SAP to Embed IBM Watson Artificial Intelligence into SAP® Solutions

WALLDORF, Germany and ARMONK, N.Y. — **May 2, 2023** — SAP SE (NYSE: SAP) and IBM (NYSE: IBM) today announced that IBM Watson® technology will be embedded into SAP® solutions to provide new AI-driven insights and automation to help accelerate innovation and create more efficient and effective user experiences across the SAP solution portfolio.

SAP will use IBM Watson capabilities to power its digital assistant in SAP Start , which provides a unified entry point for cloud solutions from SAP. With SAP Start, users can search for, launch and interactively engage with apps provided in cloud solutions from SAP and SAP S/4HANA® Cloud. New AI capabilities in SAP Start will be designed to help users boost productivity with both natural language capabilities and predictive insights using IBM Watson AI solutions built on IBM's trust and transparency and data privacy principles.

"This milestone collaboration with IBM aims to provide SAP customers a better user experience, faster decision-making and greater insights to help transform their business processes," said Christian Klein, CEO and Member of the Executive Board of SAP SE. "Working together to incorporate additional AI, machine learning and other intelligent technologies into SAP solutions can lead to better business outcomes for our joint customers. Today's news, along with the recent news of our expanded use of Red Hat Enterprise Linux is a prime example of how the rich, 50-year partnership between our companies continues to grow stronger and move the industry forward."

New digital assistant capabilities in SAP Start will be extended across SAP solutions to help answer diverse questions for managers and employees. By automating and speeding up common tasks, the capabilities are designed to help unlock employee productivity to focus on more strategic work. SAP Start will allow customers to benefit from intelligence at the point of decision-making with the ability to use AI and machine learning to extract information from a variety of data sources and answer user questions across lines of business. Today, IBM technology currently available in the TripIt mobile app from SAP Concur is helping nearly 13 million users easily access AI-derived weather insights to make more sustainable travel choices before and during their trips.

IBM delivers market-leading AI capabilities with Watson products deployed by more than 100 million users across 20 industries. In addition, SAP and IBM Consulting are currently supporting customers with 25 joint

intelligent industry solutions that use IBM Watson capabilities underpinned by SAP Business Technology Platform (SAP BTP). These industry solutions help customers across industries such as retail, manufacturing and utilities accelerate their business transformation and use data to make more informed decisions.

"IBM and SAP are joining forces to give businesses new and exciting ways to harness the transformative power of AI and use it as a source of competitive advantage," said Arvind Krishna, Chairman and Chief Executive Officer, IBM. "With this announcement, we are infusing IBM Watson's powerful, enterprise-grade AI capabilities into SAP's leading ERP platform to help businesses reimagine customer experiences, boost productivity and fuel growth."

In addition to natively embedding IBM Watson AI capabilities into SAP solutions, SAP and IBM are collaborating on generative AI and large language models aimed to deliver consistent continuous learning and automation based on SAP's mission-critical application suite.

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About SAP

SAP's strategy is to help every business run as an intelligent, sustainable enterprise. As a market leader in enterprise application software, we help companies of all sizes and in all industries run at their best: SAP customers generate 87% of total global commerce. Our machine learning, Internet of Things (IoT), and advanced analytics technologies help turn customers' businesses into intelligent enterprises. SAP helps give people and organizations deep business insight and fosters collaboration that helps them stay ahead of their competition. We simplify technology for companies so they can consume our software the way they want – without disruption. Our end-to-end suite of applications and services enables business and public customers across 25 industries globally to operate profitably, adapt continuously, and make a difference. With a global network of customers, partners, employees, and thought leaders, SAP helps the world run better and improve people's lives. For more information, visit www.sap.com.

About IBM

IBM is a leading global hybrid cloud and AI, and business services provider, helping clients in more than 175 countries capitalize on insights from their data, streamline business processes, reduce costs and gain the competitive edge in their industries. Nearly 3,800 government and corporate entities in critical infrastructure areas such as financial services, telecommunications and healthcare rely on IBM's hybrid cloud platform and Red Hat OpenShift to affect their digital transformations quickly, efficiently, and securely. IBM's breakthrough innovations in AI, quantum computing, industry-specific cloud solutions and business services deliver open and flexible options to our clients. All of this is backed by IBM's legendary commitment to trust, transparency, responsibility, inclusivity, and service. For more information, visit www.ibm.com.

Statements regarding IBM's future direction and intent are subject to change or withdrawal without notice and represent goals and objectives only.

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