and successful year for the company. Two major events set the path forward for the company of which both were closely accompanied by the Supervisory Board:

In April 2023, Silver Lake announced a voluntary public takeover offer which settled in September 2023 with Silver Lake becoming the new majority shareholder of Software AG. In the context of the takeover offer, the Supervisory Board formed a Takeover Committee without Silver Lake representatives and the Takeover Committee independently took all decisions related to the takeover process.

A second big milestone in Software AG's history was the announcement of the sale of the Super iPaaS business to IBM. The pending transaction is a strong testament to the innovation drive and commercial excellence that Software AG's employees deliver across the group.

The Supervisory Board continues to actively support Software AG's business strategy in its revised form that aims to simplify and refocus Software AG.

COOPERATION BETWEEN THE MANAGEMENT BOARD AND SUPERVISORY BOARD

In the 2023 fiscal year, the Supervisory Board performed its duties as required by law and by the Company's Articles of Association. It advised and supervised the Management Board in leading the Company. In doing so, the Supervisory Board and its committees were directly involved in all decisions of fundamental importance to Software AG. Via oral and written reports, the Management Board informed the Supervisory Board regularly and comprehensively, without delay, about all issues relevant to strategy, business development, risk management topics, and compliance, and was available to the Supervisory Board in meetings for questions and discussions. Deviations in the current business development from existing financial projections were addressed in detail. The Supervisory Board also received regular reports outside of meetings on financial KPI development, staff development, corporate governance, and the sustainability strategy.

The Supervisory Board chair maintained regular contact with the CEO. They consulted regularly on Software AG's strategy, planning, business development, risk situation, risk management, and compliance. The CEO informed him without delay of major events, except for matters concerning the public takeover offer which had been delegated to the Takeover Committee of which the chairman was not a member. The relationship between the Management Board and Supervisory Board was characterized by close, trusting cooperation, and an open, constructive dialogue.

The Supervisory Board's discussions covered topics such as the voluntary public takeover process (delegated to the Takeover Committee and conducted fully independent from any conflicted or potentially conflicted Supervisory Board members) and the sale of Super iPaaS to IBM. Together, the Supervisory Board and the Management Board thoroughly analyzed ongoing business developments. Any transactions requiring Supervisory Board approval in accordance with legal regulations or the Articles of Association were reviewed and voted on accordingly. Documents relevant to decisions were provided to the Supervisory Board in due time before the relevant meeting. The Supervisory Board voted on resolutions following extensive evaluation and consideration and based on decision papers and conversations. After having carefully monitored the Management Board's leadership, the Supervisory Board confirms that it acted lawfully, appropriately, and economically in every respect.

SUPERVISORY BOARD MEETINGS

The Supervisory Board met four times in the fiscal year 2023. If a member of the Supervisory Board was unable to attend a Supervisory Board or committee meeting, he or she had the option to participate via telephone or cast a vote in writing. The Supervisory Board met regularly without the Management Board. When the external auditors were invited to meetings to provide insights into the audit and control processes, the Management Board only attended when the Supervisory Board or the audit committee considered its attendance necessary.

In its **first meeting** of the fiscal year, held in **January 2023**, the Supervisory Board discussed 2022 results, 2023 budget, Management Board target achievement during fiscal year 2022 and Corporate Governance topics. The latter included changing the Rules of Procedure for the Supervisory Board, the Audit Committee and the Management Board as well as resolving on the Supervisory Board skills and expertise profile/qualification matrix and approving the Declaration of Compliance with the German Corporate Governance Code (GCGC). Given the importance of personnel-related topics, the Supervisory Board concluded that these are to be discussed in the full Supervisory Board. For this reason, the Personnel Committee was dissolved, and its competences were re-transferred to the full board, in the January meeting.

At the accounts meeting on **March 14, 2023**, in the presence of external auditors, Deloitte GmbH Wirtschaftsprüfungsgesellschaft (referred to hereinafter as Deloitte), the 2022 financial statements and consolidated financial statements were discussed in detail and subsequently, at the recommendation of the Audit Committee, approved by the Supervisory Board following its own thorough review. Furthermore, beneath discussing personnel matters, the Supervisory Board conducted the self-assessment on the effectiveness of the Supervisory Board's and committees' fulfillment of their tasks; it approved the Report of the Supervisory Board as well as resolution proposals for the Annual Shareholders' Meeting agenda.

