

Capital Markets Day 2022

Scott Little & Dr. Benno Quade

CRO & COO

Executing Key Levers of Growth



Disclaimer

This presentation includes forward-looking statements based on the beliefs of Software AG management. 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 intend or assume any obligation to update these forward-looking statements.

This presentation 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 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 presentation does not constitute an offer or sale of securities in the United States of America. Securities 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 in its currently valid form.

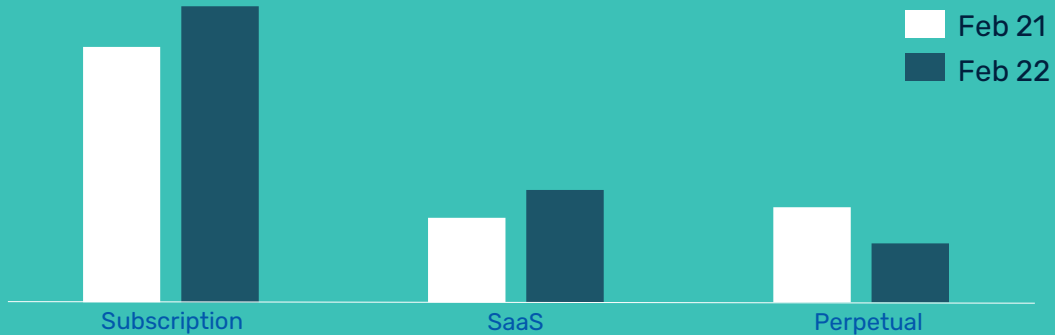


FULFILLING THE MARKET POTENTIAL OF OUR HIGH-GROWTH PRODUCTS

Go-to-market execution dashboard

Increasing impact from our transformed sales organisation

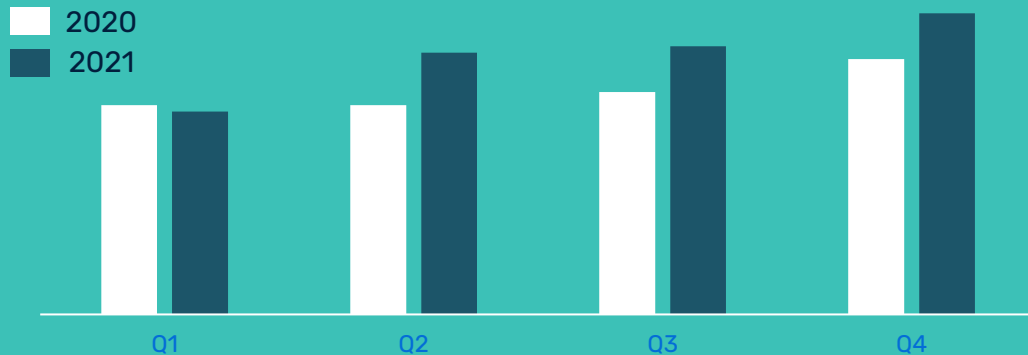
Even more Subscription & SaaS in R4Q mix



Improving linearity



Increase in Digital Business Conversion

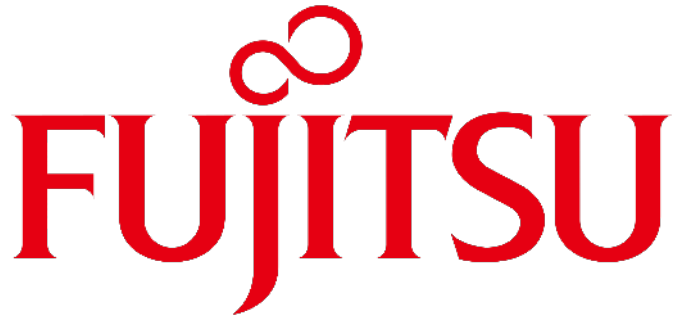


New Logo growth



The anatomy of a perfect win

A view of what we can achieve when all our sales levers work in harmony

The Fujitsu logo, featuring a red infinity symbol above the word "FUJITSU" in a red serif font.

+

The WebMethods.io logo, with "WEBMETHODS.io" in a blue sans-serif font and "Integration" in a smaller, grey sans-serif font below it.

LONGSTANDING ON-PREMISE CUSTOMER

2 decades of Enterprise
Application and B2B integration
needs

NEW CLOUD STRATEGY INTRODUCED

Brought in to enable Digital
Transformation

OPTIMIZING AND FUTURE PROOFING

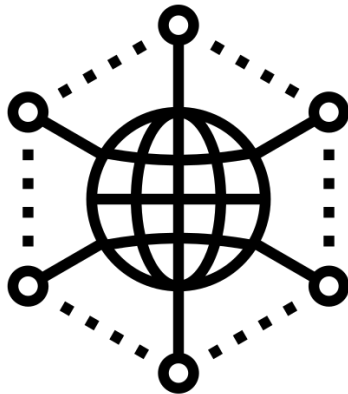
Improving the existing landscape
and enabling future innovation

