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THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT ANY OFFER WILL BE MADE.

FOR IMMEDIATE RELEASE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

STATEMENT REGARDING POSSIBLE CASH OFFER

for

SOPHEON PLC

("Sopheon", the "Company" or the "Group")

By

IOPS BUYER INC.

(a wholly-owned subsidiary of Wellspring Worldwide Inc.)

The boards of Sopheon, the InnovationOps software company, and IOps Buyer Inc. ("**Bidco**"), a wholly-owned subsidiary of Wellspring Worldwide Inc. ("**Wellspring**", and together with its affiliates, the "**Wellspring Group**"), are pleased to announce that they have reached agreement in principle on the key terms of a possible cash offer for the entire issued and to be issued share capital of the Company ("**Possible Offer**") at a price of £10.00 per Sopheon share.

Wellspring is backed and controlled by Resurgens Technology Partners ("**Resurgens**"), a technology-focused private equity firm headquartered in Atlanta, Georgia, USA. Founded in 2003 as a spin-off from Carnegie Mellon University, Wellspring is a leading provider of software solutions and data systems for managing technology transfer, intellectual property ("**IP**") and innovation activities, primarily for the academic, government and corporate markets. Wellspring is headquartered in Chicago with additional offices in London and Tokyo, and works with more than 500 organisations worldwide.

Discussions relating to the Possible Offer are well advanced and Bidco has notified Sopheon that due diligence has been completed to Bidco's satisfaction. The board of Sopheon (the "**Sopheon Board**") has confirmed to Bidco that it intends to unanimously recommend the Possible Offer to Sopheon's shareholders, should a firm offer be made on these terms.

The announcement of a firm intention to make an offer pursuant to Rule 2.7 of the Code is subject to the receipt of a regulatory clearance by the Wellspring Group, for which a relevant application has been submitted and which is expected to be received in or before mid-December 2023, as well as customary clerical finalisation of documentation. These pre-conditions can be waived at Bidco's discretion.

For the avoidance of doubt, this Announcement does not amount to a firm intention to make an offer for Sopheon under Rule 2.7 of the Code and, accordingly, there can be no certainty that a firm offer will be forthcoming.

Highlights

- The Possible Offer at £10.00 per Sopheon share values the entire issued and to be issued share capital of Sopheon at approximately £114.9 million.
- This represents a premium of approximately:

- 104 per cent. to the Closing Price of 490 pence per Sopheon share on 30 October 2023 (being the last business day prior to the date of this Announcement);
 - 80 per cent. to the Volume Weighted Average Price of 555 pence per Sopheon share during the three month period ended 30 October 2023 (being the last business day prior to the date of this Announcement); and
 - 72 per cent. to the Volume Weighted Average Price of 581 pence per Sopheon share during the six month period ended 30 October 2023 (being the last business day prior to the date of this Announcement).
- Bidco has received irrevocable undertakings from Barry Mence and Rivomore Limited which, in aggregate, represent 37.3 per cent. of the total voting rights of Sopheon, to vote or procure voting in favour of a scheme of arrangement at any court meeting and general meeting to be held in connection with the Possible Offer (or, in the event that the Possible Offer is implemented by way of a takeover offer, to accept or procure acceptance of such takeover offer) for their entire holdings of Sopheon shares.
 - The Sopheon Board reiterates the outlook statement made in the interim results (as further described below) but also highlights that the current uncertainty regarding U.S. government budgets has the potential to cause delays in closing certain transactions in its pipeline.

Important Takeover Code notes

In accordance with Rule 2.5 of the Code, Bidco reserves the right to offer an alternative form of consideration, in addition to the cash consideration contemplated by the Possible Offer. Bidco also reserves the right to make an offer on less favourable terms than the Possible Offer (i) with the agreement or consent of the board of Sopheon; (ii) if a third party announces a firm intention to make an offer for Sopheon which, at that date, is of a value less than the value of the Possible Offer; or (iii) following the announcement by Sopheon of a Rule 9 waiver transaction pursuant to Appendix 1 of the Code or a reverse takeover (as defined in the Code).

If Sopheon announces, declares or pays any dividend or any other distribution or return of value or capital to shareholders after the date of this Announcement, Bidco reserves the right to make an equivalent reduction to the Possible Offer.

An "Offer Period" has now commenced in respect of the Company in accordance with the rules of the Code.

Rule 2.6(a) of the Code requires that Bidco must, by no later than 5.00 p.m. on 28 November 2023 (London Time), either announce a firm intention to make an offer for Sopheon in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline may be extended with the consent of the Takeover Panel in accordance with Rule 2.6(c) of the Code.

This Announcement has been made with the consent of Bidco. Further announcements will be made as appropriate.

A summary is set out below of the dealing disclosure requirements under the Code, which require action by holders (whether directly or indirectly) of more than 1 per cent. of Sopheon's issued share capital.