As outlined further below, the Supervisory Board decided in **April 2023** to form a Takeover Committee to which all measures relating to the voluntary public takeover offer by Mosel Bidco SE, a holding company controlled by funds managed or advised by Silver Lake, were delegated. Thus, the Takeover Committee took over the tasks of the Supervisory Board in the context of the public takeover offer between **April and June 2023**. Within that period, the Takeover Committee met five times and passed several resolutions in connection with the takeover process by other means of communication.

In its meeting in **October 2023**, the Supervisory Board looked at the Company strategy, Management Board targets and the capital structure arrangements of the Company.

The main topic of the **December 2023** meeting was the sale of the Company's Super iPaaS business to IBM. Furthermore, the Supervisory Board discussed succession planning and assessed the independence of its members. In addition, current business development and financial results were discussed.

COMMITTEES

In order to efficiently perform its duties, the Supervisory Board established an Audit Committee, a Nominating Committee and a temporary Takeover Committee, whereas the Personnel Committee was dissolved during the January meeting (cf.above). The committees prepare the Supervisory Board's resolutions and topics to be discussed by the plenum. Decision-making powers are transferred to the committees to the extent permissible. The respective committee chairs report to the Supervisory Board on the results of the respective committee meetings. For more information on the composition and procedures of the Supervisory Board and its committees, please refer to the [Corporate Governance Statement](#) which is published on Software AG's website.

The **Audit Committee** deals with issues related to monitoring the financial reporting process, the effectiveness of the internal control system, the risk management system, internal audit and compliance, the financial statement audit – particularly the selection and independence of the auditor – as well as the quality of the audit and any additional services rendered by the auditor. The Audit Committee also prepares the Supervisory Board's discussions and resolutions to approve the annual and consolidated financial statements. The Audit Committee met three times in the 2023 fiscal year. In a meeting on March 14, 2023, and in the presence of the auditor (Deloitte), it discussed the annual and consolidated financial statements, the combined management report (including the non-financial statement), the Management Board's proposal on the appropriation of profits, the selection and independence of the auditor for fiscal 2023, and the Supervisory Board's respective resolution recommendation to the Annual Shareholders' Meeting. It also dealt with the quality of the audit. The Audit Committee also informed itself of the internal audit and of compliance matters at this meeting. The Audit Committee's other meetings in 2023 focused on important audit topics, non-audit services, and the independence of the auditor, as well as compliance. In addition, information on ESG developments was provided and the risk report was submitted. The auditor attended meetings to discuss relevant issues.

The Supervisory Board formed a temporary **Takeover Committee** in April 2023. To avoid potential conflicts of interest with regard to tasks assigned to the Takeover Committee, the Takeover Committee consisted exclusively of members independent of Silver Lake. The Supervisory Board delegated to the Takeover Committee the adoption of all measures relating to the public takeover offer by Mosel Bidco SE. The Takeover Committee met five times in 2023. During those meetings, the Takeover Committee discussed the Investment Agreement between Silver Lake and the company and the respective amendment thereto. Furthermore, it extensively discussed the other non-binding expression of interest received. Finally, it resolved on the joint Reasoned Statement and the supplementary joint Reasoned Statement.

The task of the **Nominating Committee** is to propose suitable candidates to the Supervisory Board for its proposals to the Annual Shareholders' Meeting. The Nominating Committee held no meeting in the 2023 fiscal year.

AUDIT OF THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

The Supervisory Board awarded the audit contract for Software AG's financial statements and consolidated financial statements for fiscal year 2023 to Deloitte, in accordance with the previous corresponding election at the Annual Shareholders' Meeting. Deloitte audited Software AG for the second time in 2023.

