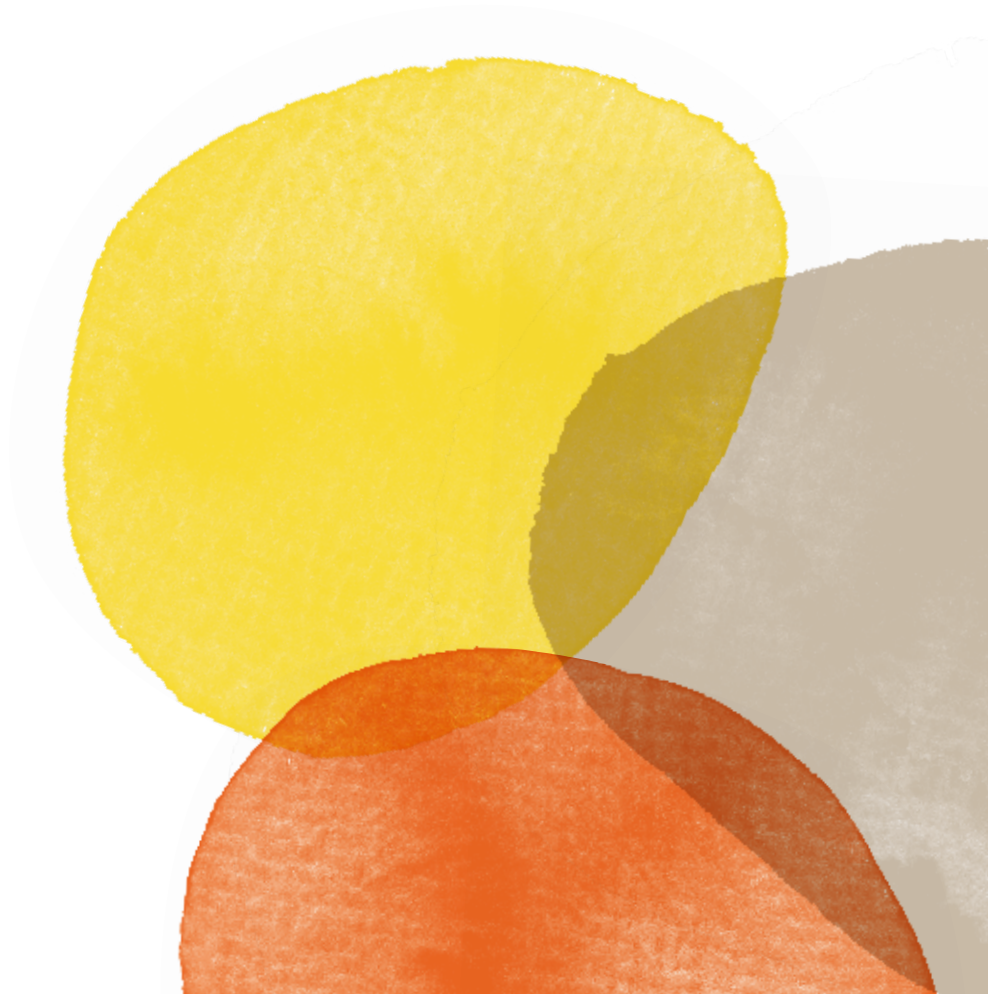


SAGST explizit

FUNDING AND FINANCIAL REPORT **2017**



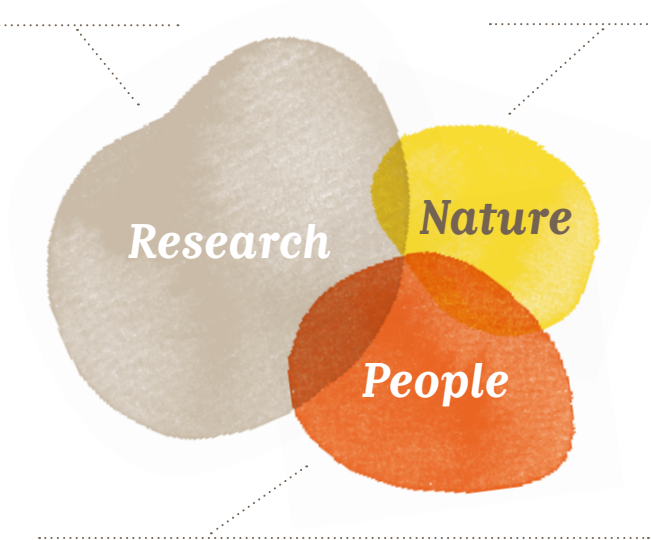
PROJECT FUNDING – FACTS & FIGURES 2017

In the 2017 reporting year, the Board of the Software AG–Stiftung (SAGST), after examining 457 grant applications, awarded **234 grants totalling 31.8 million euros**. This was 72 more positive grant decisions than in the previous year. Included in the total sum are several multiyear grants, which are accounted for in their entirety in the grant year. This was not the case in 2016, which is why the total grant amount for 2017 was 2.5 times higher than in the previous year (12.7 million euros).

For 25 years, SAGST has been aiding projects in Europe and Brazil that benefit people, nature and research. In addition to financial grants, SAGST’s support activities also include intensive consulting and project assistance in the grant areas listed below. The cost of these activities (around 4.6 million euros) is included in the **total project costs (36.4 million euros)**.

