

SAGST explizit

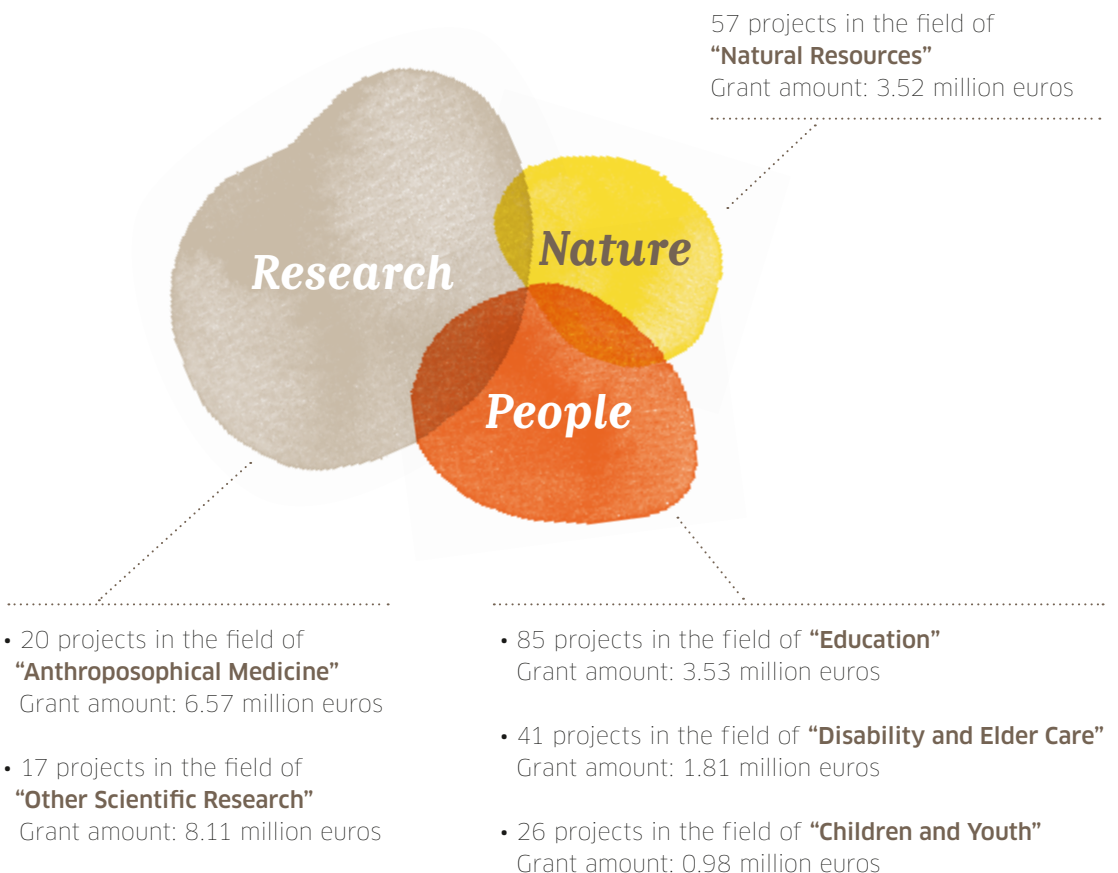
FUNDING AND FINANCIAL REPORT **2019**



PROJECT FUNDING – FACTS & FIGURES 2019

In the 2019 reporting year, the Board of the Software AG Foundation (SAGST), after examining 416 received grant applications, awarded **246 grants totaling 24.5 million euros**.

The foundation, which has been creating healing impulses for people, nature, and knowledge in Europe and Brazil since 1992, also finances scientific research – especially in the field of anthroposophical medicine. In 2019 SAGST supported endowed chairs, professorships, and academic institutions with **14.68 million euros**. This constituted around **60 percent of its total grant activity**.



In addition to these donations, SAGST’s activities also include intensive project management and project consulting. The costs for these contribute to the total amount of project expenditures.