Background to and reasons for the Possible Offer

The Possible Offer represents an opportunity for Wellspring to continue building a leading global innovation management software and services provider by combining its software solutions and data systems for managing technology transfer, IP and innovation activities, primarily for the academic, government and corporate markets, with Sopheon's complementary innovation and product development mission, particularly focused on the research and development functions for large corporate clients. Wellspring and Sopheon are complementary in two main respects:

- Firstly, from a product and service offering standpoint, Wellspring has an established leadership position in the IP management and technology transfer software markets, while Sopheon has a large and established Innovation Management customer base. With this combination and continued investments in the combined product portfolio, customers will benefit from the ability to purchase an end-to-end Innovation, IP management and technology transfer solution from a single vendor.
- Secondly, from an end-market perspective, Wellspring has an existing leadership position in the higher education and government markets, with an emerging corporate footprint, while Sopheon has a leadership position in the larger corporate market and an emerging government client footprint. The combined company will benefit from the shared go-to-market and customer service expertise that each business has developed.

The combination of the two companies should therefore create a compelling product and services portfolio in the market for each business's respective clients.

As a result of Sopheon's relative size compared to Wellspring, and its influence in the U.S. and European markets along with its recent acquisition of a business in Australia, the Possible Offer also brings Wellspring materially greater scale. Wellspring believes that Sopheon presents a platform from which to embed and grow its geographic reach globally, a key strategic focus area of both organic and future acquisitive growth for Wellspring.

Wellspring intends to invest in the enlarged business, both organically and potentially via acquisitions. Wellspring has a track record of making acquisitions and at any point in time is typically evaluating several potential opportunities across North America, the U.K. and Europe, and Asia Pacific, each at varying stages of engagement. With the backing of Resurgens, the enlarged business would have the capability to execute on such acquisitions as it desired.

Wellspring attaches great importance to the skills and experience of Sopheon's employees including its management team. Wellspring believes that the combination of Sopheon and Wellspring would result in greater opportunities for Sopheon's staff as part of the enlarged group, particularly in terms of activities that pertain to developing and expanding its market position internationally. Should the Possible Offer proceed, it is intended the enlarged group will be led by Sean Downs, CEO of Wellspring. It is further intended that the broader executive leadership team will be constructed from both businesses following completion of the Possible Offer.

Intention of Sopheon Board to recommend the Possible Offer

The Sopheon Board remains highly confident in Sopheon's standalone prospects as an independent company over the medium to long term, and is pleased with the progress made over the last few years in advancing its strategic priorities.

The Sopheon Board has however, in summary, concluded that the Possible Offer presents an attractive valuation for Sopheon, and a compelling liquidity opportunity not currently afforded by the public markets. The Sopheon Board notes in that regard the support for the Possible Offer by certain of Sopheon's key shareholders representing, in aggregate, 37.3 per cent. of the issued share capital.

The Sopheon Board shares Wellspring's excitement regarding the strategic and operational benefits that come from combining complementary product portfolios across complementary customer footprints.

Sopheon current trading

Sopheon reiterates the outlook statement made in its interim results for the six months ended 30 June 2023, issued on 24 August 2023, and reproduced below.

Sopheon's Executive Chairman, Andy Michuda said:

"Sopheon continues to deliver on its key growth and transformation objectives, demonstrated in particular by significant and sustained increases in SaaS ARR, supported by continued high retention performance. In parallel we have delivered substantial investment in growth initiatives and M&A that

expand our product offering, geographical footprint and market opportunity, while maintaining cashflow discipline and EBITDA performance. Our strong balance sheet continues to support our ability to execute with confidence. We expect the impact of increased investments in both marketing and product to contribute to a stronger sales pipeline in the second half of the year and beyond, in support of our growth objectives.”

In addition, as referenced in the interim results the current sales pipeline for the balance of 2023 includes yet-to-be closed opportunities for significant perpetual extension orders from existing military customers, alongside other opportunities. Sales teams are busy and prior experience provides reassurance that Sopheon’s business and teams are well placed to deliver even in challenging markets, particularly in the final quarter, but the Sopheon Board recognises that there is a level of execution risk - including, most immediately, potential delays arising from the current U.S. government budget situation which could impact the timing of orders from military customers in particular.

Irrevocable undertakings

Bidco has received irrevocable undertakings from Barry Mence and Rivomore Limited, which, in aggregate, represent 37.3 per cent. of the total voting rights of Sopheon (as detailed below), to vote or procure voting in favour of a scheme of arrangement at any court meeting and general meeting to be held in connection with the Possible Offer (or, in the event that the Possible Offer is implemented by way of a takeover offer, to accept or procure acceptance of such takeover offer) for their entire holdings of Sopheon shares.