21 projects in the field of
„Science and Research“
Grant amount: 19.69 million euros

56 projects in the field of
„Natural Resources“
Grant amount: 5.80 million euros



- 87 projects in the field of **„Education“**
Grant amount: 3.99 million euros
- 45 projects in the field of **„Children and Youth“**
Grant amount: 1.28 million euros
- 25 projects in the field of **„Disability and Elder Care“**
Grant amount: 1.08 million euros

FINANCES – FACTS & FIGURES 2017

The **assets of the Software AG – Stiftung** are to be preserved undiminished, in accordance with § 4 of the foundation’s constitution. These assets consist of the value of the stocks of the Software AG company, which were transferred to SAGST in 1992 when the foundation was established, plus financial donations and small-scale contributions made since then.

In 2017, the annual financial statements showed **endowment capital of 136 million euros** as of 31 December. The total **asset value** was around **1.48 billion euros**, calculated on the basis of the endowment capital to be preserved in future, the nominal capital surplus and hidden reserves.

To offset inflation-based devaluation and thus to secure the foundation’s assets, SAGST annually diverts a certain amount from investment reallocation into the foundation capital. This amount is based on the inflation rate of 1.8 percent and amounted to 2.4 million euros in the 2017 financial year.

	31.12.2017 million euros	31.12.2016 million euros
Foundation capital 01.01.	133.2	132.5
Increases to foundation capital (inflation compensation)	2.4	0.7
Foundation capital to be maintained, as of 31.12.	135.6	133.2
Investment reallocation	175.3	177.5
Reserve funds	37.3	37.3
Nominal capital surplus (without hidden reserves)	212.6	214.9
Hidden reserves	1,128.0	833.0
Asset value	1,476.2	1,181.1

Discrepancies in the sums are due to rounding.

FINANCES – FACTS & FIGURES 2017

The **financial statement** shows the origin and use of the funds according to individual, tax-discernible spheres.

	2017 million euros	2016 million euros
Project funding		
Revenues	1.2	0.5
Expenditures	-37.6	-18.2
	-36.4	-17.7
Asset management		
Revenues	41.2	38.4
Expenditures	-9.1	-13.3
	32.0	25.2
Business operations		
Revenues	0.09	0.16
Expenditures	-0.07	-0.09
	0.02	0.07
Annual results	-4.3	7.6

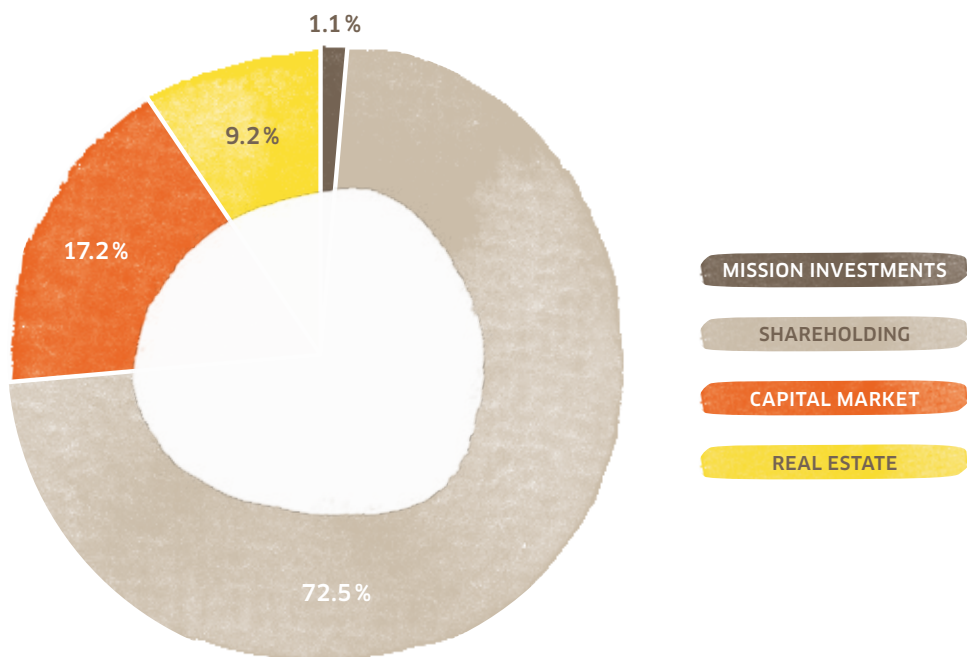
Discrepancies in the sums are due to rounding.

The **annual result** of **-4.3 million euros** is calculated by offsetting the respective results from project support, asset management and business operations. The **total project support** expenditure of **36.4 million euros** was distributed exclusively in accordance with the purposes foreseen in the foundation constitution. Discrepancies in the sums are due to rounding.

ASSET DISTRIBUTION AS OF 31.12.2017

With **almost 1.5 billion euros in assets**, SAGST is one of the ten largest foundations in Germany. Our investment philosophy is characterized by the principle of direct participation. Therefore, the **allocation of the foundation's assets** is focused on direct investments in companies, securities and real estate.

The asset management team has the task of preserving the assets of the foundation in real terms over the long term and of generating adequate income to fulfil the foundation goals. In addition, we aim to limit fluctuations in the assets, even within each business cycle. For diversification, the asset allocation is divided into four **investment classes**.



The most prominent asset class, with 72.5 percent of the allocation of the foundation's assets, is direct investment in companies, of which the stake in the Software AG company is by far the largest. Securities investments, in the form of a special market fund with equities and bonds, represent the second investment class with a total of 17.2 percent of the total allocation. The third investment class includes real estate investments with 9.2 percent of the foundation's assets. Finally, the fourth investment class is made up of so-called mission investments. These are investments in companies or real estate with close links to the foundation's goals. However, their share of the overall allocation is rather small, since some of these investments are already included in other asset classes, some of which are attributed to project support.