NEW SUBSCRIPTION AGREEMENT IN PLACE

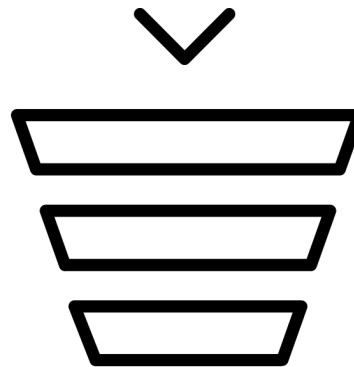
To bring a fully hybrid
architecture to life

CLEAR SALES & GTM PRIORITIES

SALES RESOURCING MODEL



DEMAND & EXECUTION

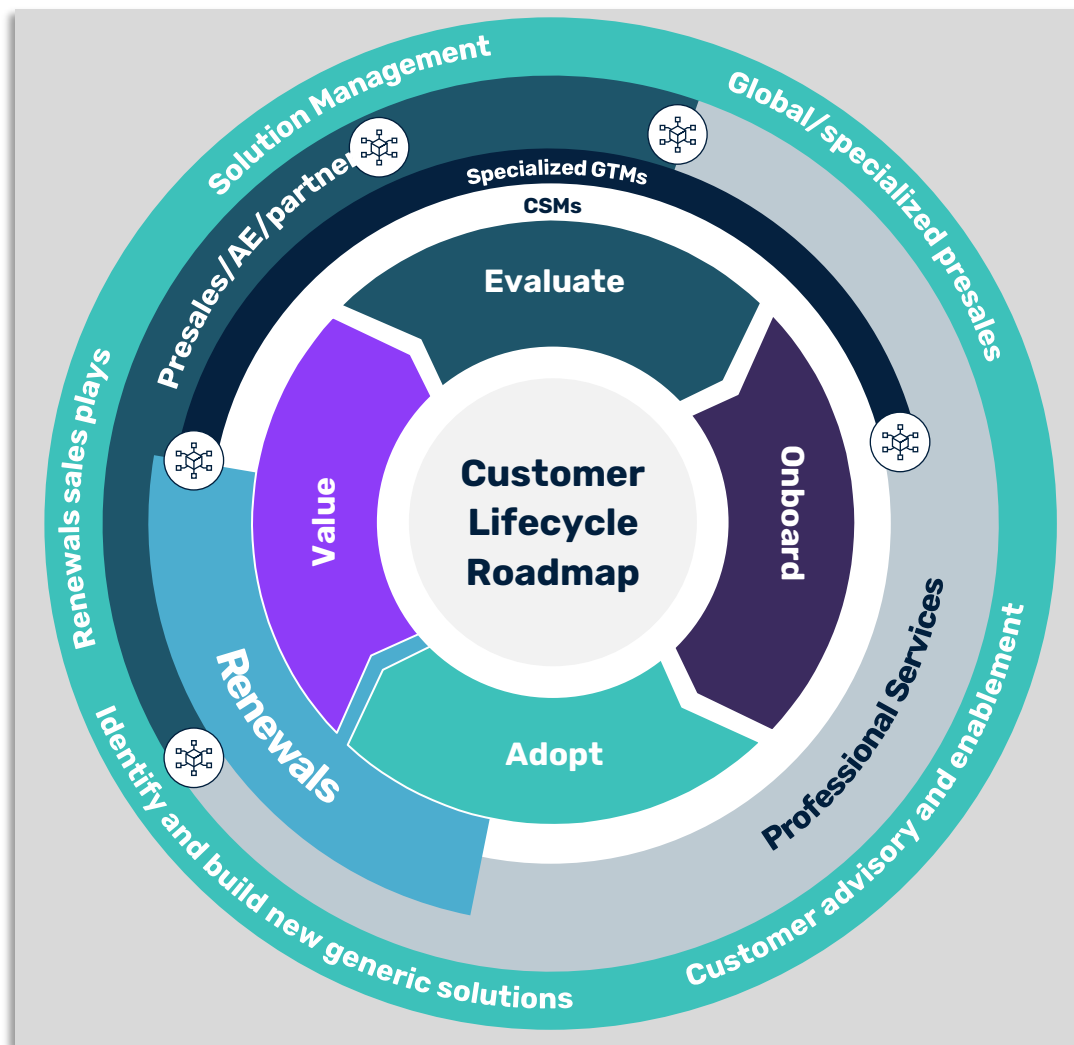


CUSTOMER ADOPTION





Our end-to-end sales process is driving growth



Process being built around **lifecycle phases**

Covered by **differentiated roles**

Structural **handover points identified**

Handover points are **cross and upsell moments**

Basis for our **programmatic customer journeys**



Opportunity for cross and upselling



Dedicated teams to help us reach further into our TAM

TAM of ~€61bn 16% CAGR

SAM of ~€28bn 17% CAGR

CAM of ~€16bn 14% CAGR

Core activities: New TAM customers

M&A will focus on targets with complementary sales and GTM priorities / customer-bases

