

# Siemens and Mendix. Questions and Answers.

## Strategic Rationale

### What is the strategic rationale for the deal?

- The physical and digital worlds are converging with data as the new currency. To survive and thrive in this new digital reality, organizations need to have a “platform” mind-set; a cloud-native, open, extensible, self-service, frictionless, ecosystem environment. Combining Mendix and Siemens will create a significant advantage over all competitors with;
  - Deep industry integration, global footprint, network access & resources
  - Industry-leading low-code and AI-assisted application delivery
  - Connected data, people, products, events and machines in real-time
  - Highly integrated digital industry solutions and services
- Siemens continues to invest in offerings for the Digital Enterprise, connecting virtual product development and production planning with the real production environment and lifecycle support. With the addition of Mendix, Siemens enhances our comprehensive Digital Enterprise Software and MindSphere IoT ecosystem, creating a true platform of choice for organizations large and small to digitally transform their enterprises.
- Siemens enters the highly attractive and fast growing (>40% CAGR\*) Low Code Rapid Application Development business. (\*Forrester “Vendor Landscape: A Fork In The Road For Low-Code Development Platforms” – CAGR Market growth 2017 - 2022).
- Siemens will continue to invest in Mendix’s independent product roadmap, continuing to grow its legacy as the most-innovative, open low-code cloud platform. Mendix will also continue to deploy its technology to customers and partners across all verticals and technology ecosystems.
- Siemens expects this business to continue to experience strong growth in the future in both Mendix’s existing customer segments and, importantly, accelerate this growth across the Siemens customer base.
- By adopting the Mendix platform internally, Siemens accelerates its own Digital Enterprise Software, MindSphere IoT and MindApps application offerings through cloud-native low code approach and 10x faster application development. The platform will also be deployed across other Siemens Divisions.

### How does the deal complement the existing Mendix value proposition?

- This move accelerates Mendix's vision at a much larger scale with the incredible team, assets, industry know-how and footprint of Siemens. Being part of Siemens will allow Mendix to serve customers even better by accelerating R&D vision, leveraging a much larger

	<p>pool of go-to-market resources, and an enormous global infrastructure. This will be done while maintaining Mendix's unique culture, brand and R&amp;D capability that has allowed Mendix to become the leader their space.</p> <ul style="list-style-type: none"> <li>• Siemens will continue to invest in Mendix's independent product roadmap, continuing to grow its legacy as the most-innovative, open low-code cloud platform. Mendix will also continue to deploy its technology to customers and partners across all verticals and technology ecosystems.</li> </ul>
<p><b>How does the deal complement the existing Siemens value proposition?</b></p>	<ul style="list-style-type: none"> <li>• The acquisition and integration of Mendix positions Siemens as the platform of choice for large and SMB companies looking to digitally transform their business, by connecting data and processes through cloud-native applications at unprecedented speed and scale.</li> <li>• By enabling true digital twins of not only the product, but also the production environments and real-time product performance, furthered with the unique combination of Mendix's cloud-native application development and Siemens MindSphere IoT platform, customers are empowered to make product and manufacturing information universally accessible and useful for their business.</li> <li>• Customers have access to the largest open ecosystem of IoT, Cloud and Digital Enterprise Software experts, with the greatest collection of applications, developer communities, professional service expertise, and world leading academic and research relationships.</li> <li>• Additionally, customers have access to a complete, yet open, range of integrated best-in-class technology for the creation, management, organization and insight of product and manufacturing data.</li> </ul>
<p><b>Into which Siemens business unit will Mendix be integrated?</b></p>	<ul style="list-style-type: none"> <li>• Mendix will be part of the software business of Siemens' Digital Factory Division, with the Mendix platform technology also deployed across other Divisions.</li> <li>• Mendix founders will remain, and the CEO of the company, Derek Roos, will join the Siemens PLM Software senior leadership team, reporting to Tony Hemmelgarn, CEO of Siemens PLM Software.</li> <li>• Mendix will retain its distinct brand, culture and continue serving customers in a wide range of industries with its unique platform ecosystem.</li> </ul>
<p><b>What is the purchase price of the transaction?</b></p>	<ul style="list-style-type: none"> <li>• As part of an ongoing investment program to enhance our digitalization leadership Siemens acquires Mendix, a leader in cloud-native low-code application development, for €0.6 billion.</li> </ul>
<p><b>When will the transaction close?</b></p>	<ul style="list-style-type: none"> <li>• Closing of the transaction is subject to customary conditions and is expected date fourth quarter of calendar year 2018.</li> </ul>

