

Software AG Helix Growth Strategy Gains Backing from Silver Lake with €344 million Strategic PIPE Investment

- *Investment by leading global technology investor marks strong endorsement of Software AG growth strategy*
- *Software AG will leverage Silver Lake's expertise to further accelerate growth*
- *World class software experts to join Software AG's Supervisory Board*
- *Transaction is first German PIPE (Private Investment in Public Equity) by any US technology investment firm*

Darmstadt Germany – December 13, 2021: Software AG (Frankfurt MDAX®: SOW) today announced it has entered into a strategic partnership with Silver Lake, the global leader in technology investing, anchored by a Silver Lake investment of €344 million in Software AG. Following three years of successful transformation and with the benefit of Silver Lake's unique expertise, going forward, Software AG will look to accelerate growth, supported by its cloud-native product set, further strengthening and extending its position in North America, and executing a strategic program of value-creating M&A.

Sanjay Brahmawar, Software AG CEO, commented: *"With Silver Lake as our partner, we welcome a world-leading technology investor that has a proven track record of creating value in software companies as they drive growth. The combination of Silver Lake's expertise and network and our Helix transformation will help us further capitalize on our rapidly expanding market opportunity. Silver Lake's investment represents a strong endorsement of our strategy, our team and our future growth potential."*

Karl-Heinz Streibich, the Chairman of Software AG's Supervisory Board, and Ralf Dieter, Chairman of the Audit Committee, have decided today to step down from office with effect as of January 31, 2022. Christian Lucas, Managing Director at Silver Lake and co-head of the firm's activities in Europe, and Jim Whitehurst, former CEO of Red Hat, will join the Supervisory Board as soon as possible thereafter. Based on discussions between Silver Lake, Software AG and the current Supervisory Board members, it is expected that Christian Lucas will be elected as Chairman of the Supervisory Board.

Sanjay Brahmawar added: *"The addition of Christian and Jim will provide our Supervisory Board with valuable insight and expertise as we grow through new partnerships, investments and acquisitions. Christian, Jim and Silver Lake have a history of working closely with management teams to create value by identifying and delivering on unique business opportunities in the software industry. It is a pleasure for me to express my personal thanks to Karl-Heinz Streibich for his significant contribution, both as the CEO of Software AG between 2003 and 2018, and for his great leadership both as Chairman of the Supervisory Board and as a strong supporter of our Helix strategy."*

"I'd also like to extend my thanks to Ralf Dieter. In his role as a member of the Supervisory Board and Chairman of the Audit Committee he has contributed greatly with his leadership and vast business experience to our success."

Under the terms of the agreement, Silver Lake is purchasing €344 million aggregate principal amount of 2 percent convertible subordinated unsecured notes due in early 2027 with an initial conversion price of €46.54 per share. The conversion price represents a conversion premium of 20 percent over the closing price of the company's common stock sale price of €38.78 per share on the Frankfurt Stock Exchange as of December 10, 2021. Software AG intends to use the proceeds of the transaction to invest in growth, support its M&A program, and enable the next phase of Helix.

Christian Lucas, Silver Lake Managing Director and co-head of the firm's activities in Europe, commented: *"We are thrilled to be investing in one of Germany's leading companies. Software AG is a great business, and we have been admiring the Helix transformation over the last three years, as Sanjay and his talented leadership team have laid the foundation for growth through*

transforming the product portfolio, reigniting the culture and shifting the business to subscription and SaaS. This success from the first phase of Helix leaves us extremely excited to partner with Sanjay and his team as Software AG accelerates its growth journey. We look forward to contributing to the company's future success."