Core activities: Mid-market customers

26 new mid-market-focused new business hunters

Scaling through partners

Core activities: Enterprise customers

CSM Organisation & Specialization

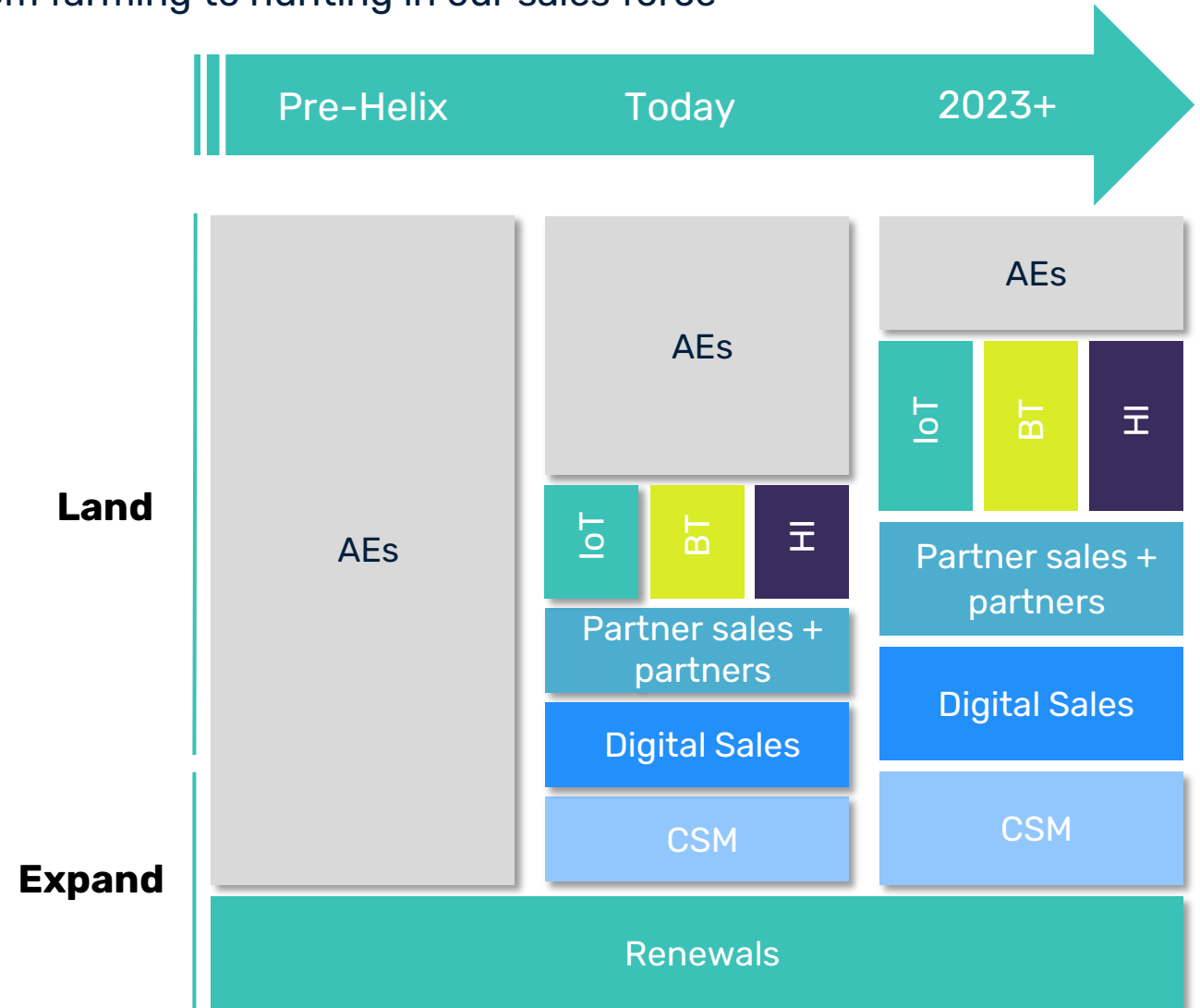


Aligning our sales teams with our opportunity

Focusing on growth products and enabling the shift from farming to hunting in our sales force



* Growth products are defined as IoT & Analytics, iPaaS, API Management and ARIS portfolios



Becoming an increasingly digital-first demand engine

ACTION LEVERS



Digital account-based marketing



Marketing resource **lift-and-shift:**
25%



Reallocated spend leading to a 50%
increase in activities for **buyers in-**
market



