

SALESFORCE COM INC  
Form 424B3  
April 26, 2018  
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Filed Pursuant to Rule 424(b)(3)  
Registration No. 333- 224067

**Offer by**

**MALBEC ACQUISITION CORP.**

**a wholly owned subsidiary of**

**salesforce.com, inc.**

**to Exchange Each Outstanding Share of Class A Common Stock and Class B Common Stock of**

**MULESOFT, INC.**

**for**

**\$36.00 in cash**

**and**

**0.0711 of a share of common stock of salesforce.com, inc.**

**THE OFFER AND THE WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, AT THE END OF MAY 1, 2018, UNLESS EXTENDED OR TERMINATED.**

salesforce.com, inc. (which we refer to as **Salesforce** ), a Delaware corporation, through its wholly owned subsidiary Malbec Acquisition Corp., a Delaware corporation (which we refer to as the **Offeror** ), is offering, upon the terms and subject to the conditions set forth in this document and in the accompanying letter of transmittal, to exchange for each outstanding share of Class A common stock of MuleSoft, Inc., a Delaware corporation (which we refer to as

**MuleSoft** ), par value \$0.000025 per share (which we refer to as **MuleSoft Class A common stock** ), and Class B common stock of MuleSoft, par value \$0.000025 per share (which we refer to as **MuleSoft Class B common stock**, and together with **MuleSoft Class A common stock**, **MuleSoft common stock** and such shares of MuleSoft common stock, **MuleSoft shares** ), validly tendered and not validly withdrawn in the offer:

\$36.00 in cash; and

0.0711 of a share of Salesforce common stock, par value \$0.001 per share (which we refer to as **Salesforce common stock** and such shares of Salesforce common stock, **Salesforce shares** ), together with cash in lieu of

any fractional shares of Salesforce common stock;  
in each case, without interest and less any applicable withholding taxes.

We refer to the above as the transaction consideration.

The Offeror's obligation to accept for exchange MuleSoft shares validly tendered (and not validly withdrawn) pursuant to the offer is subject to the satisfaction or waiver by the Offeror of certain conditions, including the condition that, prior to the expiration of the offer, there have been validly tendered and not validly withdrawn a number of MuleSoft shares that, upon the consummation of the offer (assuming that shares of MuleSoft Class B common stock validly tendered (and not validly withdrawn) will convert, on a one-to-one basis, into shares of MuleSoft Class A common stock upon the consummation of the offer), together with MuleSoft shares then owned by Salesforce and the Offeror (if any), would represent at least a majority of the aggregate voting power of the MuleSoft shares outstanding immediately after the consummation of the offer (which we refer to as the minimum tender condition), as more fully described under The Offer Conditions of the Offer.

The offer is being made pursuant to an Agreement and Plan of Merger (which we refer to as the merger agreement), dated as of March 20, 2018, among Salesforce, the Offeror and MuleSoft. A copy of the merger agreement is attached to this document as Annex A.

The purpose of the offer is for Salesforce to acquire control of, and ultimately the entire equity interest in, MuleSoft. The offer is the first step in Salesforce's plan to acquire all of the outstanding MuleSoft shares. If the offer is completed and as a second step in such plan, Salesforce intends to promptly consummate a merger of the Offeror with and into MuleSoft, with MuleSoft surviving the merger (which we refer to as the merger). The

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purpose of the merger is for Salesforce to acquire all MuleSoft shares that it did not acquire in the offer. In the merger, each outstanding MuleSoft share that was not acquired by Salesforce or the Offeror (other than certain dissenting, converted or cancelled shares, as described further in this document) will be converted into the right to receive the transaction consideration. Upon the consummation of the merger, the MuleSoft business will be held in a wholly owned subsidiary of Salesforce, and the former MuleSoft stockholders will no longer have any direct ownership interest in the surviving corporation. If the offer is completed, such that Salesforce accordingly owns at least a majority of the aggregate voting power of MuleSoft's outstanding common stock, the merger will be governed by Section 251(h) of the General Corporation Law of the State of Delaware (which we refer to as the "DGCL"), and accordingly no stockholder vote will be required to complete the merger. The board of directors of MuleSoft unanimously determined that the terms of the merger agreement and the transactions contemplated by the merger agreement, including the offer, the merger and the issuance of Salesforce shares in connection therewith, are fair to, and in the best interests of, MuleSoft and its stockholders; determined that it is in the best interests of MuleSoft and its stockholders and declared it advisable to enter into the merger agreement; and approved the execution and delivery by MuleSoft of the merger agreement, the performance by MuleSoft of its covenants and agreements contained in the merger agreement and the consummation of the offer, the merger and the other transactions contemplated by the merger agreement upon the terms and subject to the conditions contained in the merger agreement. The board of directors of MuleSoft has also resolved to recommend that the stockholders of MuleSoft accept the offer and tender their shares of MuleSoft common stock to the Offeror pursuant to the offer.

The Salesforce board of directors also unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the offer and the merger and the issuance of Salesforce shares in the offer and merger, are advisable and fair to, and in the best interests of, Salesforce and its stockholders, and approved the execution and delivery by Salesforce of the merger agreement.

Salesforce common stock is listed on the New York Stock Exchange (which we refer to as the "NYSE") under the symbol "CRM," and MuleSoft Class A common stock is listed on the NYSE under the symbol "MULE." The MuleSoft Class B common stock is not publicly traded but converts, on a one-for-one basis, into MuleSoft Class A common stock at the election of the holder. Each share of MuleSoft Class B common stock validly tendered and not validly withdrawn pursuant to the exchange offer will automatically convert into one share of MuleSoft Class A common stock upon consummation of the exchange offer.

The exchange of MuleSoft shares for Salesforce shares and cash in the offer or the merger generally will be a taxable transaction for U.S. federal income tax purposes. Holders of MuleSoft shares should read the section entitled "Material U.S. Federal Income Tax Consequences" for a more detailed discussion of certain U.S. federal income tax consequences of the offer and the merger to holders of MuleSoft shares.

The merger will entitle MuleSoft stockholders to appraisal rights under the DGCL. To exercise appraisal rights, a MuleSoft stockholder must strictly comply with all of the procedures under the DGCL. These procedures are described more fully in the section entitled "The Offer Dissenters' Rights."

**For a discussion of certain factors that MuleSoft stockholders should consider in connection with the offer, please read the section of this document entitled Risk Factors beginning on page 30.**

You are encouraged to read this entire document and the related letter of transmittal carefully, including the annexes and information referred to or incorporated by reference in this document.

Neither Salesforce nor the Offeror has authorized any person to provide any information or to make any representation in connection with the offer other than the information contained or incorporated by reference in this document, and if any person provides any information or makes any representation of this kind, that information or representation must not be relied upon as having been authorized by Salesforce or the Offeror.

**Neither the U.S. Securities and Exchange Commission (which we refer to as the SEC ) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.**

**The date of this prospectus/offer to exchange is April 25, 2018.**

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This document incorporates by reference important business and financial information about Salesforce, MuleSoft and their respective subsidiaries from documents filed with the SEC that have not been included in or delivered with this document. This information is available without charge at the SEC's website at [www.sec.gov](http://www.sec.gov), as well as from other sources. See [Where to Obtain More Information](#).

You can obtain the documents incorporated by reference in this document by requesting them in writing or by telephone at the following address and telephone number:

**salesforce.com, inc.**

The Landmark @ One Market, Suite 300

San Francisco, California 94105

Attention: Investor Relations

(415) 536-6250

In addition, if you have questions about the offer or the merger, or if you need to obtain copies of this document and the letter of transmittal or other documents incorporated by reference in this document, you may contact the information agent for this transaction. You will not be charged for any of the documents you request.

*The Information Agent for the Offer is:*

509 Madison Ave

New York, NY 10022

Stockholders Call Toll Free: (800) 662-5200

E-mail: [tenderinfo@morrowsodali.com](mailto:tenderinfo@morrowsodali.com)

***If you would like to request documents, please do so by April 25, 2018, in order to receive them before the expiration of the offer.***

Information included in this document relating to MuleSoft, including but not limited to the descriptions of MuleSoft and its business and the information under the headings [The Offer](#), [MuleSoft's Reasons for the Offer and the Merger](#); [Recommendation of the MuleSoft Board of Directors](#), [The Offer](#), [Opinion of MuleSoft's Financial Advisor](#) and [The Offer](#), [Interests of Certain Persons in the Offer and the Merger](#), also appears in the Solicitation/Recommendation Statement on Schedule 14D-9 dated the date of this document and filed by MuleSoft with the SEC (which we refer to as the [Schedule 14D-9](#)). The Schedule 14D-9 is being mailed to holders of MuleSoft shares as of the date of this document.





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**QUESTIONS AND ANSWERS ABOUT THE OFFER AND THE MERGER**

Below are some of the questions that you as a holder of MuleSoft shares may have regarding the offer and the merger and answers to those questions. You are urged to carefully read the remainder of this document and the related letter of transmittal and the other documents to which we have referred because the information contained in this section and in the Summary is not complete. Additional important information is contained in the remainder of this document and the related letter of transmittal. See Where to Obtain More Information. As used in this document, unless otherwise indicated or the context requires, Salesforce or we refers to salesforce.com, inc. and its consolidated subsidiaries; the Offeror refers to Malbec Acquisition Corp., a wholly owned subsidiary of Salesforce; and MuleSoft refers to MuleSoft, Inc. and its consolidated subsidiaries.

**Who is offering to buy my MuleSoft shares?**

Salesforce, through the Offeror, its wholly owned subsidiary, is making this offer to exchange cash and Salesforce common stock for MuleSoft shares. Salesforce is a leading provider of customer relationship management, or CRM, software, and delivers its cloud-based software through the internet as a service. Salesforce introduced its first CRM solution in 2000, and it has since expanded its service offerings into new areas and industries, as well as introduced new features and platform capabilities. Salesforce's core mission is to empower its customers to connect with their customers in entirely new ways through cloud, mobile, social, Internet of Things and artificial intelligence technologies. Salesforce delivers a comprehensive portfolio of service offerings, including sales force automation, customer service and support, marketing automation, digital commerce, community management, collaboration, industry-specific solutions and the Salesforce Platform, also referred to as the Customer Success Platform, which includes Trailhead, Einstein AI, Lightning, Internet of Things, Heroku, Analytics and the AppExchange.

On March 20, 2018, Salesforce, the Offeror and MuleSoft entered into an Agreement and Plan of Merger, which we refer to as the merger agreement.

**What are the classes and amounts of MuleSoft securities that Salesforce is offering to acquire?**

Salesforce is seeking to acquire all issued and outstanding shares of MuleSoft Class A common stock, par value \$0.000025 per share, and MuleSoft Class B common stock, par value \$0.000025 per share.

