

Quarterly Statement Q3 2023

Key Figures

in € millions (unless otherwise stated)	9M 2023	9M 2022	+/- as %	+/- as % acc ¹	Q3 2023	Q3 2022	+/- as %	+/- as % acc ¹
Group revenue	687.7	654.3	5	9	228.7	221.4	3	10
Product revenue	570.7	534.6	7	10	189.8	180.0	5	12
thereof Digital Business	393.2	380.3	3	6	134.9	133.5	1	6
thereof Adabas & Natural (A&N)	177.5	154.3	15	21	54.9	46.5	18	29
thereof Licenses	211.3	179.3	18	23	69.2	56.4	23	32
thereof Maintenance	287.5	301.9	-5	-2	95.6	102.7	-7	-1
thereof Software as a Service (SaaS)	71.9	53.4	35	38	24.9	21.0	19	25
	Sept. 30, 2023	Sept. 30, 2022	+/- as %	+/- as % acc¹				
Group ARR²	741.0	700.8	6	12				
thereof Digital Business ARR ²	545.1	516.2	6	11				
thereof A&N ARR ²	195.9	184.6	6	14				
	9M 2023	9M 2022	+/- as %	Q2 2023	Q2 2022	+/- as %		
Operating EBITA (non-IFRS)	136.5	120.2	14	58.5	29.9	96		
Operating margin (EBITA, non-IFRS) as %	19.8	18.4		25.6	13.5			
Digital Business segment earnings	25.0	21.3	18	19.2	3.2	493		
Segment margin as %	6.4	5.6		14.2	2.4			
A&N segment earnings	133.1	101.3	31	39.6	29.6	34		
Segment margin as %	75.0	65.6		72.1	63.6			
EBIT	62.7	55.3	13	37.2	-6.6	-664		
Operating net income (non-IFRS)	50.4	61.1	-17	26.0	26.7	-3		
Operating earnings per share (non-IFRS)³ in €	0.68	0.82	-17	0.35	0.36	-3		
Operating cash flow	10.2	22.4	-54	14.8	10.3	44		
CapEx ⁴	0.0	-5.0		4.5	-0.8			
Repayment of lease liabilities	-7.4	-8.3		-2.5	-3.0			
Free cash flow	2.8	9.1	-69	16.8	6.5	158		
Free cash flow per share³ in €	0.04	0.12	-69	0.23	0.09	158		
	Sept. 30, 2023	Dec. 31, 2022	+/- as %					
Balance sheet								
Total assets	2,586.3	2,678.4	-3					
Cash and cash equivalents	404.3	427.1	-5					
Net cash position ⁵	-244.2	-240.0	2					
Employees (FTE)	4,699	4,996	-6					

¹ At constant currency.

² Annual recurring revenue.

³ Based on weighted average shares outstanding: 74.0 mn.

⁴ Cash flow from investing activities adjusted for acquisitions and investments in debt instruments.

⁵ Net cash position includes cash and cash equivalents less financial liabilities.

Content

2	Key Figures
4	Management's Assessment of Third-Quarter Results
5	ARR Performance
5	Group Revenue and Earnings Development
6	2023 Outlook
7	Consolidated Income Statement
8	Statement of Comprehensive Income
9	Consolidated Balance Sheet
11	Consolidated Statement of Cash Flows
12	Segment Report
16	Basis of Presentation
16	Special Events
17	Disclaimer
18	Publication Credits

All information in this quarterly statement is unaudited. This means that the information has not been subject to an audit nor to a review by an independent auditor.

Unless otherwise stated, all figures are in accordance with IFRS. Increases are at constant currency and rounded.

Because the figures in this report are stated in accordance with commercial rounding principles, totals and percentages may not always be exact.

Management's Assessment of Third- Quarter Results

The third quarter of 2023 marked an important period of progress for Software AG. Two particularly significant events stood out in the period.

On 28 September, Silver Lake successfully completed its voluntary public offer for Software AG. It now holds 93 percent of the Company's share capital and voting rights. This deepened strategic partnership enables the Group to further accelerate the execution of its evolved strategy focused on becoming the world's number one enterprise integration company.