Scaling awareness campaigns
in Tier 1 markets in 2022



Spotlight: North America Awareness
Campaign results



500 high-quality accounts



90%+ engagement



Conversion to qualified
opportunities 2x higher than
traditional methods

Boosting demand with our Partner ecosystem



Increasing demand by scaling the partner route to market



OEMs and ISVs offer us a lower cost of selling



Key partner metrics in 2021

**Cloud co-sell
bookings**

5x
growth on
2020

**Deals registered by
partners**

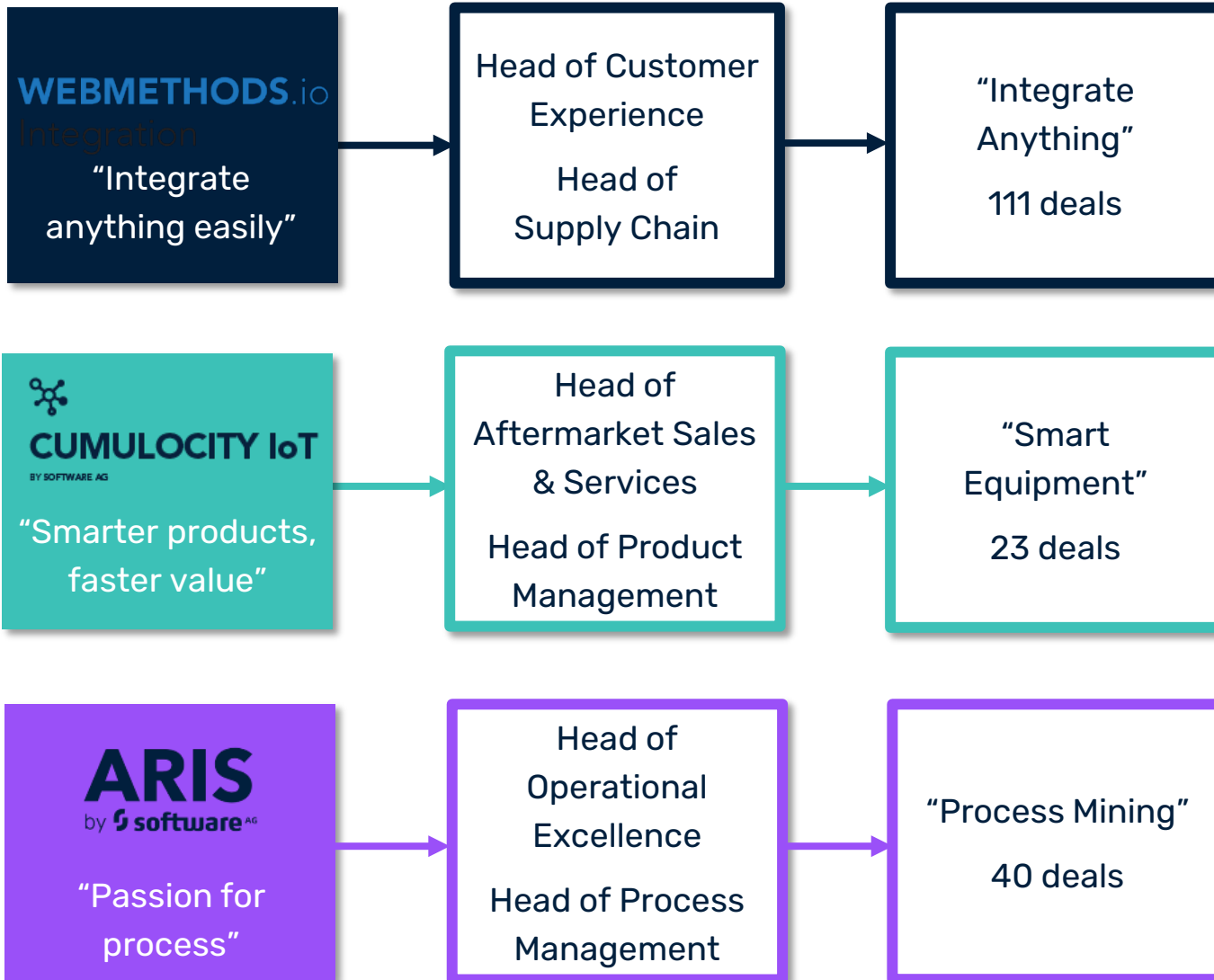
>400

**Incremental Digital
Business bookings**

11%



Repeatable sales plays making us more effective



software AG

Integrate anything easily

Cheat Sheet

What to sell:
webMethods.io iPaaS

Why change?
Companies that maintain the ultimately risk the loss of market competitors who take advantage of modern channels. They also risk losing customer outdated customer experience to expand their customer base. Poor data quality and reduced agility continue to translate in productivity because systems connect and integrate. A lack of scalability and an on IT continues to create bottlenecks.

Why webMethods iPaaS?

- Multi-persona development that supports integration as a hub, developers, and even it
- Pre-built integration templates to accelerate productivity
- Easy visual orchestration as mapping
- Have a comprehensive library connectors for SaaS, on-premise, partners, legacy & IoT
- Unified platform for integration creation, API Management
- Turns services into APIs
- Scale automatically based on

ARIS Process Mining
Understand your business like never before

Cheat Sheet

What to sell:
ARIS, ARIS Process Mining

Free trial for all:
ARIS Process Mining Basic

Why change?
Today's world is a world full of disruptions considering the rise of emerging economies, new market entrants with disruptive business models and the spread of digital technologies. The average tenure of companies on the S&P 500 will shrink from 55 years to just 12 years by 2027. Companies are being challenged by consumer expectations, rising production costs, regulatory compliance regulations and increasing complexity of IT systems. At the same time, they are forced to reduce operational costs and drive new business models, innovation, and digital transformation.