**What will I receive for my MuleSoft shares?**

Salesforce, through the Offeror, is offering to exchange for each outstanding share of MuleSoft Class A common stock and MuleSoft Class B common stock validly tendered and not validly withdrawn in the offer:

\$36.00 in cash (which we refer to as the cash consideration ); and

0.0711 of a share of Salesforce common stock, par value \$0.001 per share, together with cash in lieu of any fractional shares of Salesforce common stock (which we refer to as the stock consideration ), in each case, without interest and less any applicable withholding taxes.

We refer to the cash consideration and the stock consideration above, collectively, as the transaction consideration.

If you do not tender your shares into the offer but the merger is completed (pursuant to Section 251(h) of the DGCL without a stockholder vote), you will also receive the transaction consideration in exchange for your shares of MuleSoft common stock.

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**What is the difference between MuleSoft Class A common stock and MuleSoft Class B common stock? Are they to be exchanged for the same consideration pursuant to the Offer? Will shares of MuleSoft Class B common stock convert into shares of MuleSoft Class A common stock in the offer?**

Under MuleSoft's amended and restated certificate of incorporation (which we refer to as the "MuleSoft charter"), each share of MuleSoft Class A common stock entitles the holder to one vote while each share of MuleSoft Class B common stock generally entitles the holder to 10 votes. Each share of MuleSoft Class B common stock is convertible at any time at the option of the holder into one share of MuleSoft Class A common stock. In addition, each share of MuleSoft Class B common stock will convert automatically into one share of MuleSoft Class A common stock upon any transfer, whether or not for value, subject to certain exceptions set forth in the MuleSoft charter (none of such exceptions being applicable to the consummation of the offer). Accordingly, shares of MuleSoft Class B common stock that are validly tendered (and not validly withdrawn) in the offer will automatically convert, on a one-to-one basis, into MuleSoft Class A common stock upon the consummation of the offer. In addition, all outstanding shares of MuleSoft Class B common stock will automatically convert into MuleSoft Class A common stock on the earlier of (i) March 22, 2022 or (ii) when the then-outstanding shares of MuleSoft Class B common stock represent less than 15% of the total outstanding shares of MuleSoft Class A common stock and MuleSoft Class B common stock.

**Accordingly, if the shares of MuleSoft Class B common stock that are not tendered in the offer represent less than 15% of the aggregate number of shares of MuleSoft Class A common stock and MuleSoft Class B common stock outstanding upon the consummation of the offer (assuming that shares of MuleSoft Class B common stock validly tendered (and not validly withdrawn) in the offer are converted into shares of MuleSoft Class A common stock upon the consummation of the offer), then all of such non-tendered shares of MuleSoft Class B common stock will automatically convert, on a one-to-one basis, into shares of MuleSoft Class A common stock at the time specified in the MuleSoft charter.**

If the offer is successfully completed, holders of shares of MuleSoft Class A common stock and MuleSoft Class B common stock that validly tender (and do not validly withdraw) their shares into the offer will both receive the same transaction consideration. In the merger, each outstanding share of MuleSoft Class A common stock and MuleSoft Class B common stock (other than certain dissenting, converted or cancelled shares, as described further in this document) that were not acquired by the Offeror in the offer will be converted into the right to receive the same transaction consideration.

See "The Offer - MuleSoft Class A Common Stock and MuleSoft Class B Common Stock."

**What will happen to my MuleSoft stock options?**

The offer is made only for shares of MuleSoft common stock and is not made for any options to purchase shares of MuleSoft common stock (each, a "MuleSoft option"). If you hold a MuleSoft option that is vested and exercisable you may, in accordance with the terms and conditions governing such MuleSoft option, and, subject to MuleSoft's insider trading policy and any applicable blackout period(s), exercise the MuleSoft option for shares of MuleSoft common stock and thereafter participate in the offer, subject to the terms and conditions governing the offer. Any MuleSoft options that remain outstanding as of the effective time of the merger will be treated in accordance with the merger agreement.

Pursuant to the merger agreement, at the effective time of the merger, each MuleSoft option that is outstanding and unexercised immediately prior to the effective time and held by an individual who is an employee or service provider of MuleSoft (other than a non-employee director) at the effective time will be assumed and converted into an option to purchase, on the same terms and conditions as were applicable to such MuleSoft option prior to the effective time, the number of shares of Salesforce common stock (rounded down to the nearest whole share) determined by multiplying

the number of shares of MuleSoft common stock subject to the MuleSoft option immediately prior to the effective time by the equity award exchange ratio (defined below), at an exercise price per share (rounded up to the nearest whole cent) determined by dividing the per share exercise price of the MuleSoft option by the equity award exchange ratio.

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Pursuant to the merger agreement, at the effective time, each MuleSoft option (whether vested or unvested) that is outstanding and held by an individual who is not employed by or providing services to MuleSoft (other than a former non-employee director) at the effective time will be cancelled and converted into the right to receive a cash payment equal to (1) the number of shares subject to the MuleSoft option immediately prior to the effective time multiplied by (2) the excess of the per share cash equivalent consideration (defined below) over the per share exercise price applicable to the MuleSoft option, less applicable tax withholdings.

Pursuant to the merger agreement, at the effective time of the merger, each MuleSoft option that is outstanding and held by a current or former non-employee director of MuleSoft will vest and be cancelled and converted into the right to receive the transaction consideration, with the cash consideration reduced by the aggregate per share price applicable to such MuleSoft option.

As used in these questions and answers, (1) the Salesforce trading price means the volume weighted average closing price of Salesforce common stock as reported on the NYSE for the ten consecutive trading day period ending one trading day prior to the acceptance time, (2) the per share cash equivalent consideration means the sum of (a) the cash consideration plus (b) the product obtained by multiplying (i) the stock consideration by (ii) the Salesforce trading price and (3) the equity award exchange ratio means the quotient (rounded to four decimal places) obtained by dividing the per share cash equivalent consideration by the Salesforce trading price.

See Merger Agreement Treatment of MuleSoft Equity Awards.

### **What will happen to my MuleSoft restricted stock units and performance share units?**

The offer is made only for shares of MuleSoft common stock and is not made for any restricted stock units or performance share units relating to shares of MuleSoft common stock (which we refer to as MuleSoft RSU awards and MuleSoft PSU awards, respectively). Any MuleSoft RSU awards and MuleSoft PSU awards that remain outstanding as of the effective time of the merger will be treated in accordance with the merger agreement.

Pursuant to the merger agreement, at the effective time of the merger, each MuleSoft RSU award that is outstanding immediately prior to the effective time and each MuleSoft PSU award that is outstanding immediately prior to the effective time held by an individual who is a MuleSoft employee or service provider (other than a non-employee director) at the effective time will be assumed and converted into a restricted stock unit or performance share unit, as applicable, on the same terms and conditions as were applicable to such MuleSoft RSU award or MuleSoft PSU award prior to the effective time, relating to the number of shares of Salesforce common stock (rounded up to the nearest whole share) determined by multiplying the number of shares of MuleSoft common stock subject to the MuleSoft RSU award or MuleSoft PSU award by the equity award exchange ratio.

Pursuant to the merger agreement, at the effective time of the merger, each MuleSoft RSU that is outstanding and held by a current or former non-employee director of MuleSoft will vest and be cancelled and converted into the right to receive the transaction consideration.

See Merger Agreement Treatment of MuleSoft Equity Awards.

### **What will happen to the MuleSoft Employee Stock Purchase Plan?**

Any MuleSoft employee who is not a participant in MuleSoft's 2017 Employee Stock Purchase Plan (the ESPP) as of the date of the merger agreement may not become a participant in any offering periods in effect under the ESPP as of the date of the merger agreement (the current ESPP offering periods). If the current ESPP offering periods terminate

prior to the effective time, then the ESPP will be suspended and no new offering period will commence under the ESPP prior to the termination of the merger agreement. If any current ESPP

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offering period is still in effect at the effective time, then the last day of such current ESPP offering period will be accelerated to a date before the closing date as specified by the MuleSoft board of directors or its designated committee. Subject to the consummation of the merger, the ESPP will terminate effective immediately prior to the effective time.

See Merger Agreement Treatment of MuleSoft Equity Awards.

### **Will I have to pay any fee or commission to exchange my shares of MuleSoft common stock?**

If you are the record owner of your shares of MuleSoft common stock and you tender these shares in the offer, you will not have to pay any brokerage fees, commissions or similar expenses. If you own your shares of MuleSoft common stock through a broker, dealer, commercial bank, trust company or other nominee and your broker, dealer, commercial bank, trust company or other nominee tenders your MuleSoft shares on your behalf, your broker or such other nominee may charge a fee for doing so. You should consult your broker, dealer, commercial bank, trust company or other nominee to determine whether any charges will apply.

### **Why is Salesforce making this offer?**

The purpose of the offer is for Salesforce to acquire control of, and ultimately the entire equity interest in, MuleSoft. The offer is the first step in Salesforce's plan to acquire all of the outstanding MuleSoft shares, and the merger is the second step in such plan.

In the offer, if a sufficient number of MuleSoft shares are tendered into the offer prior to the expiration time of the offer such that Salesforce and the Offeror will own at least a majority of the aggregate voting power of the MuleSoft shares outstanding immediately after the consummation of the offer, subject to the satisfaction or waiver of the other conditions to the offer, Salesforce and the Offeror will accept for exchange, and exchange, the shares tendered in the offer. Then, thereafter and as the second step in Salesforce's plan to acquire all of the outstanding MuleSoft shares, Salesforce intends to promptly consummate a merger of the Offeror with and into MuleSoft, with MuleSoft surviving the merger (which we refer to as the merger). The purpose of the merger is for Salesforce to acquire all remaining MuleSoft shares that it did not acquire in the offer. Upon consummation of the merger, the MuleSoft business will be held in a wholly owned subsidiary of Salesforce, and the former stockholders of MuleSoft will no longer have any direct ownership interest in the surviving corporation. If the offer is completed (such that Salesforce and the Offeror will own at least a majority of the aggregate voting power of the outstanding shares of MuleSoft common stock), the merger will be governed by Section 251(h) of the DGCL, and accordingly no stockholder vote will be required to consummate the merger.

### **What does the MuleSoft board of directors recommend?**

The board of directors of MuleSoft unanimously determined that the terms of the merger agreement and the transactions contemplated by the merger agreement, including the offer, the merger and the issuance of Salesforce shares in connection therewith, are fair to, and in the best interests of, MuleSoft and its stockholders; determined that it is in the best interests of MuleSoft and its stockholders and declared it advisable to enter into the merger agreement; and approved the execution and delivery by MuleSoft of the merger agreement, the performance by MuleSoft of its covenants and agreements contained in the merger agreement and the consummation of the offer, the merger and the other transactions contemplated by the merger agreement upon the terms and subject to the conditions contained in the merger agreement. The board of directors of MuleSoft has also resolved to recommend that the stockholders of MuleSoft accept the offer and tender their shares of MuleSoft common stock to the Offeror pursuant to the offer.