On 17 October, Software AG demonstrated the first proof point in its strategic evolution with the launch of Super iPaaS, its new product platform. It represents a new category of integration solutions aimed at meeting an increasingly complex set of customer needs that cannot be met by traditional iPaaS platforms. The Super iPaaS brings together application, data, API and B2B integrations into the same unified platform, in hybrid and multi-cloud environments. This brings customers three key benefits: greater agility, increased productivity, and stronger governance.

Among others, these developments help set the stage for Software AG's strategic evolution into a business squarely focused on innovation in integration, customer success and operational excellence.

Sanjay Brahmawar, CEO of Software AG

"Our third-quarter results show we continue to execute our plan. We are accelerating SaaS growth from within our leading integration portfolio and we continue to drive profitability through operational excellence. With Silver Lake's public tender offer now complete, we are ready to finish the year strongly and launch a new phase of growth led by our category-defining Super iPaaS platform."

Daniela Büniger, CFO of Software AG

"In the third quarter we saw strong performance from Adabas & Natural which continues to successfully migrate more customers to subscription agreements. We also saw solid growth in our Digital Business with good execution despite continued extended sales cycles. Our focus on execution and operational excellence will continue into the fourth quarter, and we are happy to confirm our 2023 full-year guidance."

ARR Performance

As of the end of the third quarter of 2023, Software AG's Digital Business ARR was €545.1 million (Q3 2022: €516.2 million), representing year-on-year growth of 6 percent, or 11 percent at constant currency. Compared to the end of the second quarter, Digital Business ARR rose by €17.6 million, a sequential increase of 3 percent. ARR in the Group's A&N business was €195.9 million compared to €184.6 million at the end of the third quarter of 2022, representing year-on-year growth of 6 percent, or 14 percent at constant currency. Compared to the end of the second quarter, ARR in the A&N segment grew €5.1 million, or 3 percent.

Group Revenue and Earnings Development

Software AG reported €228.7 million in total revenue for the third quarter of 2023 (Q3 2022: €221.4 million). This represents growth of 3 percent, or 10 percent at constant currency. Nine-month Group revenue grew 5 percent, or 9 percent at constant currency, to €687.7 million (9M 2022: €654.3 million). Group product revenue in the third quarter grew 5 percent, or 12 percent at constant currency, to €189.8 million (Q3 2022: €180.0 million). In the first nine months, Group product revenue totaled €570.7 million (9M 2022: €534.6 million), reflecting growth of 7 percent, or 10 percent at constant currency. This performance was due to Software AG's ongoing transition to a sales model with a greater focus on subscriptions and SaaS. Owing to the shift to subscriptions, revenue from perpetual licenses decreased by 30 percent, or 25 percent at constant currency, in the first 9 months of the year. The associated maintenance revenue was down 17 percent, or 14 percent at constant currency.

Subscriptions and SaaS accounted for 64 percent (Q3 2022: 54 percent) of Group product revenue in the third quarter of 2023 and for 62 percent in the first nine months of the year (9M 2022: 50 percent). Digital Business product revenue saw growth of 1 percent, or 6 percent at constant currency, to €134.9 million (Q3 2022: €133.5 million) in the third quarter. Nine-month Digital Business product revenue was €393.2 million, representing an increase of 3 percent, or 6 percent at constant currency. A&N product revenue was €54.9 million in the third quarter (Q3 2022: €46.5 million), up by 18 percent, or 29 percent at constant currency. Nine-month A&N product revenue increased by 15 percent, or 21 percent at constant currency, to €177.5 million (9M 2022: €154.3 million). Professional Services revenue in the third quarter was €38.9 million (Q3 2022: €41.4 million); for the first nine months, it amounted to €117.0 million (9M 2022: €119.7 million).