Who to target
The choice of product editions will depend on the prospect's individual use case and process mining project scope.

Target market for ARIS Process Mining Basic:
Ideal starting point for customers who want to explore process mining. Discovering the technology by means of process examples or first exported CSV files.

Target market for ARIS Process Mining Advanced:
Small and mid-size companies (< \$1 billion revenues), with less complex process landscapes, who want to run advanced process mining projects where to analyze processes from end-to-end. Also, those who have done already first, initial mining projects with the free basic edition and want to grow their process mining initiative. This could, e.g., mean companies, who want in addition to snapshot projects enable continuous monitoring of processes based on extracted data from different application systems.

Why ARIS Process Mining?
ARIS Process Mining lets you understand your processes and their dependencies to find patterns, anomalies, and opportunities for improvement. Compare designed processes to as-is processes to see if they execute as planned and increase efficiency, reduce operational costs, and ensure to be process compliant.

ARIS Process Mining has been named a leader in Process Mining by several analysts and has a long-running history of success from 500+ process mining projects over the past 20 years. ARIS Process Mining is the only integrated platform, which provides a seamless integration for Process Mining and Process Design to achieve the most efficient Business Transformation.

Key Personas:
Transformation office (Head of Business Transformation / Digital Transformation), Head of Operational Excellence / Process Centre of Excellence, Process manager, COO organization, LOB manager, Risk & Compliance organization, Head of Quality Management, Head of Procurement, CFO, CIO, Head of IT Architecture, Business Process Manager, Head of Production, Head of Procurement

Business objectives
ARIS Process Mining lets customers understand their business processes to find bottlenecks and opportunities for improvement.

The main business objectives usually observed are:

- Ensure end-to-end customer-centric operations that differentiate from competition
- Performing quick health checks of an organization's process landscape
- Discovering the hidden root causes that lead to inefficiency and delays in an organization
- Optimize the business processes continuously (regarding quality, times, customer satisfaction, resources)
- Using data-driven insights to achieve process excellence
- Performing continuous process diagnostics to monitor processes from end-to-end
- Embedding continuous process mining into an organization's DNA
- Tracking process compliance and user adoption to process changes
- Controlling the entire process life cycle of an organization in one integrated platform

New Business

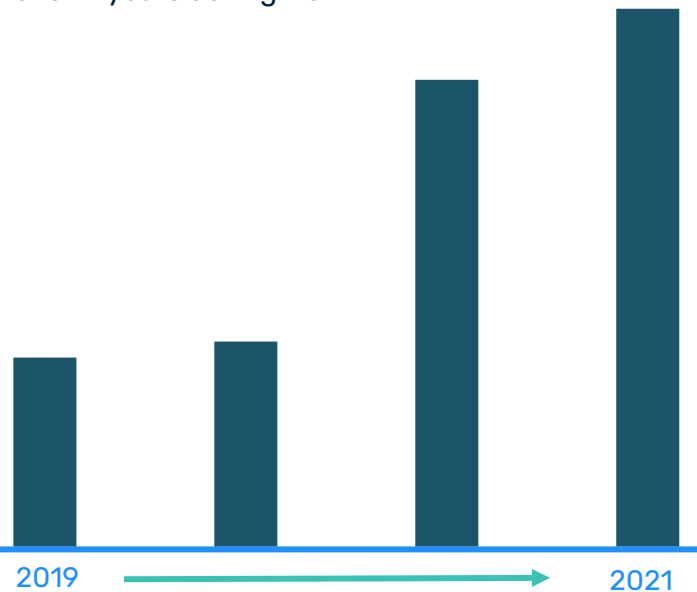
Adding new logos at an increasing pace and expanding them effectively over time



webMethods land-and-expand path (ARR)

Nordic multinational telecoms company

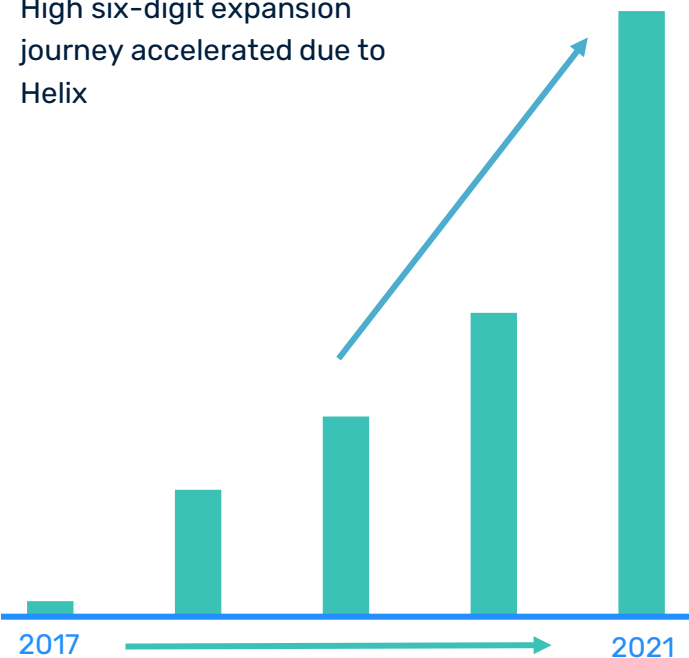
Six-digit expansion journey over 2 years during Helix