Dr. Peter Schnell, Founder of the Software AG Foundation, commented: *"We are delighted to welcome Silver Lake to the Software AG family. We look forward to seeing its impact as the Group continues its transformation towards sustainable, profitable growth. We have supported Helix since its inception, and we remain fully committed to the management team's strategy and vision for Software AG."*

Karl-Heinz Streibich, Chairman of Software AG's Supervisory Board, commented: *"It has been a huge honor to be part of Software AG both as CEO for some 15 years and latterly as Chairman of the Supervisory Board. I wish Sanjay and the entire team the best of luck for continued success in this new and exciting phase of the company. They have done a tremendous job with the Helix strategy, and I am excited to see the company's continued progress with Silver Lake as a great new partner. I also want to thank Ralf Dieter for his great contributions in the Supervisory Board and especially as the Chairman of the Audit Committee. His vast business experience and invaluable advice were always great assets for the Supervisory Board."*

By leveraging Silver Lake's deep industry knowledge, relationships and experience, Software AG believes it can access more of its €61 billion Total Addressable Market (TAM), which is forecast to grow at a 16 percent Compound Annual Growth Rate (CAGR) between 2020 and 2026. Software AG intends to double down on key areas of its existing strategy, enabled by its now fully cloud-native Digital Business product portfolio and its increasingly modernized go-to-market and customer success engines.

This activity will be supported by M&A to access new market segments within Software AG's TAM, add complementary technology and go-to-market capabilities and expand cross-sell opportunities. It will also invest further in talent and the development of Software AG's culture to ensure its growth is sustainable into the long-term.

JP Morgan served as the financial adviser to Software AG in the transaction. Clifford Chance LLP acted as Software AG's legal advisor. Skadden, Arps, Slate, Meagher & Flom LLP acted as Silver Lake's legal advisor.

Conference calls

A webcast for financial analysts and investors will take place on Tuesday, December 14, 2021, at 10:00 CET (09:00 GMT). Please pre-register to receive dial-in details at www.softwareag.com/investors.

A webcast for the media will take place on Tuesday, December 14, 2021, at 11:00 CET (10:00 GMT). Please pre-register to receive dial-in details at [Media Call](#).

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About Software AG

Software AG is the software pioneer of a truly connected world. Since 1969, it has helped 10,000+ organizations use software to connect people, departments, systems and devices. Software AG empowers truly connected enterprises using integration & APIs, IoT & analytics and business & IT transformation. Software AG's products establish a fluid flow of data that allows everything and everyone to work together. The company has more than 4,700 employees across more than 70 countries and annual revenue of over €800m, with the aim of exceeding €1bn by 2023.

For more information, visit www.softwareag.com. And follow on [LinkedIn](#) and [Twitter](#).

About Silver Lake

Silver Lake is a leading global technology investment firm, with more than \$90 billion in combined assets under management and committed capital and a team of professionals based in North America, Europe, and Asia. Silver Lake's portfolio companies collectively generate more than \$227 billion of revenue annually and employ more than 567,000 people globally. For more information about Silver Lake and its portfolio, please visit Silver Lake's website at www.silverlake.com.

Christian Lucas joined Silver Lake as a Managing Director and co-heads the Firm's activities in Europe. He is currently Vice Chairman of the Board of Directors at Cegid, Chairman of the Board of Grupo BC, Chairman of the Board of Meilleurtaux, and a Board member of Mirakl, Exact, and Global Blue, where he was Chairman for eight years. He began his career in strategic consulting at McKinsey & Company and then worked as an investment banker, focusing on technology, digital media, and telecommunications. From 2004 to 2010, Christian was Managing Director and Head of the Technology Group at Morgan Stanley. He holds an M.B.A. from Harvard Business School having graduated before

from ESSEC Graduate School of Management and from the Paris International Law School at the University Panthéon-Assas, both in France.

Jim Whitehurst is a Special Advisor to Silver Lake and Senior Advisor to IBM. He began his career at Boston Consulting Group, before assuming the role of Chief Operating Officer at Delta Air Lines where he drove international expansion while overseeing all aspects of operations. From 2008 – 2020, he served as President and CEO of Red Hat, while the business developed its offering of open-source software solutions. He assumed the role of President of IBM in 2020 as the business acquired Red Hat, before moving into his current role as Senior Advisor. Jim holds an M.B.A. from Harvard Business School having graduated before from Rice University and the London School of Economics.

Additional Information

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