Software AG's EBIT totaled €37.2 million in the third quarter (Q3 2022: -€6.6 million) and €62.7 million in the first nine months of 2023 (9M 2022: €55.3 million). The Group's operating EBITA (non-IFRS) amounted to €58.5 million in the third quarter of the year (Q3 2022: €29.9 million), giving Software AG an operating margin (EBITA, non-IFRS) of 25.6 percent (Q3 2022: 13.5 percent). For the nine-month period, operating EBITA (non-IFRS) was €136.5 million (9M 2022: €120.2 million), resulting in an operating margin (EBITA, non-IFRS) of 19.8 percent (9M 2022: 18.4 percent).

The Group's free cash flow totaled €16.8 million in the third quarter (Q3 2022: €6.5 million) and €2.8 million (9M 2022: €9.1 million) in the first nine months of 2023.

2023 Outlook

The Group has reiterated its guidance for the 2023 fiscal year as published on January 31, 2023.

Software AG's Management Board expects results at constant currency (i.e. based on 2022 exchange rates) within the following forecast ranges:

Outlook for Fiscal Year 2023

	FY 2022 in € millions	Outlook FY 2023 as of Jan. 31, 2023 as %
Digital Business ARR	516.4	+10 to +15 ¹
A&N ARR	183.8	-2 to +2 ¹
Product revenue	795.6	+6 to +10 ¹
Operating margin (EBITA, non-IFRS) ² as %	18.6	16 to 18

¹ At constant currency.

² Before adjusting for non-operating factors (see definition in the 2022 Annual Report from p. 79).

In addition, Software AG remains committed to double-digit revenue growth in the Digital Business segment and reiterates its ambition to reach an operating profit margin in the high twenties in the medium term, which will translate into improved cash flow generation.

Consolidated Income Statement

For the nine and three months ended September 30, 2023
and 2022
(IFRS, unaudited)

in € thousands	9M 2023	9M 2022	+/- as %	Q3 2023	Q3 2022	+/- as %
Licenses	211,307	179,253	18	69,242	56,361	23
Maintenance	287,520	301,936	-5	95,617	102,701	-7
SaaS	71,889	53,398	35	24,939	20,954	19
Product revenue	570,716	534,587	7	189,798	180,016	5
Services	116,845	119,745	-2	38,830	41,390	-6
Other	109	17	541	38	5	660
Total revenue	687,670	654,349	5	228,666	221,411	3
Cost of sales	-178,384	-165,571	8	-58,259	-61,023	-5
Gross profit	509,286	488,778	4	170,407	160,388	6
Research and development expenses	-142,391	-132,847	7	-44,365	-48,252	-8
Sales, marketing, and distribution expenses	-223,630	-235,594	-5	-70,784	-82,122	-14
General and administrative expenses	-58,173	-68,561	-15	-19,875	-23,636	-16
Other income	21,923	66,454	-67	13,573	23,120	-41
Other expenses	-44,361	-62,902	-29	-11,709	-36,102	-68
Other taxes	-3,223	-3,448	-7	-453	-1,109	-59
Operating income	59,431	51,880	15	36,794	-7,713	-577
Financing income	20,750	8,799	136	7,369	3,813	93
Financing expenses	-20,750	-16,953	22	-7,769	-6,606	18
Net financial income/expenses	0	-8,154	-100	-400	-2,793	-86
Earnings before income taxes	59,431	43,726	36	36,394	-10,506	-446
Income taxes	-36,930	-19,112	93	-19,988	-298	6,607
Net income	22,501	24,614	-9	16,406	-10,804	-252
thereof attributable to shareholders of Software AG	22,501	24,351	-8	16,406	-10,804	-252
thereof attributable to non-controlling interests	0	263	-100	0	0	
Earnings per share (basic) in €	0.30	0.33	-9	0.22	-0.15	-247
Earnings per share (diluted) in €	0.30	0.33	-9	0.22	-0.15	-247
Weighted average number of shares outstanding (basic)	73,979,889	73,979,889	0	73,979,889	73,979,889	0
Weighted average number of shares outstanding (diluted)	73,979,889	73,979,889	0	73,979,889	73,979,889	0