IoT & Analytics land-and-expand path (ARR)

German multinational Chemicals business

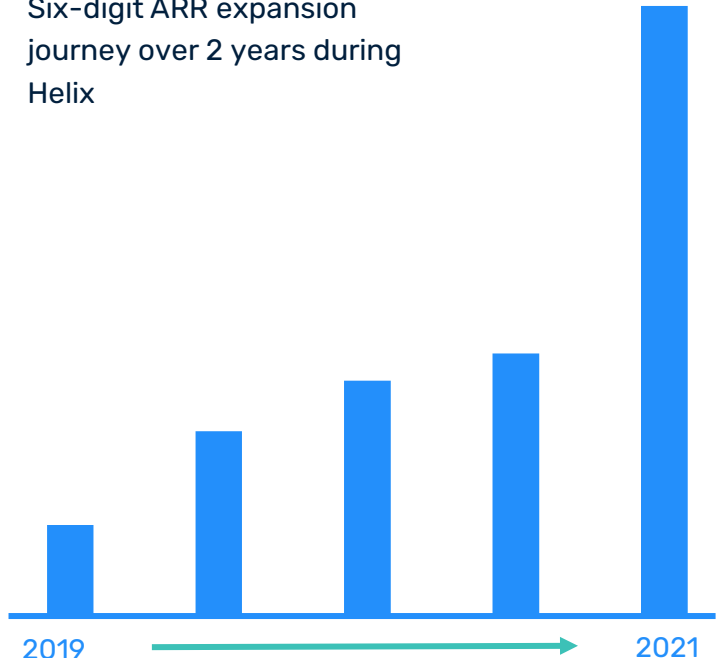
High six-digit expansion journey accelerated due to Helix



ARIS land-and-expand path (ARR)

Large US multinational Biotech business

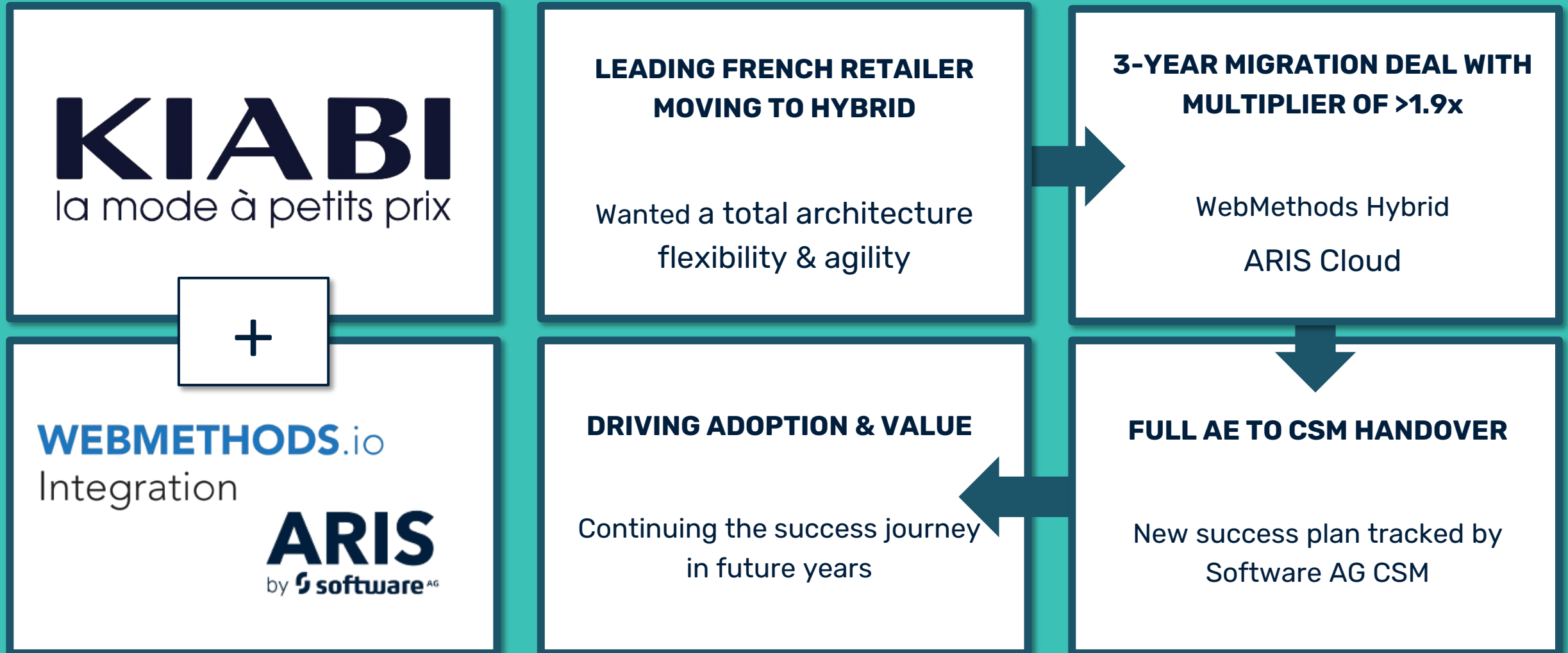
Six-digit ARR expansion journey over 2 years during Helix