See The Offer MuleSoft's Reasons for the Offer and the Merger; Recommendation of the MuleSoft Board of Directors, for more information. A description of the reasons for this recommendation is also set forth in

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MuleSoft's Solicitation/Recommendation Statement on Schedule 14D-9 (which we refer to as the Schedule 14D-9), which has been filed with the SEC and is being mailed to you and other stockholders of MuleSoft together with this document.

**What are the most significant conditions of the offer?**

The offer is conditioned upon, among other things, the following:

*Minimum Tender Condition* MuleSoft stockholders having validly tendered and not validly withdrawn in accordance with the terms of the offer and prior to the expiration of the offer a number of shares of MuleSoft common stock that, upon the consummation of the offer (assuming that shares of MuleSoft Class B common stock validly tendered (and not validly withdrawn), will convert, on a one-to-one basis, into shares of MuleSoft Class A common stock upon the consummation of the offer), together with any shares of MuleSoft common stock then owned by Salesforce and the Offeror, would represent at least a majority of the aggregate voting power of the MuleSoft shares outstanding immediately after the consummation of the offer (which we refer to as the minimum tender condition);

*Regulatory Approvals* Any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (which we refer to as the HSR Act) having expired or been terminated;

*Effectiveness of Form S-4* The registration statement on Form S-4, of which this document is a part, having become effective under the U.S. Securities Act of 1933, as amended (which we refer to as the Securities Act), and not being the subject of any stop order or proceeding seeking a stop order;

*No Legal Prohibition* No governmental entity of competent jurisdiction having (i) enacted, issued or promulgated any law that is in effect as of immediately prior to the expiration of the offer or (ii) issued or granted any order or injunctions (whether temporary, preliminary or permanent) that is in effect as of immediately prior to the expiration of the offer, which, in each case, has the effect of restraining or enjoining or otherwise prohibiting the consummation of the offer or the merger;

*Listing of Salesforce Shares* The Salesforce shares to be issued in the offer and the merger having been approved for listing on the NYSE, subject to official notice of issuance;

*No MuleSoft Material Adverse Effect* There not having occurred any change, effect, development, circumstance, condition, fact, state of facts, event or occurrence since the date of the merger agreement that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the financial condition, business, assets or operations of MuleSoft and its subsidiaries, taken as a whole (with such term as defined in the merger agreement and described under Merger Agreement Material Adverse Effect), and that is continuing as of immediately prior to the expiration of the offer;

*Accuracy of MuleSoft's Representations and Warranties* The representations and warranties of MuleSoft contained in the merger agreement being true and correct as of the expiration date of the offer, subject to specified materiality standards; and

*MuleSoft's Compliance with Covenants* MuleSoft having performed or complied in all material respects with the covenants and agreements required to be performed or complied with by it under the merger agreement prior to the expiration of the offer.

The offer is subject to certain other conditions set forth below in the section entitled "The Offer - Conditions of the Offer." The conditions to the offer are for the sole benefit of Salesforce and the Offeror and may be asserted by Salesforce or the Offeror regardless of the circumstances giving rise to any such condition or may be waived by Salesforce or the Offeror, by express and specific action to that effect, in whole or in part at any time and from time to time, in each case, prior to the expiration of the offer. However, certain specified conditions (including all

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the conditions noted above other than the conditions related to a material adverse effect of MuleSoft, accuracy of MuleSoft's representations and MuleSoft's compliance with covenants) may not be waived by Salesforce or the Offeror without the consent of MuleSoft (which may be granted or withheld in its sole discretion). There is no financing condition to the offer.

### **How long will it take to complete the proposed transaction?**

The transaction is expected to be completed in the second quarter of Salesforce's fiscal year 2019, ending July 31, 2018, subject to the satisfaction or waiver of the conditions described in The Offer Conditions of the Offer and Merger Agreement Conditions of the Merger.

### **How long do I have to decide whether to tender my MuleSoft shares in the offer?**

The offer is scheduled to expire at 11:59 p.m., New York City time, at the end of May 1, 2018, unless extended or terminated in accordance with the merger agreement. Any extension, delay, termination, waiver or amendment of the offer will be followed as promptly as practicable by public announcement thereof to be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. During any such extension, all MuleSoft shares previously tendered and not validly withdrawn will remain subject to the offer, subject to the rights of a tendering stockholder to withdraw such stockholder's shares. Expiration date means 11:59 p.m., New York City time, at the end of May 1, 2018, unless and until the Offeror has extended the period during which the offer is open, subject to the terms and conditions of the merger agreement, in which event the term expiration date means the latest time and date at which the offer, as so extended by the Offeror, will expire.

Under the merger agreement, unless MuleSoft consents otherwise (which may be granted or withheld in its sole discretion) or the merger agreement is terminated:

the Offeror must extend the offer for any period required by any law, or any rule, regulation, interpretation or position of the SEC or its staff or the NYSE applicable to the offer, or to the extent necessary to resolve any comments of the SEC or its staff applicable to the offer or the offer documents or the registration statement on Form S-4 of which this document is a part;

in the event that any of the conditions to the offer (other than the minimum tender condition, and other than any such conditions that by their nature are to be satisfied at the expiration of the offer) have not been satisfied or waived in accordance with the merger agreement as of any then-scheduled expiration of the offer, the Offeror must extend the offer for successive extension periods of up to 10 business days each (or for such longer period as may be agreed by Salesforce and MuleSoft) in order to permit the satisfaction or valid waiver of the conditions to the offer (other than the minimum tender condition); however, if any then-scheduled expiration of the offer occurs on or before May 5, 2018, then the Offeror may not extend the offer beyond 11:59 p.m., New York City time, on May 8, 2018; and

if as of any then-scheduled expiration of the offer each condition to the offer (other than the minimum tender condition, and other than any such conditions that by their nature are to be satisfied at the expiration of the offer (if such conditions would be satisfied or validly waived were the expiration of the offer to occur at such time)) has been satisfied or waived in accordance with the merger agreement and the minimum tender

condition has not been satisfied, the Offeror may, and at the request in writing of MuleSoft must, extend the offer for successive extension periods of up to 10 business days each (with the length of each such period being determined in good faith by Salesforce) (or for such longer period as may be agreed by Salesforce and MuleSoft); however, in no event will the Offeror be required to extend the expiration of the offer for more than 20 business days in the aggregate for these reasons, and if any then-scheduled expiration of the offer occurs on or before May 5, 2018, then the Offeror may not extend the offer beyond 11:59 p.m., New York City time, on May 8, 2018.

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If the offer would otherwise expire at any time after 11:59 p.m., New York City time, on May 8, 2018 and on or prior to May 24, 2018, the Offeror may extend the offer to expire at 11:59 p.m., New York City time, on May 24, 2018.

The Offeror is not required to extend the offer beyond September 20, 2018 (subject to the two-month extension in certain circumstances described under **Merger Agreement Termination of the Merger Agreement** ), which we refer to as the **outside date**.

Upon the terms and subject to the satisfaction or waiver of the conditions of the offer (including, if the offer is extended or amended, the terms and conditions of any extension or amendment), promptly after the expiration of the offer, the Offeror will accept for payment, and will pay for, all MuleSoft shares validly tendered and not validly withdrawn prior to the expiration of the offer.

Any decision to extend the offer will be made public by an announcement regarding such extension as described under **The Offer Extension, Termination and Amendment of Offer**.

### **How do I tender my MuleSoft shares?**

All MuleSoft shares are held in electronic book entry form.

To validly tender MuleSoft shares held of record, MuleSoft stockholders must deliver a properly completed and duly executed letter of transmittal, along with any required signature guarantees and any other required documents for tendered MuleSoft shares to Computershare Trust Company, N.A., the depository and exchange agent (which we refer to as the **exchange agent** ) for the offer and the merger, not later than the expiration date. The letter of transmittal is enclosed with this document.

If your shares of MuleSoft Class A common stock are held in **street name** (*i.e.*, through a broker, dealer, commercial bank, trust company or other nominee), these shares of MuleSoft Class A common stock may be tendered by your nominee by book-entry transfer through The Depository Trust Company. To validly tender such shares held in **street name**, MuleSoft stockholders should instruct such nominee to do so prior to the expiration of the offer. No shares of MuleSoft Class B common stock are held in **street name**.

We are not providing for guaranteed delivery procedures and therefore you must allow sufficient time for the necessary tender procedures to be completed during normal business hours of The Depository Trust Company prior to the expiration date. Tenders received by the exchange agent after the expiration date will be disregarded and of no effect. In all cases, you will receive your consideration for your tendered MuleSoft shares only after timely receipt by the exchange agent of either a confirmation of a book-entry transfer of such shares if your shares are held in **street name** or a properly completed and duly executed letter of transmittal if your shares are held of record, in each case, together with any other required documents.

For a complete discussion of the procedures for tendering your MuleSoft shares, see **The Offer Procedure for Tendering**.

### **Until what time can I withdraw tendered MuleSoft shares?**

You may withdraw your previously tendered MuleSoft shares at any time until the offer has expired and, if the Offeror has not accepted your MuleSoft shares for payment by June 1, 2018, you may withdraw them at any time on or after that date until the Offeror accepts shares for payment. If you validly withdraw your previously tendered MuleSoft shares, you will receive shares of the same class of MuleSoft common stock that you tendered. Once the

Offeror accepts your tendered MuleSoft shares for payment upon or after expiration of the offer, however, you will no longer be able to withdraw them. For a complete discussion of the procedures for withdrawing your MuleSoft shares, see The Offer Withdrawal Rights.

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### **How do I withdraw previously tendered MuleSoft shares?**

To withdraw previously tendered MuleSoft shares, you must deliver a written notice of withdrawal with the required information to the exchange agent at any time at which you have the right to withdraw shares. If you tendered MuleSoft shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, you must instruct such broker, dealer, commercial bank, trust company or other nominee to arrange for the withdrawal of your MuleSoft shares and such broker, dealer, commercial bank, trust company or other nominee must effectively withdraw such MuleSoft shares at any time at which you have the right to withdraw shares. If you validly withdraw your previously tendered MuleSoft shares, you will receive shares of the same class of MuleSoft common stock that you tendered. For a discussion of the procedures for withdrawing your MuleSoft shares, including the applicable deadlines for effecting withdrawals, see [The Offer](#) [Withdrawal Rights](#).