Statement of Comprehensive Income

For the nine and three months ended
September 30, 2023 and 2022
(IFRS, unaudited)

in € thousands	9M 2023	9M 2022	Q3 2023	Q3 2022
Net income	22,501	24,614	16,406	-10,804
Currency translation differences from foreign operations	-18,004	115,554	8,682	52,878
Net gain/loss from cash flow hedges	-878	-492	-1,626	-619
Currency translation gain/loss from net investments in foreign operations	2,382	39,311	8,836	23,600
Items to be reclassified to the income statement if certain conditions are met	-16,500	154,373	15,892	75,859
Net gain/loss from equity instruments designated to measurement at fair value through other comprehensive income	477	-1,348	800	-398
Net actuarial gain/loss from remeasurement of post-employment benefit obligations	135	1,269	-1,492	731
Items not to be reclassified to the income statement	612	-79	-692	333
Gain/loss recognized in equity	-15,888	154,294	15,200	76,192
Total comprehensive income	6,613	178,908	31,606	65,388
thereof attributable to shareholders of Software AG	6,613	178,645	31,606	65,388
thereof attributable to non-controlling interests	0	263	0	0

Consolidated Balance Sheet

ASSETS

in € thousands	Sept. 30, 2023	Dec. 31, 2022
Current assets		
Cash and cash equivalents	404,275	427,105
Other financial assets	2,320	2,551
Trade receivables, contract assets, and other receivables	248,634	251,799
Other non-financial assets	57,663	51,987
Income tax receivables	25,137	36,505
	738,029	769,947
Non-current assets		
Intangible assets	195,308	221,702
Goodwill	1,381,547	1,381,828
Property, plant, and equipment	65,695	76,005
Investment property	2,839	5,635
Other financial assets	10,288	9,823
Trade receivables, contract assets, and other receivables	137,919	135,848
Other non-financial assets	48,047	52,812
Income tax receivables	107	15,748
Deferred tax receivables	6,539	9,057
	1,848,289	1,908,458
Total assets	2,586,318	2,678,405

EQUITY AND LIABILITIES

in € thousands	Sept. 30, 2023	Dec. 31, 2022
Current liabilities		
Financial liabilities	320,933	31,888
Trade and other payables	53,816	57,350
Other non-financial liabilities	112,404	138,037
Other provisions	32,191	59,529
Income tax liabilities	9,142	30,673
Contract liabilities	142,430	137,168
	670,916	454,645
Non-current liabilities		
Financial liabilities	327,505	635,217
Trade and other payables	30	130
Other non-financial liabilities	1,602	866
Other provisions	10,655	5,504
Provisions for pensions and similar obligations	10,910	11,750
Income tax liabilities	0	911
Deferred tax liabilities	43,114	42,671
Contract liabilities	6,927	15,559
	400,743	712,608
Equity		
Subscribed capital	74,000	74,000
Capital reserves	55,528	55,737
Retained earnings	1,350,936	1,332,134
Other reserves	34,952	50,038
Treasury shares	-757	-757
	1,514,659	1,511,152
Total equity and liabilities	2,586,318	2,678,405

Consolidated Statement of Cash Flows

For the nine and three months ended September 30, 2023 and 2022
(IFRS, unaudited)

