

# Software AG enters into Investment Agreement with Silver Lake to support long-term growth

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*24 April 2023*



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The Tender Offer Statement (including the offer document, a related letter of transmittal and other related offer materials) and any related statement, as they may be amended from time to time, as well as the Management and Supervisory Board's statement pursuant to Sec. 27 WpÜG will contain important information that should be read carefully before any decision is made with respect to the takeover offer because they, and not this document, will govern the terms and conditions of the takeover offer.

## **Cautionary statement regarding forward-looking statements**

This document contains forward-looking statements, including statements regarding the expected consummation of the proposed transaction and Software AG's future performance, which involves a number of risks and uncertainties, including the satisfaction of closing conditions for the transaction, the possibility that the transaction will not be completed, the failure to retain key Software AG employees, customers and partners, uncertainty regarding the anticipated benefits of the transaction and the failure of the parties to achieve anticipated goals of the transaction, and other risks and uncertainties discussed in Software AG's public disclosure, as well as the offer document to be filed by Silver Lake and the statement pursuant to Sec. 27 WpÜG to be published by Software AG's Management and Supervisory Board. These documents and statement are based on current expectations, assumptions, estimates and projections, and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Software AG and Silver Lake, that may cause results, levels of activity, performance or achievements to be materially different from any future statements. These statements are generally identified by words or phrases such as "believe", "anticipate", "expect", "intend", "plan", "will", "may", "should", "estimate", "predict", "potential", "continue" or the negative of such terms or other similar expressions. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results and the timing of events may differ materially from the results and/or timing discussed in the forward-looking statements, and you should not place undue reliance on these statements. Software AG undertakes no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise, unless expressly required to do so by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.

# Key transaction terms and structure

Voluntary public tender offer to acquire all outstanding Software AG shares for a cash consideration of €30.00 per share

## Offer Highlights

- **53% premium** to XETRA closing share price on 20 April 2023
- **48% premium** to the 3M VWAP
- Transaction implies an **equity value of approx. €2.2bn** for Software AG
- Acceptance threshold of 50% plus one share
- **Software AG Foundation** signed share purchase agreement to sell 25.1% of shares
- **Fully funded transaction**
- €1 billion of debt financing committed by JP Morgan
- Customary conditions
- No intention to enter into domination and profit and loss transfer agreement
- Intention of the bidder is to delist Software AG's shares

**Management Board welcomes deepened strategic partnership with Silver Lake**

**Subject to review of offer document, Management Board and the Takeover Committee on behalf of the Supervisory Board will recommend the offer**

# The right partner to support further long-term growth

Strong rationale for deeper partnership

## What is important to us

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Intensify focus and innovation in integration

Further accelerate our shift to cloud first

Invest in attracting and developing talent

Commitment to customer success

## How Silver Lake will support our journey

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Contribute deep expertise in integration

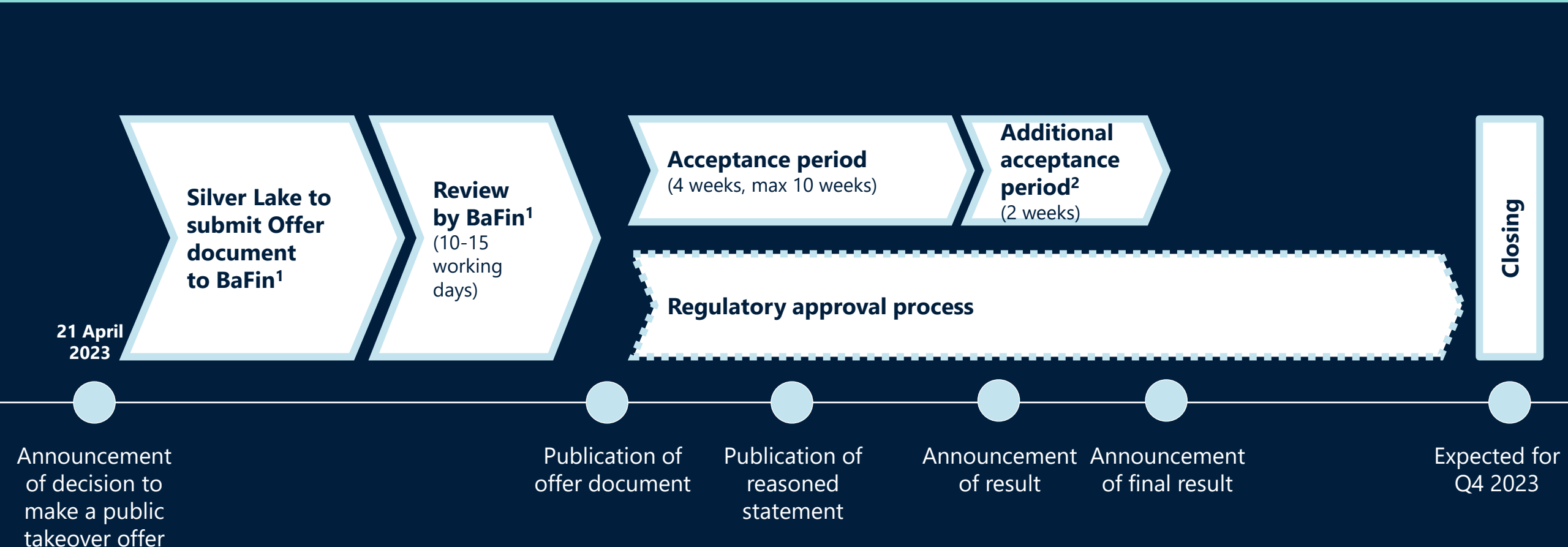
Experience in SaaS transitions

Employee value proposition

Contribute M&A expertise

# Envisaged timeline of the public takeover process

In the case of a successful Offer and receipt of required approvals, closure of the transaction is expected to be in Q4 2023



1) German Federal Financial Supervisory Authority  
2) Only if minimum acceptance threshold is reached

# Why we support this transaction

## Key takeaways

Shared vision and values for our employees and customers

Alignment on the Company's strategic objectives

Accelerate the execution of cloud first transformation

Enables immediate realization of significant value for our shareholders

# Q1 trading update

Q1 trading in line with market expectations and FY23 guidance reconfirmed

## Q1 2023 Trading

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All guidance metrics in Q1  
are in line with market  
expectations

Publication on 27 April 2023

## FY 2023 Guidance

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Full year 2023 guidance  
reconfirmed across  
all metrics

## Medium-term ambitions

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Double digit revenue growth  
in Digital Business segment

Reach operating profit  
margin in the high twenties

Translating into improved  
cash flow generation