### **When and how will I receive the transaction consideration in exchange for my tendered MuleSoft shares?**

The Offeror will exchange all validly tendered and not validly withdrawn MuleSoft shares promptly after the expiration date of the offer, subject to the terms thereof and the satisfaction or waiver of the conditions to the offer, as set forth in [The Offer](#) [Conditions of the Offer](#). The Offeror will deliver the consideration for your validly tendered and not validly withdrawn shares through the exchange agent, which will act as your agent for the purpose of receiving the transaction consideration from the Offeror and transmitting such consideration to you. In all cases, you will receive your consideration for your tendered MuleSoft shares only after timely receipt by the exchange agent of either a confirmation of a book-entry transfer of such shares (as described in [The Offer](#) [Procedure for Tendering](#) ) or a properly completed and duly executed letter of transmittal, in each case, together with any other required documents.

### **Why does the cover page to this document state that this offer is preliminary and subject to change, and that the registration statement filed with the SEC is not yet effective? Does this mean that the offer has not commenced?**

No. Completion of this document and effectiveness of the registration statement are not necessary to commence this offer. The offer was commenced on the date of the initial filing of the registration statement on Form S-4 of which this document is a part. Salesforce and the Offeror cannot, however, accept for exchange any MuleSoft shares tendered in the offer or exchange any shares until the registration statement is declared effective by the SEC and the other conditions to the offer have been satisfied or waived (subject to the terms and conditions of the merger agreement).

### **What happens if I do not tender my MuleSoft shares?**

If, after consummation of the offer, Salesforce and the Offeror own a majority of the aggregate voting power of the outstanding MuleSoft shares (assuming that shares of MuleSoft Class B common stock validly tendered (and not validly withdrawn) will convert, on a one-to-one basis, into shares of MuleSoft Class A common stock upon the consummation of the offer), Salesforce intends to promptly complete the merger after the consummation of the offer.

In addition, all outstanding shares of MuleSoft Class B common stock will automatically convert into MuleSoft Class A common stock on the earlier of (i) March 22, 2022 or (ii) when the then-outstanding shares of MuleSoft Class B common stock represent less than 15% of the total outstanding shares of MuleSoft Class A common stock and MuleSoft Class B common stock. **Accordingly, if the shares of MuleSoft Class B common stock that are not tendered in the offer represent less than 15% of the aggregate number of shares of MuleSoft Class A common stock and MuleSoft Class B common stock outstanding upon the consummation of the offer (assuming that shares of MuleSoft Class B common stock validly tendered (and not validly withdrawn) in the offer are converted into shares of MuleSoft Class A common stock upon the consummation of the offer), then all of such**



**non-tendered shares of MuleSoft Class B common stock will**

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**automatically convert, on a one-to-one basis, into shares of MuleSoft Class A common stock at the time specified in the MuleSoft charter.**

Upon consummation of the merger, each MuleSoft share that has not been tendered and accepted for exchange in the offer, other than MuleSoft shares owned by MuleSoft, Salesforce, the Offeror or any wholly owned subsidiary of Salesforce or MuleSoft and MuleSoft shares owned by any stockholders who are properly exercising their right for appraisal in compliance with the DGCL, will be converted in the merger into the right to receive the transaction consideration. See Merger Agreement Exchange of MuleSoft Book-Entry Shares for the Transaction Consideration.

**Does Salesforce have the financial resources to complete the offer and the merger?**

Yes. The transaction consideration will consist of Salesforce shares and cash. The offer and the merger are not conditioned upon any financing arrangements or contingencies.

On April 11, 2018, Salesforce completed the public offering and issuance of \$1.0 billion aggregate principal amount of 3.250% Senior Notes due 2023 (which we refer to as the Senior Notes due 2023 ) and \$1.5 billion aggregate principal amount of 3.700% Senior Notes due 2028 (which we refer to as the Senior Notes due 2028, and together with the Senior Notes due 2023, the Senior Notes ) in a registered public offering (which we refer to as the Notes Offering ) pursuant to an underwriting agreement providing for the issuance and sale of the Senior Notes. Salesforce intends to use the net proceeds from the Notes Offering to partially fund the cash component of the transaction consideration in connection with the acquisition of MuleSoft, and to pay related fees and expenses. If (x) the consummation of the acquisition of MuleSoft by Salesforce or any of its subsidiaries does not occur on or before April 20, 2019 or (y) Salesforce notifies the trustee in respect of the Senior Notes that it will not pursue the consummation of the acquisition of MuleSoft, Salesforce will be required to redeem the Senior Notes due 2023 then outstanding at a redemption price equal to 101% of the principal amount of the Senior Notes due 2023 to be redeemed plus accrued and unpaid interest, if any, to, but excluding, the date of such special mandatory redemption (which we refer to as the Special Mandatory Redemption ). The Senior Notes due 2028 are not subject to the Special Mandatory Redemption. In the event that the acquisition of MuleSoft by Salesforce is not consummated, Salesforce expects to use the proceeds of the Senior Notes due 2028 for general corporate purposes and the repayment of debt.

In connection with its entry into the merger agreement, Salesforce has also obtained a commitment from Bank of America, N.A. and certain other financial institutions for a 364-day senior unsecured bridge loan facility. The original commitments in respect of the bridge loan facility were \$3.0 billion, but were reduced by the net cash proceeds of the Notes Offering. The availability of the bridge loan facility is conditioned on the consummation of the acquisition of MuleSoft in accordance with the terms of the merger agreement (subject to certain exceptions and qualifications) and certain other conditions. Salesforce expects to replace the remaining commitments in respect of the bridge loan facility prior to the consummation of the offer and the merger with the proceeds of the incurrence of a new unsecured term loan facility (or commitments in respect thereof).

See The Offer Source and Amount of Funds.

**If the offer is completed, will MuleSoft continue as a public company?**

No. Salesforce is required, on the terms and subject to the satisfaction or waiver of the conditions set forth in the merger agreement, to consummate the merger promptly following the acceptance of MuleSoft shares in the offer. If the merger takes place, MuleSoft will no longer be publicly traded. Even if for some reason the merger does not take place, if Salesforce and the Offeror purchase all MuleSoft shares validly tendered and not validly withdrawn, there may be so few remaining stockholders and publicly held shares that MuleSoft shares will no longer be eligible to be

traded through the NYSE or other securities exchanges, there may not be an active public trading market for MuleSoft shares and MuleSoft may no longer be required to make filings with the SEC or otherwise comply with the SEC rules relating to publicly held companies.

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**Will the offer be followed by a merger if all MuleSoft shares are not tendered in the offer?**

Yes, unless the conditions to the merger are not satisfied or waived in accordance with the merger agreement. If the Offeror accepts for payment all MuleSoft shares validly tendered and not validly withdrawn pursuant to the offer, and the other conditions to the merger are satisfied or waived in accordance with the merger agreement, the merger will take place promptly thereafter. If the merger takes place, Salesforce will own 100% of the equity of MuleSoft, and all of the remaining MuleSoft stockholders, other than MuleSoft, Salesforce, the Offeror, or any wholly owned subsidiary of Salesforce or MuleSoft and any stockholders who are properly exercising their right for appraisal in compliance with the DGCL, will have the right to receive the transaction consideration.

Since the merger will be governed by Section 251(h) of the DGCL, no stockholder vote will be required to consummate the merger in the event that the offer is consummated. Salesforce is required, on the terms and subject to the satisfaction or waiver of the conditions set forth in the merger agreement, to consummate the merger as promptly as practicable following the consummation of the offer. As such, Salesforce does not expect there to be a significant period of time between the consummation of the offer and the consummation of the merger.

**Have any stockholders of MuleSoft already agreed to tender their shares in the Offer?**

Yes, concurrently with the execution of the merger agreement, on March 20, 2018, (i) Ross Mason, a co-founder of MuleSoft, (ii) MuleSoft board members Greg Schott, Ann Winblad, Ravi Mhatre and Gary Little and certain of their affiliates, (iii) MuleSoft officers Simon Parmett, Rob Horton and Matthew Langdon and (iv) and NEA 15 Opportunity Fund, L.P., NEA Ventures 2013, L.P., New Enterprises Associates 14, L.P., New Enterprises 15, L.P., Lightspeed Venture Partners Select, L.P. and Lightspeed Venture Partners VII, L.P. ((i)-(iv) collectively the supporting stockholders ) entered into two substantially similar Tender and Support Agreements, with Salesforce and the Offeror (which we refer to as the support agreements ). Subject to the terms and conditions of the support agreements, the supporting stockholders agreed, among other things, to:

cause all of such supporting stockholder s MuleSoft shares to be validly and irrevocably tendered into the offer promptly following the delivery by Salesforce or the Offeror of written notice to each supporting stockholder on the expiration date of the offer specifying that all of the conditions to the offer have been satisfied (or are reasonably expected to be satisfied as of the expiration of the offer) or, where permissible, waived by the Offeror, assuming that all MuleSoft shares to be tendered by the supporting stockholders are in fact validly tendered and not validly withdrawn in the offer; and

certain restrictions on encumbering or transferring such MuleSoft shares.

The support agreements terminate upon certain events, including the termination of the merger agreement in accordance with its terms.

On April 16, 2018, the restriction on certain supporting stockholders that any transfer of shares of MuleSoft common stock by such supporting stockholder would require the transferee to agree to be bound by the terms of the support agreement was waived by Salesforce with respect to approximately 2 million shares of MuleSoft common stock in the aggregate transferred to certain charitable organizations. The shares of MuleSoft common stock subject to the support agreements (assuming the transfers of MuleSoft common stock described above are made without the transferee agreeing to be bound by the terms of the support agreement) represent approximately 1% of the shares of MuleSoft Class A common stock, 95% of the shares of MuleSoft Class B common stock and 28% of the shares of MuleSoft

common stock outstanding as of March 28, 2018.

Shares of MuleSoft Class B common stock that are validly tendered (and not validly withdrawn) in the offer will automatically convert, on a one-to-one basis, into MuleSoft Class A common stock upon the consummation of the offer. If the shares of MuleSoft Class B common stock that are not tendered in the offer represent less than 15% of the aggregate number of shares of MuleSoft Class A common stock and MuleSoft Class B common stock

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outstanding upon the consummation of the offer (assuming that shares of MuleSoft Class B common stock validly tendered (and not validly withdrawn) in the offer are converted into shares of MuleSoft Class A common stock upon the consummation of the offer), then in accordance with the MuleSoft charter all of such non-tendered shares of MuleSoft Class B common stock will automatically convert, on a one-to-one basis, into shares of MuleSoft Class A common stock at the time specified in the MuleSoft charter. Assuming this conversion (and assuming the transfers of MuleSoft common stock described in the preceding paragraph are made without the transferee agreeing to be bound by the terms of the support agreement), the shares of MuleSoft common stock subject to the support agreements represent approximately 28% of the voting power of all outstanding shares of MuleSoft common stock as of March 28, 2018.

For more information regarding the support agreements, see [Other Transaction Agreements Support Agreements](#), and the support agreements, which are filed as [Exhibit 10.27](#) and [Exhibit 10.28](#) to this document.