in € thousands	9M 2023	9M 2022	Q3 2023	Q3 2022
Net income	22,501	24,614	16,406	-10,804
Income taxes	36,930	19,113	19,988	299
Net financial income/expenses	0	8,153	400	2,792
Amortization/depreciation of non-current assets	42,103	66,161	13,867	41,749
Other non-cash income/expenses	749	-12,148	520	-11,852
Changes in receivables and other assets	-1,281	-31,682	3,391	-7,803
Changes in payables and other liabilities	-61,157	-5,296	-25,098	1,015
Income taxes paid	-29,384	-44,160	-14,236	-5,051
Interest paid	-19,943	-11,244	-6,695	-3,927
Interest received	19,631	8,936	6,220	3,927
Cash flow from operating activities	10,149	22,447	14,763	10,345
Proceeds from the sale of property, plant, and equipment/ intangible assets	8,665	2,801	8,088	2,194
Purchase of property, plant, and equipment/intangible assets	-7,501	-10,311	-3,262	-3,904
Proceeds from the sale of non-current financial assets	530	4,486	75	870
Purchase of non-current financial assets	-1,647	-2,011	-392	0
Proceeds from the sale of current financial assets	2,710	19,273	2,441	19,206
Purchase of current financial assets	-298	-2,361	0	-584
Cash inflow/outflow from disposals of assets held for sale	0	10,776	0	10,776
Cash outflow for acquisitions	0	-537,317	0	0
Cash flow from investing activities	2,459	-514,664	6,950	28,558
Dividends paid	-3,699	-56,699	0	0
Proceeds/payments for current financial liabilities	-281	87,196	106	18,011
Repayment of lease liabilities	-7,407	-8,314	-2,516	-3,047
New non-current financial liabilities	0	364,300	0	0
Repayment of non-current financial liabilities	-10,666	-78,333	-3,333	-3,333
Cash flow from financing activities	-22,053	308,150	-5,743	11,631
Change in cash and cash equivalents from cash in-/outflows	-9,445	-184,067	15,970	50,534
Change in cash and cash equivalents from currency translation	-13,385	46,975	-119	10,478
Change in cash and cash equivalents	-22,830	-137,092	15,851	61,012
Cash and cash equivalents at beginning of period	427,105	585,844	388,424	387,740
Cash and cash equivalents at end of period	404,275	448,752	404,275	448,752
Free cash flow	2,789	9,098	16,756	6,458

Segment Report

The following table shows the segment data for the first nine months of 2023:

For the nine months ended September 30, 2023 and 2022 (IFRS, unaudited)

in € thousands	Digital Business			A&N		
	9M 2023 IFRS	9M 2023 acc ¹	9M 2022 IFRS	9M 2023 IFRS	9M 2023 acc ¹	9M 2022 IFRS
Licenses from subscriptions	116,727	120,312	107,889	67,042	70,466	31,964
Maintenance from subscriptions	76,733	78,386	59,759	20,906	21,604	14,130
Perpetual maintenance	113,857	116,284	137,161	76,024	79,195	90,886
SaaS	71,889	73,479	53,398	0	0	0
Recurring Revenues	379,206	388,461	358,207	163,972	171,265	136,980
Perpetual licenses	14,033	14,724	22,055	13,505	14,903	17,345
Product revenue	393,239	403,185	380,262	177,477	186,168	154,325
Services	0	0	0	0	0	0
Other	0	0	17	0	0	0
Revenue	393,239	403,185	380,279	177,477	186,168	154,325
Cost of sales	-55,900	-56,461	-53,845	-4,996	-5,153	-5,744
Gross profit	337,339	346,724	326,434	172,481	181,015	148,581
Sales, marketing, and distribution expenses	-190,764	-194,476	-196,137	-18,517	-19,209	-23,465
Segment contribution	146,575	152,248	130,297	153,964	161,806	125,116
Research and development expenses	-121,553	-122,849	-109,004	-20,838	-20,900	-23,843
Segment earnings	25,022	29,399	21,293	133,126	140,906	101,273
General and administrative expenses						
Other income						
Other expenses						
Other taxes						
Operating income						
Financing income						
Financing expenses						
Net financial income/expenses						
Earnings before income taxes						
Income taxes						
Net income						

¹ At constant currency.

Professional Services			Reconciliation		Total		
9M 2023 IFRS	9M 2023 acc¹	9M 2022 IFRS	9M 2023 IFRS	9M 2022 IFRS	9M 2023 IFRS	9M 2023 acc¹	9M 2022 IFRS
0	0	0	0	0	183,769	190,778	139,853
0	0	0	0	0	97,639	99,990	73,889
0	0	0	0	0	189,881	195,479	228,047
0	0	0	0	0	71,889	73,479	53,398
0	0	0	0	0	543,178	559,726	495,187
0	0	0	0	0	27,538	29,627	39,400
0	0	0	0	0	570,716	589,353	534,587
116,845	121,373	119,745	0	0	116,845	121,373	119,745
109	114	0	0	0	109	114	17
116,954	121,487	119,745	0	0	687,670	710,840	654,349
-96,833	-100,407	-88,501	-20,655	-17,481	-178,384		-165,571
20,121	21,080	31,244	-20,655	-17,481	509,286		488,778
-8,932	-9,165	-9,901	-5,417	-6,091	-223,630		-235,594
11,189	11,915	21,343	-26,072	-23,572	285,656		253,184
0	0	0	0	0	-142,391		-132,847
11,189	11,915	21,343	-26,072	-23,572	143,265		120,337
					-58,173		-68,561
					21,923		66,454
					-44,361		-62,902
					-3,223		-3,448
					59,431		51,880
					20,750		8,799
					-20,750		-16,953
					0		-8,154
					59,431		43,726
					-36,930		-19,112
					22,501		24,614