Migrations



~80% of our Digital Business maintenance baseline still to be migrated to subscription at a multiplier >1.4x



Enabling a more productive sales force

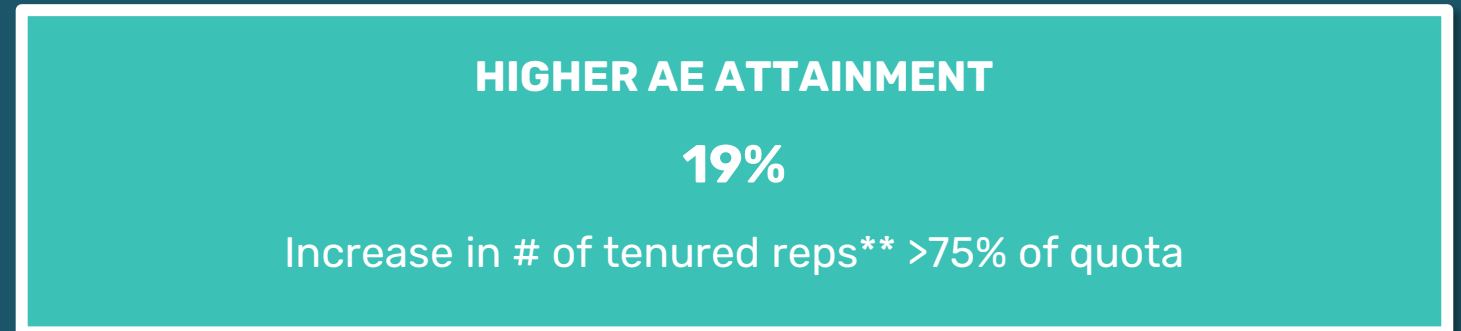
Investments enabling new business expansion