### **Do the officers and directors of MuleSoft have interests in the offer and the merger that are different from stockholders generally?**

You should be aware that some of the officers and directors of MuleSoft may be deemed to have interests in the offer and the merger that are different from, or in addition to, your interests as a MuleSoft stockholder. These interests may include, among others, agreements that certain officers have entered into with MuleSoft that provide for the acceleration of stock options and restricted stock units in the event the officer experiences a qualifying termination of employment within 12 months following a change of control of MuleSoft, payments of severance benefits under MuleSoft's broad-based severance plan to executive officers and certain indemnification obligations. See [The Offer Interests of Certain Persons in the Offer and the Merger](#) and [Merger Agreement Employee Matters](#) below for more information.

As of March 28, 2018, the directors and executive officers of MuleSoft and their affiliates beneficially owned approximately 17,499,266 MuleSoft shares, representing approximately 13% of the MuleSoft shares and approximately 34% of the aggregate voting power of the MuleSoft shares, in each case outstanding as of March 28, 2018.

Concurrently with the execution of the merger agreement, on March 20, 2018, (i) MuleSoft board members Greg Schott, Ann Winblad, Ravi Mhatre and Gary Little and certain of their affiliates and (ii) MuleSoft officers Simon Parmett, Rob Horton and Matthew Langdon, entered into support agreements with Salesforce and the Offeror, solely in their capacities as stockholders of MuleSoft. For more information regarding the support agreements, see [Other Transaction Agreements Support Agreements](#), and such support agreements, which are filed as [Exhibit 10.27](#) and [Exhibit 10.28](#) to this document.

See also [Item 3 Past Contacts, Transactions, Negotiations and Agreements](#) in the Schedule 14D-9, which has been filed with the SEC and is being mailed to you and other stockholders of MuleSoft together with this document.

### **What are the U.S. federal income tax consequences of receiving Salesforce stock and cash in exchange for my MuleSoft shares in the offer or the merger?**

The receipt of the transaction consideration in exchange for shares of MuleSoft common stock pursuant to the offer or the merger generally will be a taxable transaction for U.S. federal income tax purposes. Each MuleSoft stockholder should read the discussion under [Material U.S. Federal Income Tax Consequences](#) for a more complete discussion of the U.S. federal income tax consequences of the offer and the merger. Tax matters can be complicated, and the tax consequences of the offer and the merger to a particular MuleSoft stockholder will depend on such stockholder's

particular facts and circumstances. MuleSoft stockholders should consult their own tax advisors to determine the specific consequences to them of exchanging their shares of MuleSoft common stock for the transaction consideration pursuant to the offer or the merger.

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**Will I have the right to have my MuleSoft shares appraised?**

Appraisal rights are not available in connection with the offer, and MuleSoft stockholders who tender their shares in the offer will not have appraisal rights in connection with the merger. However, if the Offeror accepts shares in the offer and the merger is completed, holders of MuleSoft shares will be entitled to exercise appraisal rights in connection with the merger if they did not tender MuleSoft shares in the offer, subject to and in accordance with the DGCL. MuleSoft stockholders who comply with the applicable statutory procedures under the DGCL will be entitled to receive a judicial determination of the fair value of their MuleSoft shares (exclusive of any element of value arising from the accomplishment or expectation of the merger) and to receive payment of such fair value in cash, if certain statutory requirements are satisfied. Any such judicial determination of the fair value of MuleSoft shares could be based upon considerations other than, or in addition to, the price paid in the offer and the market value of MuleSoft shares. The value so determined could be higher or lower than the price per MuleSoft share paid by Salesforce or the Offeror pursuant to the offer and the merger. You should be aware that opinions of investment banking firms as to the fairness from a financial point of view of the consideration payable in a sale transaction, such as the offer and the merger, are not opinions as to fair value under the DGCL.

Under Section 262 of the DGCL, where a merger is approved under Section 251(h), either a constituent corporation before the effective date of the merger, or the surviving corporation within 10 days thereafter, must notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and will include in such notice a copy of Section 262 of the DGCL.

**The Schedule 14D-9 will constitute the formal notice of appraisal rights under Section 262 of the DGCL.**

The foregoing summary of the rights of dissenting stockholders under the DGCL does not purport to be a complete statement of the procedures to be followed by MuleSoft stockholders desiring to exercise any available appraisal rights under Section 262 of the DGCL, and is qualified in its entirety by the full text of Section 262 of the DGCL. See The Offer Dissenters Rights.

**Whom should I call if I have questions about the offer?**

You may call Morrow Sodali LLC, the information agent, toll free at (800) 662-5200 or contact the information agent via e-mail at tenderinfo@morrowsodali.com.

**Where can I find more information about Salesforce and MuleSoft?**

You can find more information about Salesforce and MuleSoft from various sources described in the section of this document entitled Where to Obtain More Information.



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**SUMMARY**

*This section summarizes material information presented in greater detail elsewhere in this document. However, this summary does not contain all of the information that may be important to MuleSoft stockholders. You are urged to carefully read the remainder of this document and the related letter of transmittal, the annexes to this document and the other information referred to or incorporated by reference in this document because the information in this section and in the *Questions and Answers About the Offer and the Merger* section is not complete. See *Where to Obtain More Information*.*

**The Offer and Transaction Consideration (Page 39)**

Salesforce, through its wholly owned subsidiary, the Offeror, is offering, upon the terms and subject to the conditions set forth in this document and in the accompanying letter of transmittal, to exchange for each outstanding share of MuleSoft Class A common stock and MuleSoft Class B common stock validly tendered and not validly withdrawn in the offer:

\$36.00 in cash; and

0.0711 of a share of Salesforce common stock, together with cash in lieu of any fractional shares of Salesforce common stock;

in each case, without interest and less any applicable withholding taxes.

We refer to the above as the transaction consideration.

MuleSoft stockholders will not receive any fractional shares of Salesforce common stock in the offer or the merger, and each MuleSoft stockholder who otherwise would be entitled to receive a fraction of a share of Salesforce common stock pursuant to the offer or the merger will be paid an amount in cash (without interest) equal to such fractional part of a share of Salesforce common stock multiplied by the volume weighted average closing sale price of one share of Salesforce common stock as reported on the NYSE for the 10 consecutive trading days ending on and including the trading day preceding the acceptance of tendered MuleSoft shares in the offer, rounded to the nearest cent. See *Merger Agreement Fractional Shares*.

**Purpose of the Offer and The Merger (Page 66)**

The purpose of the offer is for Salesforce to acquire control of, and ultimately the entire equity interest in, MuleSoft. The offer is the first step in Salesforce's plan to acquire all of the outstanding MuleSoft shares, and the merger is the second step in such plan. If the offer is completed, tendered MuleSoft shares will be exchanged for the transaction consideration, and if the merger is completed, any remaining MuleSoft shares that were not tendered into the offer (other than certain dissenting, converted or cancelled shares, as described further in this document) will be converted into the right to receive the transaction consideration. The purpose of the merger is for Salesforce to acquire all MuleSoft shares that it did not acquire in the offer.

Upon the consummation of the merger, the MuleSoft business will be held in a wholly owned subsidiary of Salesforce, and the former MuleSoft stockholders will no longer have any direct ownership interest in such entity.

Salesforce expects to consummate the merger promptly after the consummation of the offer in accordance with Section 251(h) of the DGCL, and no stockholder vote to adopt the merger agreement or any other action by the MuleSoft stockholders will be required in connection with the merger. See The Offer Purpose of the Offer and the Merger.

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Concurrently with the execution of the merger agreement, on March 20, 2018, (i) Ross Mason, a co-founder of MuleSoft, (ii) MuleSoft board members Greg Schott, Ann Winblad, Ravi Mhatre and Gary Little and certain of their affiliates, (iii) MuleSoft officers Simon Parmett, Rob Horton and Matthew Langdon and (iv) and NEA 15 Opportunity Fund, L.P., NEA Ventures 2013, L.P., New Enterprises Associates 14, L.P., New Enterprises 15, L.P., Lightspeed Venture Partners Select, L.P. and Lightspeed Venture Partners VII, L.P. ((i)-(iv) collectively the supporting stockholders ) entered into two substantially similar Tender and Support Agreements, with Salesforce and the Offeror (which we refer to as the support agreements ). Subject to the terms and conditions of the support agreements, the supporting stockholders agreed, among other things, to:

cause all of such supporting stockholder s MuleSoft shares to be validly and irrevocably tendered into the offer promptly following the delivery by Salesforce or the Offeror of written notice to each supporting stockholder on the expiration date of the offer specifying that all of the conditions to the offer have been satisfied (or are reasonably expected to be satisfied as of the expiration of the offer) or, where permissible, waived by the Offeror, assuming that all MuleSoft shares to be tendered by the supporting stockholders are in fact validly tendered and not validly withdrawn in the offer; and

certain restrictions on encumbering or transferring such MuleSoft shares.

The support agreements terminate upon certain events, including the termination of the merger agreement in accordance with its terms.

On April 16, 2018, the restriction on certain supporting stockholders that any transfer of shares of MuleSoft common stock by such supporting stockholder would require the transferee to agree to be bound by the terms of the support agreement was waived by Salesforce with respect to approximately 2 million shares of MuleSoft common stock in the aggregate transferred to certain charitable organizations. The shares of MuleSoft common stock subject to the support agreements (assuming the transfers of MuleSoft common stock described above are made without the transferee agreeing to be bound by the terms of the support agreement) represent approximately 1% of the shares of MuleSoft Class A common stock, 95% of the shares of MuleSoft Class B common stock and 28% of the shares of MuleSoft common stock outstanding as of March 28, 2018.

Shares of MuleSoft Class B common stock that are validly tendered (and not validly withdrawn) in the offer will automatically convert, on a one-to-one basis, into MuleSoft Class A common stock upon the consummation of the offer. If the shares of MuleSoft Class B common stock that are not tendered in the offer represent less than 15% of the aggregate number of shares of MuleSoft Class A common stock and MuleSoft Class B common stock outstanding upon the consummation of the offer (assuming that shares of MuleSoft Class B common stock validly tendered (and not validly withdrawn) in the offer are converted into shares of MuleSoft Class A common stock upon the consummation of the offer), then in accordance with the MuleSoft charter all of such non-tendered shares of MuleSoft Class B common stock will automatically convert, on a one-to-one basis, into shares of MuleSoft Class A common stock at the time specified in the MuleSoft charter. Assuming this conversion (and assuming the transfers of MuleSoft common stock described in the preceding paragraph are made without the transferee agreeing to be bound by the terms of the support agreement), the shares of MuleSoft common stock subject to the support agreements represent approximately 28% of the voting power of all outstanding shares of MuleSoft common stock as of March 28, 2018.