Segment Report

The following table shows the segment data for the three months ended September 30, 2023:

For the three months ended September 30, 2023 and 2022 (IFRS, unaudited)

in € thousands	Digital Business			Adabas & Natural (A&N)		
	Q3 2023 IFRS	Q3 2023 acc ¹	Q3 2022 IFRS	Q3 2023 IFRS	Q3 2023 acc ¹	Q3 2022 IFRS
Licenses from subscriptions	41,682	44,049	41,460	20,616	22,916	7,036
Maintenance from subscriptions	25,892	27,234	21,770	7,484	7,961	5,000
Perpetual maintenance	37,622	39,670	46,048	24,619	26,493	29,883
SaaS	24,939	26,216	20,954	0	0	0
Annual recurring revenue	130,135	137,169	130,232	52,719	57,370	41,919
Perpetual licenses	4,744	4,993	3,269	2,200	2,420	4,596
Product revenue	134,879	142,162	133,501	54,919	59,790	46,515
Services	0	0	0	0	0	0
Other	0	0	5	0	0	0
Revenue	134,879	142,162	133,506	54,919	59,790	46,515
Cost of sales	-18,488	-18,964	-19,781	-1,813	-1,913	-1,874
Gross profit	116,391	123,198	113,725	53,106	57,877	44,641
Sales, marketing, and distribution expenses	-60,344	-63,520	-69,877	-5,984	-6,384	-7,396
Segment contribution	56,047	59,678	43,848	47,122	51,493	37,245
Research and development expenses	-36,852	-38,294	-40,610	-7,513	-7,541	-7,642
Segment earnings	19,195	21,384	3,238	39,609	43,952	29,603
General and administrative expenses						
Other income						
Other expenses						
Other taxes						
Operating income						
Financing income						
Financing expenses						
Net financial income/expenses						
Earnings before income taxes						
Income taxes						
Net income						

¹ At constant currency.

Professional Services			Reconciliation		Total		
Q3 2023 IFRS	Q3 2023 acc¹	Q3 2022 IFRS	Q3 2023 IFRS	Q3 2022 IFRS	Q3 2023 IFRS	Q3 2023 acc¹	Q3 2022 IFRS
0	0	0	0	0	62,298	66,965	48,496
0	0	0	0	0	33,376	35,195	26,770
0	0	0	0	0	62,241	66,163	75,931
0	0	0	0	0	24,939	26,216	20,954
0	0	0	0	0	182,854	194,539	172,151
0	0	0	0	0	6,944	7,413	7,865
0	0	0	0	0	189,798	201,952	180,016
38,830	41,839	41,390	0	0	38,830	41,839	41,390
38	41	0	0	0	38	41	5
38,868	41,880	41,390	0	0	228,666	243,832	221,411
-31,104	-33,634	-30,279	-6,854	-9,089	-58,259		-61,023
7,764	8,246	11,111	-6,854	-9,089	170,407		160,388
-2,665	-2,817	-3,407	-1,791	-1,442	-70,784		-82,122
5,099	5,429	7,704	-8,645	-10,531	99,623		78,266
0	0	0	0	0	-44,365		-48,252
5,099	5,429	7,704	-8,645	-10,531	55,258		30,014
					-19,875		-23,636
					13,573		23,120
					-11,709		-36,102
					-453		-1,109
					36,794		-7,713
					7,369		3,813
					-7,769		-6,606
					-400		-2,793
					36,394		-10,506
					-19,988		-298
					16,406		-10,804

Basis of Presentation

This document is a quarterly statement pursuant to section 53 of the Exchange Rules of the Frankfurt Stock Exchange and does not constitute an interim report according to the International Accounting Standard 34. This quarterly statement should be read in conjunction with the Annual Report for the 2022 fiscal year and the additional information about the Company provided therein. The accounting policies and measurement principles applied in this quarterly statement are based on those used in the Consolidated Financial Statements for fiscal year 2022.