Name	Total Number of Sopheon ordinary shares	Percentage of issued share capital of Sopheon
Barry Mence	1,899,458	17.8%
Rivomore Limited	2,074,308	19.5%
Total	3,973,766	37.3%

Further details of these irrevocable undertakings are set out in the Appendix to this Announcement.

Enquiries:

Sopheon

Andy Michuda, Executive Chairman
Greg Coticchia, Chief Executive Officer
Arif Karimjee, Chief Financial Officer

via Cavendish

Cavendish Capital Markets Ltd (Nominated Adviser and Broker to the Company)

Henrik Persson
Carl Holmes
Abigail Kelly
George Dollemore

Resurgens, Wellspring and Bidco

Adi Filipovic
Fred Sturgis
Danny Carpenter

via Raymond James

Raymond James (Financial Adviser to Resurgens, Wellspring and Bidco)

Junya Iwamoto
Felix Beck

King & Spalding International LLP are retained as legal advisers to Resurgens, Wellspring and Bidco.

Squire Patton Boggs (UK) LLP are retained as legal adviser to Sopheon.

This Announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014 (as it forms part of U.K. domestic law by virtue of the European Union (Withdrawal) Act 2018). Upon publication of this Announcement, this inside information will be considered to be in the public domain. The person responsible for arranging the release of this Announcement on behalf of the Company is Arif Karimjee, Chief Financial Officer.

Cavendish Capital Markets Limited (“Cavendish”), which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser to Sopheon and no one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Sopheon for providing the protections offered to clients of Cavendish or for providing advice in connection with any matter referred to in this Announcement. Neither Cavendish nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Cavendish in connection with this Announcement, any statement contained herein, a scheme of arrangement or otherwise. No representation or warranty, express or implied, is made by Cavendish as to the contents of this Announcement.

Raymond James Financial International Limited (“Raymond James”), which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser to Resurgens, Wellspring and Bidco and no-one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Resurgens, Wellspring or Bidco for providing the protections afforded to clients of Raymond James nor for providing advice in connection with the matters referred to herein. Neither Raymond James nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Raymond James in connection with this Announcement, any statement contained herein or otherwise.

Publication on website

A copy of this Announcement will be made available (subject to certain restrictions relating to persons resident in restricted jurisdictions) at www.sopheon.com and <https://offer.wellspring.com/news> by no later than 12 noon (London time) on the business day following the release of this Announcement in accordance with Rule 26.1 of the Code. The content of the website referred to in this Announcement is not incorporated into and does not form part of this Announcement.

Rule 2.9

Pursuant to Rule 2.9 of the Code, the Company confirms that there are currently 10,647,985 ordinary shares of 20 pence each in issue in the Company, with International Securities Identification Number GB00BSZM1369.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who

deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Note

References to "Code" are to the rules of the City Code on Takeovers and Mergers. The terms "offeror", "offeree company", "offer period", "interested" (and related variations), "relevant securities", "deals" (and related variations) and "acting in concert" all bear the same meanings given to them in the City Code on Takeovers and Mergers.

Appendix - details of irrevocable undertakings

Name	Total number of Sopheon shares	Percentage of existing issued share capital
Barry Mence	1,899,458	17.8%
Rivomore Limited	2,074,308	19.5%
Total	3,973,766	37.3%

The irrevocable undertakings also apply to holdings in Sopheon shares otherwise acquired in the period from the date of the irrevocable undertakings until they lapse.

The irrevocable undertakings remain binding in the event a higher competing offer is made for Sopheon and will only cease to be binding if:

- prior to the date referred to in the bullet point below, Bidco notifies Sopheon that it does not intend to proceed with the Possible Offer;
- an announcement of a firm intention to make an offer for Sopheon (the “**2.7 Announcement**”) is not released by 5.00 p.m. on 31 December 2023 (or such later date as the Company and the Offeror may agree);
- a scheme document is not published within 28 days of the 2.7 Announcement, or in circumstances where Bidco elects to implement the Possible Offer by way of a takeover offer, an offer document is not published within 28 days of the date on which the switch to a takeover offer is announced;
- Bidco announces that it does not intend to proceed with the Possible Offer and no new, revised or replacement scheme is announced by Bidco in accordance with Rule 2.7 of the Code;
- the scheme of arrangement or takeover offer in respect of the Possible Offer is withdrawn or lapses;
- a competing offer for the entire issued and to be issued share capital of Sopheon becomes or is declared unconditional (if implemented by way of a takeover offer), or becomes effective (if proceeding by way of a scheme of arrangement); or
- the scheme of arrangement (or the takeover offer) in connection with the Possible Offer does not become effective by 5.00 p.m. on Friday 23 February 2024 (or, in the case of the irrevocable undertaking provided by Barry Mence only, such later time or date as the Offeror and Company agree with the consent of the Panel).