For more information regarding the support agreements, see [Other Transaction Agreements](#), [Support Agreements](#), and the support agreements, which are filed as [Exhibit 10.27](#) and [Exhibit 10.28](#) to this document.

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**The Companies (Page 38)**

***Salesforce***

salesforce.com, inc.

The Landmark @ One Market, Suite 300

San Francisco, California 94105

Salesforce, a Delaware corporation, is a leading provider of customer relationship management, or CRM, software, and delivers its cloud-based software through the internet as a service. Salesforce introduced its first CRM solution in 2000, and it has since expanded its service offerings into new areas and industries, as well as introduced new features and platform capabilities. Salesforce's core mission is to empower its customers to connect with their customers in entirely new ways through cloud, mobile, social, Internet of Things and artificial intelligence technologies. Salesforce delivers a comprehensive portfolio of service offerings, including sales force automation, customer service and support, marketing automation, digital commerce, community management, collaboration, industry-specific solutions and the Salesforce Platform, also referred to as the Customer Success Platform, which includes Trailhead, Einstein AI, Lightning, Internet of Things, Heroku, Analytics and the AppExchange.

***The Offeror***

Malbec Acquisition Corp.

c/o salesforce.com, inc.

The Landmark @ One Market, Suite 300

San Francisco, California 94105

The Offeror, a Delaware corporation, is a wholly owned subsidiary of Salesforce. The Offeror is newly formed, and was organized for the purpose of making the offer and consummating the merger. The Offeror has engaged in no business activities to date and it has no material assets or liabilities of any kind, other than those incident to its formation and those incurred in connection with the offer and the merger. The Offeror's address is c/o salesforce.com, inc., The Landmark @ One Market, Suite 300, San Francisco, California 94105.

***MuleSoft***

MuleSoft, Inc.

77 Geary Street, Suite 400

San Francisco, California 94108

MuleSoft, a Delaware corporation, is enabling a fundamental shift in organizations' technology operating models by equipping them to create composable, agile infrastructures. MuleSoft's Anypoint Platform allows customers to connect their applications, data and devices into an application network where IT assets are pluggable instead of glued together with custom integration code. The application network enables a self-serve infrastructure through

discoverable building blocks that can be used and reused to rapidly compose applications. As a result, IT organizations can deliver projects faster and lines of business are able to innovate and respond more rapidly. With an application network built with Anypoint Platform, organizations can transform into composable enterprises. MuleSoft is headquartered in San Francisco, California and as of December 31, 2017, MuleSoft had over 1,200 customers located in over 60 countries across every major industry.

**Salesforce's Reasons for the Offer and the Merger (Page 46)**

The purpose of the offer is for Salesforce to acquire control of, and ultimately the entire equity interest in, MuleSoft. The Offeror is making the offer and Salesforce plans to complete the merger because it believes that

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the acquisition of MuleSoft by Salesforce will provide significant long-term growth prospects and increased stockholder value for the combined company, including as a result of the substantial anticipated synergies resulting from the acquisition.

### **Opinion of MuleSoft's Financial Advisor (Page 48)**

MuleSoft retained Goldman Sachs & Co. LLC ( Goldman Sachs ), to act as its financial advisor in connection with the transactions contemplated by the merger agreement. Goldman Sachs delivered its opinion to the MuleSoft board of directors that, as of the date of the written fairness opinion and based upon and subject to the factors and assumptions set forth therein, the transaction consideration per share to be paid to the holders (other than Salesforce and its affiliates) of MuleSoft shares, taken in the aggregate, pursuant to the merger agreement was fair from a financial point of view to such holders.

**The full text of the written opinion of Goldman Sachs, dated March 20, 2018, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B to this document and is incorporated into this document by reference. You should read the opinion carefully in its entirety.**

**The Goldman Sachs opinion was provided to the MuleSoft board of directors and addresses only, as of the date of the opinion, based upon and subject to the factors and assumptions set forth therein, the fairness from a financial point of view of the transaction consideration per share to be paid to the MuleSoft stockholders (other than Salesforce and its affiliates), taken in the aggregate, pursuant to the merger agreement. The Goldman Sachs opinion does not constitute a recommendation as to whether or not any holder of MuleSoft shares should tender such MuleSoft shares in connection with the offer or any other matter.**

Goldman Sachs provided advisory services and its opinion for the information and assistance of the MuleSoft board of directors in connection with its consideration of the transactions contemplated by the merger agreement. Pursuant to an engagement letter between MuleSoft and Goldman Sachs, MuleSoft has agreed to pay Goldman Sachs a transaction fee of approximately \$46.3 million, approximately \$3.0 million of which became payable upon the announcement of the merger agreement and the remainder of which is contingent upon consummation of the transactions contemplated by the merger agreement.

### **Expiration of the Offer (Page 59)**

The offer is scheduled to expire at 11:59 p.m., New York City time, at the end of May 1, 2018, unless extended or terminated in accordance with the merger agreement. Expiration date means 11:59 p.m., New York City time, at the end of May 1, 2018 unless and until the Offeror has extended the period during which the offer is open, subject to the terms and conditions of the merger agreement, in which event the term expiration date means the latest time and date at which the offer, as so extended by the Offeror, will expire.

### **Extension, Termination or Amendment (Page 60)**

Subject to the provisions of the merger agreement and the applicable rules and regulations of the SEC, and unless MuleSoft consents otherwise (which may be granted or withheld in its sole discretion) or the merger agreement is otherwise terminated:

the Offeror must extend the offer for any period required by any law, or any rule, regulation, interpretation or position of the SEC or its staff or the NYSE applicable to the offer, or to the extent necessary to resolve any comments of the SEC or its staff applicable to the offer or the offer documents or the registration statement on Form S-4 of which this document is a part;



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in the event that any of the conditions to the offer (other than the minimum tender condition, and other than any such conditions that by their nature are to be satisfied at the expiration of the offer) have not been satisfied or waived in accordance with the merger agreement as of any then-scheduled expiration of the offer, the Offeror must extend the offer for successive extension periods of up to 10 business days each (or for such longer period as may be agreed by Salesforce and MuleSoft) in order to permit the satisfaction or valid waiver of the conditions to the offer (other than the minimum tender condition); however, if any then-scheduled expiration of the offer occurs on or before May 5, 2018, then the Offeror may not extend the offer beyond 11:59 p.m., New York City time, on May 8, 2018; and

if as of any then-scheduled expiration of the offer each condition to the offer (other than the minimum tender condition, and other than any such conditions that by their nature are to be satisfied at the expiration of the offer (if such conditions would be satisfied or validly waived were the expiration of the offer to occur at such time)) has been satisfied or waived in accordance with the merger agreement and the minimum tender condition has not been satisfied, the Offeror may, and at the request in writing of MuleSoft must, extend the offer for successive extension periods of up to 10 business days each (with the length of each such period being determined in good faith by Salesforce) (or for such longer period as may be agreed by Salesforce and MuleSoft); however, in no event will the Offeror be required to extend the expiration of the offer for more than 20 business days in the aggregate for these reasons, and if any then-scheduled expiration of the offer occurs on or before May 5, 2018, then the Offeror may not extend the offer beyond 11:59 p.m., New York City time, on May 8, 2018.

If the offer would otherwise expire at any time after 11:59 p.m., New York City time, on May 8, 2018 and on or prior to May 24, 2018, the Offeror may extend the offer to expire at 11:59 p.m., New York City time, on May 24, 2018.

The Offeror may not terminate or withdraw the offer prior to the then-scheduled expiration of the offer unless the merger agreement is validly terminated in accordance with its terms, in which case the Offeror will terminate the offer promptly (but in no event more than one business day) after such termination. Among other circumstances, the merger agreement may be terminated by either Salesforce or MuleSoft if the offer shall have terminated or expired in accordance with its terms (subject to the rights and obligations of Salesforce or the Offeror to extend the offer pursuant to the merger agreement) without the Offeror having accepted for payment any MuleSoft shares pursuant to the offer, or if the acceptance for exchange of MuleSoft shares tendered in the offer has not occurred on or before September 20, 2018 (subject to the two-month extension in certain circumstances described under Merger Agreement Termination of the Merger Agreement ), which we refer to as the outside date. See Merger Agreement Termination of the Merger Agreement.

**The Offeror will effect any extension, termination, amendment or delay by giving oral or written notice to the exchange agent and by making a public announcement as promptly as practicable thereafter as described under The Offer Extension, Termination and Amendment.** In the case of an extension, any such announcement will be issued no later than 9:00 a.m., New York City time, on the next business day following the previously scheduled expiration date. Subject to applicable law (including Rules 14d-4(c) and 14d-6(d) under the Securities Exchange Act of 1934, as amended (which we refer to as the Exchange Act ), which require that any material change in the information published, sent or given to stockholders in connection with the offer be promptly disseminated to stockholders in a manner reasonably designed to inform them of such change) and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror assumes no obligation to publish, advertise or otherwise communicate any such public announcement of this type other than by issuing (or having Salesforce issue) a press release. During any extension, MuleSoft shares previously tendered and not validly withdrawn will remain subject to the offer, subject to the right of each MuleSoft stockholder to withdraw previously tendered MuleSoft shares.



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No subsequent offering period will be available following the expiration of the offer without the prior written consent of MuleSoft, other than in accordance with the extension provisions set forth in the merger agreement.

**Conditions of the Offer (Page 70)**

The offer is subject to certain conditions, including, among others:

satisfaction of the minimum tender condition (which requires that, prior to the expiration of the offer, there have been validly tendered and not validly withdrawn a number of MuleSoft shares that, upon the consummation of the offer (assuming that shares of MuleSoft Class B common stock validly tendered (and not validly withdrawn) will convert, on a one-to-one basis, into shares of MuleSoft Class A common stock upon the consummation of the offer), together with MuleSoft shares then owned by Salesforce and the Offeror (if any), would represent at least a majority of the aggregate voting power of the MuleSoft shares outstanding immediately after the consummation of the offer);

expiration or termination of the waiting period applicable to the transactions contemplated by the merger agreement under the HSR Act;

lack of legal prohibitions;

the effectiveness of the registration statement on Form S-4 of which this document is a part;

the listing of the Salesforce shares to be issued in the offer and the merger on the NYSE, subject to official notice of issuance;

the accuracy of MuleSoft's representations and warranties made in the merger agreement, subject to specified materiality standards;

MuleSoft being in compliance in all material respects with its covenants under the merger agreement;

no material adverse effect (as described in Merger Agreement Material Adverse Effect ) having occurred with respect to MuleSoft since the date of the merger agreement that is continuing as of immediately prior to the expiration of the offer; and

the merger agreement not having been terminated in accordance with its terms.