Special Events

Public Tender Offer by Silver Lake

On April 21, 2023, Software AG entered into an investment agreement with Mosel Bidco SE (the “investor”), previously Blitz 22-449 SE, a holding company controlled by funds managed or advised by Silver Lake Technology Management, L.L.C. (“Silver Lake”). The investment agreement is aimed at deepening the existing strategic partnership with Silver Lake and supporting the long-term growth and strategic objectives of Software AG.

In that context, the investor announced its intention to launch a voluntary public tender offer for all outstanding shares of Software AG. The Management Board and the independent Takeover Committee of the Supervisory Board both conducted a thorough assessment and analysis of the appropriateness of the offer, taking into account the results of the fairness opinions provided. In their Joint Reasoned Statement dated May 26, 2023, both Boards recommended that Software AG shareholders accept the offer.

On July 20, 2023, the investor announced that through its voluntary public tender offer plus the shares already held by Silver Lake, it had secured 84.29 percent of Software AG’s share capital as of the end of the additional acceptance period on July 17, 2023.

On September 15, 2023, Silver Lake obtained the last outstanding merger control clearance and therefore the final closing condition of the tender offer was fulfilled. Based on the acceptance rate of the tender offer plus the total number of Software AG shares held by Silver Lake (including shares for which Silver Lake has entered into agreements to acquire such shares), Silver Lake has secured 85.1 percent of the share capital and voting rights of Software AG.

On September 28, 2023, Silver Lake successfully completed its voluntary public tender offer by transferring shareholders the offer price of €32.00 in return for each tendered share of Software AG.

As a result of the change of control dated September 28, 2023, the respective change-of-control clauses contained in the financing contracts took effect whereby the lending banks and bond subscribers were entitled to extraordinary termination rights. In return, on October 2, 2023, Software AG received sufficient cash inflows from a financing facility by J.P. Morgan SE, Frankfurt am Main. On October 4, 2023, all third-party loans existing at that time were redeemed. As these liabilities were due for settlement within 12 months from the reporting date, they were classified as current in the Consolidated Balance Sheet as of September 30, 2023.

DISCLAIMER

This document includes forward-looking statements based on the beliefs of the management of Software AG (together with its consolidated subsidiaries, the **"Software AG Group"**), which are predictions, projections, or other statements about future events. Such statements reflect current views of Software AG with respect to future events and results and are subject to risks and uncertainties. Actual results may vary materially from those projected here, due to factors including changes in general economic and business conditions, changes in currency exchange, the introduction of competing products, lack of market acceptance of new products, services or technologies, and changes in business strategy. Software AG does not have any obligation to update these forward-looking statements and has no intention to assume such an obligation.

This document constitutes neither an offer nor recommendation to subscribe or buy in any other way securities of Software AG or any of the companies that are members of the Software AG Group at present or in the future, nor does it form part of such an offer, and it should not be understood as such. This document does not constitute an offer of securities for sale or a solicitation of an offer to purchase securities in the United States of America or in any other jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Securities of Software AG may not be offered or sold in the United States of America without registration or exemption from registration in accordance with the U.S. Securities Act of 1933, as amended.

Financial Calendar

For the latest information on financial publications, please visit: [financial calendar](#).

Publication Credits

PUBLISHER

Software AG
Corporate Communications
Uhlandstraße 12
64297 Darmstadt, Germany

www.softwareag.com

Tel. +49 6151 92-0
SAGPress@softwareag.com

CONTACT FOR INVESTORS

Software AG
Investor Relations
Uhlandstraße 12
64297 Darmstadt, Germany

Tel. +49 6151 92-1900
investor.relations@softwareag.com