## Why Mendix?

<p><b>What does Mendix do?</b></p>	<ul style="list-style-type: none"> <li>• As enterprises invest to digitize their operations, demand for business applications is growing significantly faster than the capacity of IT organizations to deliver them. Low code application development platforms provide features for rapid development, deployment and execution of applications in the cloud. Mendix is a pioneer and leader in low code development platforms.</li> </ul>
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	<ul style="list-style-type: none"> <li>• Mendix is the fastest and easiest platform to build and continuously improve mobile and web applications at scale. The only low-code platform available through SAP and IBM, Mendix helps customers digitize their operations by building, managing, and improving apps at unprecedented speed and scale. More than 4,000 forward-thinking enterprises, use the platform to build business applications to delight their customers and improve operational efficiency.</li> <li>• Mendix was named a Leader in the Gartner 2018 Magic Quadrant for Enterprise High Productivity Application Platform as a Service, placing furthest for completeness of vision for the second consecutive year, and a Leader in the Gartner 2018 Magic Quadrant for Mobile App Development Platforms for the second consecutive year. Mendix was also named a Leader by Forrester in the 2017 Wave for Low-Code Platforms and in 2017 Wave for Mobile Low-Code Platforms.</li> <li>• Mendix recently announced its largest quarter ever, with 88 percent year-over-year bookings growth compared to the first half of 2017, with more than 250% YoY growth in North America</li> <li>• Mendix increased the number of team members by 24% in the first half of 2018, and was rated the best cloud computing company to work for by Forbes, based on feedback data from Glassdoor.</li> <li>• SAP Partnership Momentum – SAP’s Solution Extension "SAP Cloud Platform Rapid Application Development (RAD) by Mendix", saw strong early traction in the market with Andritz, a global leader in the supply of equipment and systems, receiving an innovation award for app development.</li> <li>• IBM Partnership Launch – Mendix announced a global partnership with IBM through which IBM will resell and support the Mendix platform on the IBM Cloud, offering developers the flexibility to consume rapid application development tools, cloud services, and cloud runtimes under a single subscription.</li> </ul>
<p><b>Who are Mendix's main customers?</b></p>	<ul style="list-style-type: none"> <li>• Mendix has built a strong presence across 4,000 enterprises in the finance, insurance, healthcare, telecoms, retail, logistics and higher education segments. Siemens expects this business to continue to experience strong growth in the future, while also increasing growth across the Siemens customer base.</li> </ul>
<p><b>How many employees does Mendix have?</b></p>	<ul style="list-style-type: none"> <li>• The company has more than 400 employees, with approx. 30% in R&amp;D.</li> </ul>
<p><b>Where are Mendix's headquarters located?</b></p>	<ul style="list-style-type: none"> <li>• Mendix was founded in 2005 in Rotterdam, Netherlands and is headquartered in Boston, MA, U.S, and has an office in the UK.</li> </ul>
<p><b>What does the deal mean for Mendix company culture and employees?</b></p>	<ul style="list-style-type: none"> <li>• Mendix is a strategic and vital part of the growing Siemens business. Siemens strength today is a result of the many mergers and acquisitions that have happened over years. In that time, more than 20 companies have successfully merged with Siemens PLM Software. Siemens takes great pride in respecting and honoring the skills, abilities, traditions and cultures of each organization that joins. We will maintain Mendix's unique culture, brand and R&amp;D capability that has allowed Mendix to become the leader in the low code space.</li> </ul>

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