The offer is subject to certain other conditions set forth in the section below entitled The Offer Conditions of the Offer. Subject to applicable SEC rules and regulations, the Offeror also reserves the right prior to the expiration of the offer, in its sole discretion, at any time or from time to time to waive any condition identified as subject to waiver in The

Offer Conditions of the Offer by giving oral or written notice of such waiver to the exchange agent. However, certain specified conditions (including the first five conditions in the immediately preceding list) may only be waived by Salesforce or the Offeror with the prior written consent of MuleSoft (which may be granted or withheld in its sole discretion).

**Withdrawal Rights (Page 62)**

Tendered MuleSoft shares may be withdrawn at any time prior to the expiration of the offer. Additionally, if the Offeror has not agreed to accept the shares for exchange on or prior to June 1, 2018, MuleSoft stockholders may thereafter withdraw their shares from the offer at any time after such date until the Offeror accepts the shares for exchange. Any MuleSoft stockholder that validly withdraws previously tendered MuleSoft shares will receive shares of the same class of MuleSoft common stock that were tendered. Once the Offeror accepts shares for exchange pursuant to the offer, all tenders not previously withdrawn become irrevocable.

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### **Procedure for Tendering (Page 62)**

All MuleSoft shares are held in electronic book entry form.

To validly tender MuleSoft shares held of record, MuleSoft stockholders must deliver a properly completed and duly executed letter of transmittal, along with any required signature guarantees and any other required documents to the exchange agent at its address set forth elsewhere in this document, and follow the other procedures set forth herein, prior to the expiration of the offer.

MuleSoft stockholders who hold shares of MuleSoft Class A common stock in street name through a bank, broker or other nominee holder, and desire to tender their shares of MuleSoft Class A common stock pursuant to the offer, should instruct the nominee holder to do so prior to the expiration of the offer. No shares of MuleSoft Class B common stock are held in street name.

### **Exchange of Shares; Delivery of Cash and Salesforce Shares (Page 61)**

Upon the terms and subject to the satisfaction or waiver of the conditions of the offer (including, if the offer is extended or amended, the terms and conditions of any extension or amendment), promptly after the expiration of the offer, the Offeror will accept for payment, and will pay for, all MuleSoft shares validly tendered and not validly withdrawn prior to the expiration of the offer.

### **Certain Legal Matters; Regulatory Approvals (Page 71)**

The completion of the offer is subject to the expiration or termination of the applicable waiting periods under the HSR Act. This requirement is discussed under The Offer Certain Legal Matters; Regulatory Approvals.

### **Source and Amount of Funds (Page 81)**

The offer and the merger are not conditioned upon any financing arrangements or contingencies.

Salesforce estimates the aggregate amount of cash consideration required to purchase the outstanding shares of MuleSoft common stock and consummate the offer and the merger will be approximately \$4.8 billion, plus related fees and expenses. Salesforce anticipates that the funds needed to complete the transactions will be derived from (i) available cash on hand, (ii) proceeds from the sales of marketable securities on hand and (iii) new third-party debt financing.

On April 11, 2018, Salesforce completed the public offering and issuance of \$1.0 billion aggregate principal amount of 3.250% Senior Notes due 2023 and \$1.5 billion aggregate principal amount of 3.700% Senior Notes due 2028 in a registered public offering pursuant to an underwriting agreement providing for the issuance and sale of the Senior Notes. Salesforce intends to use the net proceeds from the Notes Offering to partially fund the cash component of the transaction consideration in connection with the acquisition of MuleSoft, and to pay related fees and expenses. If (x) the consummation of the acquisition of MuleSoft by Salesforce or any of its subsidiaries does not occur on or before April 20, 2019 or (y) Salesforce notifies the trustee in respect of the Senior Notes that it will not pursue the consummation of the acquisition of MuleSoft, Salesforce will be required to redeem the Senior Notes due 2023 then outstanding at a redemption price equal to 101% of the principal amount of the Senior Notes due 2023 to be redeemed plus accrued and unpaid interest, if any, to, but excluding, the date of such special mandatory redemption. The Senior Notes due 2028 are not subject to the Special Mandatory Redemption. In the event that the acquisition of MuleSoft by Salesforce is not consummated, Salesforce expects to use the proceeds of the Senior Notes due 2028 for general

corporate purposes and the repayment of debt.

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In connection with its entry into the merger agreement, Salesforce has also obtained a commitment from Bank of America, N.A. and certain other financial institutions for a 364-day senior unsecured bridge loan facility. The original commitments in respect of the bridge loan facility were \$3.0 billion, but were reduced by the net cash proceeds of the Notes Offering. The availability of the bridge loan facility is conditioned on the consummation of the acquisition of MuleSoft in accordance with the terms of the merger agreement (subject to certain exceptions and qualifications) and certain other conditions. Salesforce expects to replace the remaining commitments in respect of the bridge loan facility prior to the consummation of the offer and the merger with the proceeds of the incurrence of a new unsecured term loan facility (or commitments in respect thereof).

See [The Offer Source and Amount of Funds](#).

## **Interests of MuleSoft Directors and Officers in the Offer and the Merger (Page 73)**

You should be aware that some of the officers and directors of MuleSoft may be deemed to have interests in the offer and the merger that are different from, or in addition to, your interests as a MuleSoft stockholder. These interests may include, among others, agreements that certain officers have entered into with MuleSoft that provide for the acceleration of stock options and restricted stock units in the event the officer experiences a qualifying termination of employment within 12 months following a change of control of MuleSoft, payments of severance benefits under MuleSoft's broad-based severance plan to executive officers and certain indemnification obligations. See [The Offer Interests of Certain Persons in the Offer and the Merger](#) and [Merger Agreement Employee Matters](#) below for more information. As of March 28, 2018, the directors and executive officers of MuleSoft and their affiliates beneficially owned approximately 17,499,266 MuleSoft shares, representing approximately 13% of the MuleSoft shares and approximately 34% of the aggregate voting power of the MuleSoft shares, in each case outstanding as of March 28, 2018.

Concurrently with the execution of the merger agreement, on March 20, 2018, (i) MuleSoft board members Greg Schott, Ann Winblad, Ravi Mhatre and Gary Little and certain of their affiliates and (ii) MuleSoft officers Simon Parmett, Rob Horton and Matthew Langdon, entered into support agreements with Salesforce and the Offeror, solely in their capacities as stockholders of MuleSoft. For more information regarding the support agreements, see [Other Transaction Agreements Support Agreements](#), and such support agreements, which are filed as Exhibit 10.27 and Exhibit 10.28 to this document.

See also [Item 3 Past Contacts, Transactions, Negotiations and Agreements](#) in the Schedule 14D-9, which has been filed with the SEC and is being mailed to you and other stockholders of MuleSoft together with this document.

## **Dissenters Rights (Page 66)**

No dissenters' rights are available in connection with the offer, and MuleSoft stockholders who tender their shares in the offer will not have dissenters' rights in connection with the merger. However, MuleSoft stockholders who do not tender MuleSoft shares in the offer may have dissenters' rights under Delaware law in connection with the merger, subject to and in accordance with Delaware law. See [The Offer Dissenters Rights](#).

## **Comparative Market Price and Dividend Matters (Page 107)**

Salesforce common stock is listed on the NYSE under the symbol [CRM](#), and MuleSoft Class A common stock is listed on the NYSE under the symbol [MULE](#). There is no trading market for the shares of MuleSoft Class B common stock, which convert, on a one-for-one basis, into shares of MuleSoft Class A common stock at the election of the holder or, subject to certain exceptions (none of such exceptions being applicable to the consummation of the offer), if

transferred by the holder to a third party.



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The parties announced the execution of the merger agreement after the close of trading on March 20, 2018. On March 19, 2018, the trading day prior to release of media reports regarding the transaction, the closing price per share of MuleSoft Class A common stock on the NYSE was \$33.03, and the closing price per share of Salesforce common stock on the NYSE was \$124.98. On March 20, 2018, the trading day before the public announcement of the execution of the merger agreement, the closing price per share of MuleSoft Class A common stock on the NYSE was \$42.00, and the closing price per share of Salesforce common stock on the NYSE was \$125.12. On April 25, 2018, the most recent practicable trading date prior to the filing of this document, the closing price per share of MuleSoft Class A common stock on the NYSE was \$44.15, and the closing price per share of Salesforce common stock on the NYSE was \$117.32.

The market value of the stock consideration will change as the market value of Salesforce common stock fluctuates during the offer period and thereafter. MuleSoft stockholders should obtain current market quotations for shares of MuleSoft Class A common stock and Salesforce shares before deciding whether to tender their MuleSoft shares in the offer. See [Comparative Market Price and Dividend Matters](#).

### **Ownership of Salesforce Shares After the Offer and the Merger (Page 68)**

Salesforce estimates that former MuleSoft stockholders would own, in the aggregate, approximately 1% of the outstanding Salesforce shares immediately following the completion of the offer and the merger.

For a detailed discussion of the assumptions on which this estimate is based, see [The Offer Ownership of Salesforce After the Offer and the Merger](#).

### **Comparison of Stockholders Rights (Page 126)**

The rights of Salesforce stockholders are different in some respects from the rights of MuleSoft stockholders. Therefore, MuleSoft stockholders will have different rights as stockholders once they become Salesforce stockholders. The differences are described in more detail under [Comparison of Stockholders Rights](#).

### **Material U.S. Federal Income Tax Consequences (Page 121)**

The receipt of the transaction consideration in exchange for shares of MuleSoft common stock pursuant to the offer or the merger generally will be a taxable transaction for U.S. federal income tax purposes. Each MuleSoft stockholder should read the discussion under [Material U.S. Federal Income Tax Consequences](#) for a more complete discussion of the U.S. federal income tax consequences of the offer and the merger. Tax matters can be complicated, and the tax consequences of the offer and the merger to a particular MuleSoft stockholder will depend on such stockholder's particular facts and circumstances. MuleSoft stockholders should consult their own tax advisors to determine the specific consequences to them of exchanging their shares of MuleSoft common stock for the transaction consideration pursuant to the offer or the merger.

### **Accounting Treatment (Page 82)**

In accordance with United States generally accepted accounting principles (which we refer to as [GAAP](#)), Salesforce will account for the acquisition of shares through the offer and the merger under the acquisition method of accounting for business combinations.



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**Questions about the Offer and the Merger**

Questions or requests for assistance or additional copies of this document may be directed to the information agent at the telephone number and addresses set forth below. MuleSoft stockholders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the offer.

*The Information Agent for the Offer is:*

509 Madison Ave

New York, NY 10022

Stockholders Call Toll Free: (800) 662-5200

E-mail: [tenderinfo@morrowsodali.com](mailto:tenderinfo@morrowsodali.com)

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF SALESFORCE**

The following table sets forth summary consolidated financial data for Salesforce as of and for each of the five years ended January 31, 2018, 2017, 2016, 2015 and 2014. All references to fiscal years, unless otherwise noted, refer to the 12-month fiscal year.

