

## Key business strengths of the Company

The Company believes that its leadership of the global PLM market is due to its key business strengths.

- **The Company maintains a long-term focus.** One of the key reasons for the Company's market share leadership over more than a decade is due to its focus on the creation and maintenance of a long-term vision which is visible in its investment in people, investment in a long-term financial model and investment in building a deep knowledge of the industries and customers it addresses.
- **The Company has a substantial commitment to technological innovation.** Important areas of investment in research and development include systems engineering, industry specific offerings, cloud-based applications, search-based technologies and bio-intelligence. From a user perspective, the Company's research is centered on advancing its virtual technologies to become even more life-like, reducing total cost of ownership through out-of-the-box industry solutions, simplifying adoption in particular for small and mid-size companies through the introduction of on-the-cloud offerings and broadening adoption through further advances in ease of use while offering robust technology to a wide array of users.
- **The Company has a market proven brand strategy, with each brand having a clear identity and value to customers.** The Company's brand strategy focuses on developing software for specific domains (such as design, simulation, manufacturing and collaboration), with the objective of each brand being a leader within its respective markets. The Company's research and development strategies, as well as its sales and marketing strategies, support this objective. The Company's multiple brand strategy also enables its customers to choose the specific point of entry which corresponds to their individual needs.
- **The Company has a resilient and dynamic ecosystem of sales partners, development partners, educational institutions and research enterprises.** The Company has developed a network of partners for product development, marketing and enhancement of customer relations, which it calls its "extended enterprise" model, and it intends to continue to build on this model going forward. See For marketing and sales, the Company operates through both a direct sales force and indirectly through value-added resellers. The Company has extended its reach to a number of educational institutions around the world with more than one million educational licenses sold to date. In addition, the Company's research department works closely with independent research organizations.