Deloitte audited the financial statements and consolidated financial statements for the year ended December 31, 2023, as well as the combined management report, including accounting books and records. The auditor issued unqualified audit opinions. For the second time, the signatories of the audit opinions were Kirsten Gräbner-Vogel, who is responsible for the audit, together with Dr. Steffen Umlauf (financial statements) and Sebastian Zandt (consolidated financial statements); in each case, the combined management report was included.

The financial statements and consolidated financial statements, the combined management report (including the combined non-financial statement), and the auditor's reports were submitted to the Supervisory Board and explained personally to the Audit Committee and the entire Supervisory Board by the Management Board and the auditor responsible for conducting the audit. Deloitte's report on the appropriation of profits was communicated to all Supervisory Board members. The Audit Committee and Supervisory Board reviewed the financial statements, the combined management report, and the audit reports in their meetings in March, 2024. In both meetings, the auditor reported on the scope, the focus, and the key results of the audit, emphasizing the particularly important audit matters and audit actions taken. The auditor was available to answer questions and provide additional information. No reservations were raised at the conclusion of the Supervisory Board's review. The Supervisory Board confirmed the results of the audit, concurred with the Management Board's judgment regarding the assessment of the Group's and parent Company's position, and approved the financial statements and consolidated financial statements as of December 31, 2023. This constituted formal approval and acceptance of the 2023 annual financial statements. The Supervisory Board supported the Management Board's recommendation on the appropriation of profits.

AUDIT OF THE DEPENDENT COMPANY REPORT

The Management Board submitted its report on relations with affiliated companies (Dependent Company Report) for fiscal year 2023 to the Supervisory Board and also the Audit Committee in due time.

The Dependent Company Report was also audited by Deloitte. The following opinion was awarded in this respect:

"Following our audit and judgment performed in keeping our professional duties, we confirm that

- 1 the facts in the report are stated accurately,
- 2 the consideration given by the Company for the legal transactions set out in the report was not excessive or the disadvantages have been compensated,
- 3 no circumstances regarding the measures set out in the report give rise to an opinion materially different from that of the executive board."

Deloitte submitted its audit report to the Audit Committee and the Supervisory Board. The Audit Committee and the Supervisory Board, respectively, reviewed the Dependent Company Report and the audit report, and both were subject of discussion during the March 2024 meeting. Deloitte attended the meetings and reported on their audit of the Dependent Company Report and their main audit results, explained their audit report, and answered questions. Following its own examination of the Dependent Company Report, the Supervisory Board concurred with the audit report and did not raise any objections regarding the Management Board's declaration at the end of the Dependent Company Report.

CORPORATE GOVERNANCE

The Supervisory Board addressed the subject of corporate governance and the GCGC in the 2023 fiscal year.

As described above, the Takeover Committee consisted exclusively of members independent of Silver Lake to avoid conflicts of interest with regard to tasks assigned to the Takeover Committee.

A detailed report by the Management Board and the Supervisory Board on implementation of the GCGC can be found in the Corporate Governance Statement. The [Declaration of Compliance](#) is published on the Company's website.

CHANGES TO THE MANAGEMENT BOARD AND SUPERVISORY BOARD

As of January 1, 2023, Daniela Buenger succeeded Dr. Matthias Heiden as CFO. On May 17, 2022, the Annual Shareholders' Meeting elected James M. Whitehurst as member of the Supervisory Board with effect as of January 1, 2023. Apart from that, there were no changes in the Management Board or the Supervisory Board.

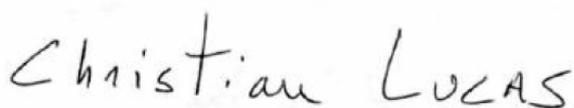
For more information on the composition of the Management Board and Supervisory Board, please refer to the [Corporate Governance Statement](#) on the Software AG's website.

The Supervisory Board would like to thank Software AG's Management Board and employees for their high degree of commitment and excellent work during fiscal year 2023.

Darmstadt, March 22, 2024

The Supervisory Board

Best regards,



Christian Lucas
Chair of the Supervisory Board

For more information on the members of the Supervisory Board, please refer to [Note \[34\]](#) in the Notes to the Consolidated Financial Statements or visit Software AG's website at [Management](#).