FINANCES – FACTS & FIGURES 2019

The **assets of the Software AG Foundation** 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 2019, the annual financial statements showed **endowment capital of 140 million euros** as of 31 December. The total **asset value** was around **1.1 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 1.4 percent and amounted to 1.9 million euros in the 2019 financial year.

	31.12.2018 million euros	31.12.2019 million euros
Foundation capital 01.01.	135.6	138.2
Increases to foundation capital (inflation compensation)	2.6	1.9
Foundation capital to be maintained, as of 31.12.	138.2	140.1
Investment reallocation	160.1	168.1
Reserve funds	43.3	48.3
Nominal capital surplus (without hidden reserves)	203.4	216.5
Hidden reserves	734.9	744.0
Asset value	1,076.5	1,000.4

Discrepancies in the sums are due to rounding.

FINANCES – FACTS & FIGURES 2019

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

	2018 million euros	2019 million euros
Project funding		
Revenues	1.4	0.6
Expenditures	-27.8	-33.3
	-26.4	-32.7
Asset management		
Revenues	46.0	56.6
Expenditures	-23.3	-12.0
	22.7	44.6
Business operations		
Revenues	0.14	0.15
Expenditures	-0.09	-0.09
	0.05	0.06
Annual results	-3.6	11.9

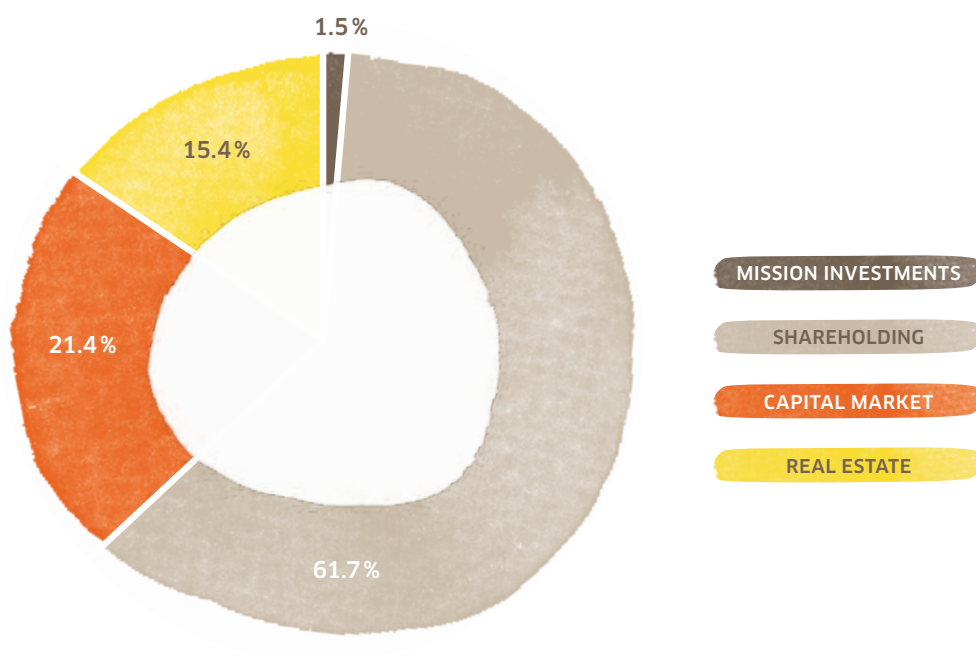
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The **annual result** of **11.9 million euros** is calculated by offsetting the respective results from project support, asset management and business operations. The **total project support** expenditure of **31.7 million euros** was distributed exclusively in accordance with the purposes foreseen in the foundation constitution. Discrepancies in the sums are due to rounding.

ASSET DISTRIBUTION AS OF 31.12.2019

With **almost 1.3 billion euros in assets** (June 2020), SAGST is one of the 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 61.7 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 21.4 percent of the total allocation. The third investment class includes real estate investments with 15.4 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.