**Freeing up
capacity to drive
New Business**



**Building more
productive
teams**

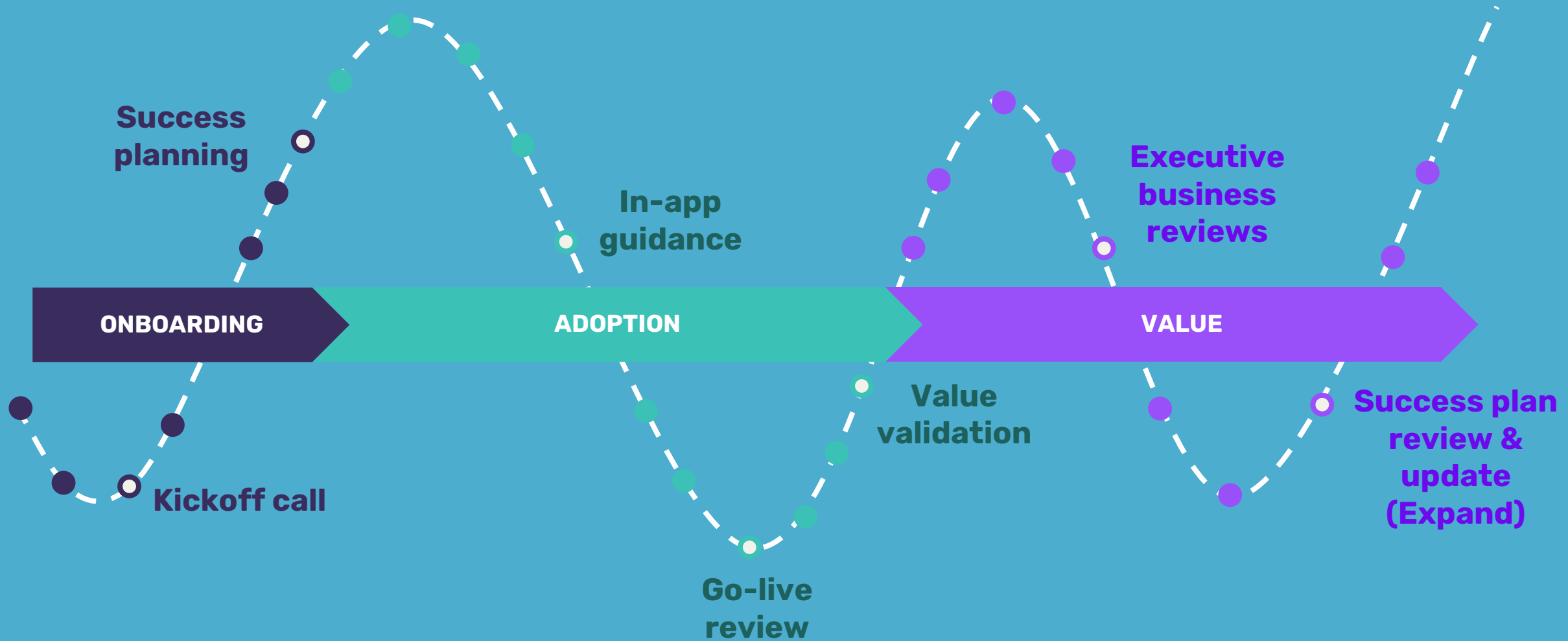


* Customer Success Managers focus on customer adoption and customer experience

** Reps with >1 year's service

NRR >100% and already above our original assumption

CSM engagement driving further improvement in NRR and accelerating Digital Business ARR



● Key activities highlighted

Professional Services driving adoption more efficiently



Accelerate advisory to drive adoption and expansion of Software AG products



Increasingly leverage **partners** for **implementation support** and **managed services**



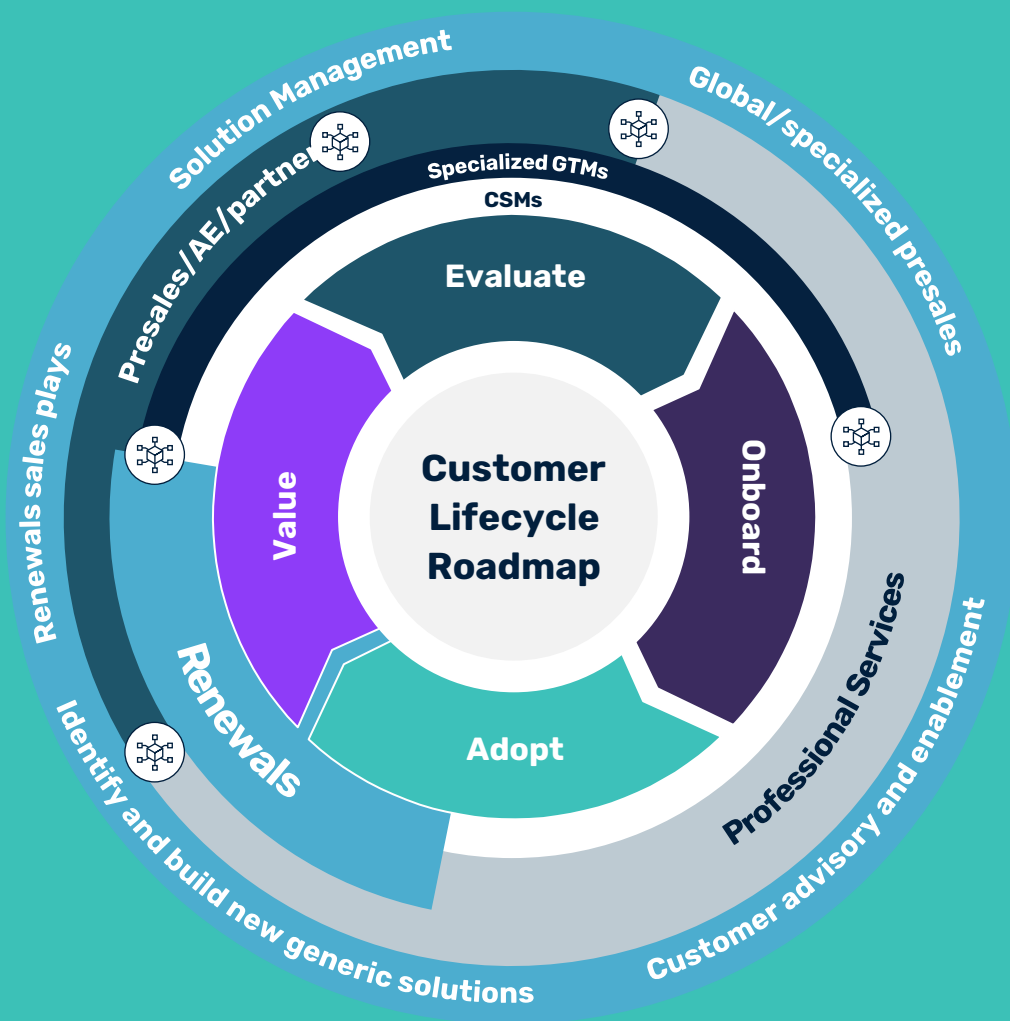
Certify and train implementation partners to ensure continued high customer satisfaction of outsourced services

Making our impact with renewals

Engaging to add value and drive upside at the moment of subscription renewal



Summary and key takeaways



Sales execution **improving consistently with continued improvements enabling more upside**



Sharpening coverage through **growth market focus** and **growth product specialization**



Building demand more effectively with efficient, repeatable, digital methods



Investing in **customer success and adoption**



Delivering increasing **market impact** to drive growth