The summary consolidated financial data as of January 31, 2018 and 2017, and for the years ended January 31, 2018, 2017 and 2016, were derived from Salesforce's audited consolidated financial statements included in its Annual Report on Form 10-K for the period ended January 31, 2018, previously filed with the SEC on March 9, 2018 and incorporated by reference into this document. The summary consolidated financial data as of January 31, 2016, 2015 and 2014, and for the years ended January 31, 2015 and 2014, were derived from Salesforce's audited consolidated financial statements not included or incorporated by reference into this document.

Such financial data should be read together with, and is qualified in its entirety by reference to, Salesforce's historical consolidated financial statements and the accompanying notes and the Management's Discussion and Analysis of Financial Condition and Results of Operations, which are set forth in Salesforce's Annual Report on Form 10-K for the period ended January 31, 2018, previously filed with the SEC on March 9, 2018 and incorporated by reference into this document.

	<b>Fiscal Year Ended January 31,</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>(in thousands, except per share data and ratio of earnings to fixed charges)</b>					
<b>Consolidated Statements of Operations:</b>					
Revenue:					
Subscription and support	\$ 9,710,538	\$ 7,756,205	\$ 6,205,599	\$ 5,013,764	\$ 3,824,542
Professional services and other	769,474	635,779	461,617	359,822	246,461
<b>Total Revenue</b>	<b>\$ 10,480,012</b>	<b>\$ 8,391,984</b>	<b>\$ 6,667,216</b>	<b>\$ 5,373,586</b>	<b>\$ 4,071,003</b>
Income (loss) from operations	\$ 235,768	\$ 64,228	\$ 114,923	\$ (145,633)	\$ (286,074)
Net income (loss) attributable to common stockholders	\$ 127,478	\$ 179,632	\$ (47,426)	\$ (262,688)	\$ (232,175)
<b>Net income (loss) per share attributable to common stockholders:</b>					
Basic	\$ 0.18	\$ 0.26	\$ (0.07)	\$ (0.42)	\$ (0.39)
Diluted	\$ 0.17	\$ 0.26	\$ (0.07)	\$ (0.42)	\$ (0.39)
<b>Weighted average number of shares outstanding:</b>					
Basic	714,919	687,797	661,647	624,148	597,613
Diluted	734,598	700,217	661,647	624,148	597,613
<b>Ratio of earnings to fixed charges</b>	<b>2.5x</b>	<b>1.2x</b>	<b>1.6x</b>	<b>N/A</b>	<b>N/A</b>

**Consolidated Balance Sheet****Data:**

Cash and cash equivalents <sup>(1)</sup>	\$ 4,521,705	\$ 2,208,887	\$ 2,725,377	\$ 1,890,284	\$ 1,321,017
Working capital (deficit) <sup>(2)</sup>	(839,147)	(1,298,639)	90,432	(15,385)	(915,382)
Total assets	21,009,802	17,584,923	12,762,920	10,654,053	9,096,124
Total liabilities	11,617,439	10,084,796	7,760,051	6,689,944	6,087,715
Total stockholders' equity	9,388,496	7,500,127	5,002,869	3,975,183	3,038,510

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- (1) Excludes the restricted cash balance of \$115.0 million as of January 31, 2015.
- (2) Salesforce considers all its marketable debt securities to be available to support current liquidity needs including those with maturity dates beyond one year, and therefore classifies these securities within current assets on the consolidated balance sheets. For consistency in presentation, working capital in the table above as of January 31, 2016, 2015 and 2014 includes amounts previously reported in Marketable securities, noncurrent. In addition, other reclassifications were made to balances as of January 31, 2017, 2016, 2015 and 2014 to conform to the current period presentation.

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF MULESOFT**

The following table sets forth summary consolidated financial data for MuleSoft as of and for each of the four years ended December 31, 2017, 2016, 2015 and 2014. All references to fiscal years, unless otherwise noted, refer to the 12-month fiscal year. MuleSoft is an emerging growth company, and the following table sets forth summary consolidated financial data for MuleSoft for the periods since the earliest audited financial statements included in its prospectus filed under Rule 424(b)(4) under its Registration Statement on Form S-1, previously filed with the SEC on March 17, 2017.

The summary consolidated financial data as of December 31, 2017 and 2016, and for the years ended December 31, 2017, 2016 and 2015, were derived from MuleSoft's audited consolidated financial statements included in its Annual Report on Form 10-K for the period ended December 31, 2017, previously filed with the SEC on February 22, 2018 and incorporated by reference into this document. The summary consolidated balance sheet data as of December 31, 2015 and 2014, and the summary consolidated income statement data for the year ended December 31, 2014, were derived from MuleSoft's audited consolidated financial statements not included or incorporated by reference into this document.

Such financial data should be read together with, and is qualified in its entirety by reference to, MuleSoft's historical consolidated financial statements and the accompanying notes and the Management's Discussion and Analysis of Financial Condition and Results of Operations which are set forth in the Annual Report on Form 10-K for the period ended December 31, 2017, previously filed with the SEC on February 22, 2018 and incorporated by reference into this document.

	<b>Fiscal Year Ended December 31,</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>(in thousands, except per share data)</b>				
<b>Consolidated Statements of Operations Data:</b>				
Revenue:				
Subscription and support	\$ 237,980	\$ 152,843	\$ 88,096	\$ 48,436
Professional services and other	58,476	34,904	22,156	9,181
<b>Total Revenue</b>	<b>\$ 296,456</b>	<b>\$ 187,747</b>	<b>\$ 110,252</b>	<b>\$ 57,617</b>
Operating loss	\$ (79,795)	\$ (48,385)	\$ (64,068)	\$ (46,829)
Net loss attributable to common stockholders	\$ (79,980)	\$ (59,035)	\$ (65,439)	\$ (47,756)
<b>Net loss per share attributable to common stockholders:</b>				
Basic	\$ (0.75)	\$ (2.73)	\$ (3.57)	\$ (3.07)
Diluted	\$ (0.75)	\$ (2.73)	\$ (3.57)	\$ (3.07)
<b>Shares used to compute net loss per share attributable to common stockholders:</b>				
Basic	106,743	21,624	18,324	15,531
Diluted	106,743	21,624	18,324	15,531
<b>Consolidated Balance Sheet Data:</b>				
Cash, cash equivalents and investments	\$ 347,297	\$ 102,613	\$ 110,618	\$ 50,097
Working capital	87,603	33,550	37,234	21,708
Total assets	492,596	202,938	174,049	83,583

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Total liabilities	259,649	162,835	101,379	60,592
Total redeemable and convertible preferred stock		255,946	256,903	130,577
Total stockholders' equity	232,947	40,103	72,670	22,991



**Table of Contents****SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA**

The following selected unaudited pro forma condensed combined financial data has been prepared to reflect the acquisition of MuleSoft by Salesforce. On March 20, 2018, Salesforce and MuleSoft entered into the merger agreement, pursuant to which Salesforce agreed to acquire MuleSoft subject to the terms thereof. The transaction has not yet closed. Under the terms of the merger agreement, Salesforce is offering to acquire each outstanding share of MuleSoft Class A common stock and MuleSoft Class B common stock in exchange for \$36.00 in cash and 0.0711 of a share of Salesforce common stock (together with cash in lieu of any fractional share of Salesforce common stock), in each case, without interest and less any applicable withholding taxes.

The selected unaudited pro forma condensed combined statement of operations for the year ended January 31, 2018 combines the historical consolidated statements of operations of Salesforce for the year ended January 31, 2018 with the historical consolidated statements of operations of MuleSoft for the year ended December 31, 2017, giving effect to the completion of the offer and the merger and the related financing transactions, as if they had occurred on February 1, 2017. The selected unaudited pro forma condensed combined balance sheet as of January 31, 2018 combines the historical consolidated balance sheet of Salesforce as of January 31, 2018 with the historical consolidated balance sheet of MuleSoft as of December 31, 2017, giving effect to the completion of the offer and the merger and the related financing transactions, as if they had occurred on January 31, 2018. The pro forma ratio of earnings to fixed charges for the year ended January 31, 2018 combines the historical information of Salesforce for the year ended January 31, 2018 with the historical information of MuleSoft for the year ended December 31, 2017, giving effect to the completion of the offer and the merger and the related financing transactions, as if they had occurred on February 1, 2017. The pro forma financial information does not give effect to the costs of any integration activities or benefits that may result from the realization of future cost savings from operating efficiencies, or any other synergies that may result from the offer and the merger and changes in share price.

The selected unaudited pro forma condensed combined financial data has been prepared for informational purposes only and does not purport to represent what the actual consolidated results of operations or the consolidated financial position of Salesforce would have been had the merger and the offer occurred on the dates assumed, nor is this information necessarily indicative of future consolidated results of operations or financial position. The following information has been derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial statements and the related notes included elsewhere in this document.

**Selected Unaudited Pro Forma Condensed Combined Statement of Operations**

	<b>Fiscal Year Ended January 31, 2018 (In thousands, except per share data)</b>
Revenue	\$ 10,635,645
Net loss attributable to Salesforce	\$ (639,048)
Net loss per share attributable to Salesforce available to common stockholders:	
Basic	\$ (0.88)
Diluted	\$ (0.88)
Shares used in computing earnings per share:	
Basic	724,400

Diluted

724,400

27

**Table of Contents****Selected Unaudited Pro Forma Condensed Combined Balance Sheet**

	<b>As of January 31, 2018 (In thousands)</b>
Total assets	\$ 25,748,444
Total liabilities	\$ 14,739,835
Total stockholders' equity	\$ 11,004,742

**Pro Forma Ratio of Earnings to Fixed Charges**

	<b>Fiscal Year Ended January 31, 2018 (In thousands)</b>
Ratio of Earnings to Fixed Charges	N/A <sup>(1)</sup>

- (1) Pro Forma earnings before fixed charges were inadequate to cover total fixed charges by approximately \$290.8 million

**Table of Contents****COMPARATIVE PER SHARE DATA****(UNAUDITED)**

The following table reflects historical information about basic and diluted earnings per share, cash dividends per share and book value per share for the fiscal year ended January 31, 2018, in the case of Salesforce, and for the fiscal year ended December 31, 2017, in the case of MuleSoft, in each case on a historical basis, and for Salesforce and MuleSoft on an unaudited pro forma combined basis after giving effect to the offer, the merger and the related financing transactions. The pro forma data of the combined company assumes the acquisition of 100% of the MuleSoft shares by Salesforce and was derived by combining the historical consolidated financial information of Salesforce and MuleSoft as described elsewhere in this document. For a discussion of the assumptions and adjustments made in preparing the pro forma financial information presented in this document, see Unaudited Pro Forma Condensed Combined Financial Statements.

MuleSoft stockholders should read the information presented in the following table together with the historical financial statements of Salesforce and MuleSoft and the related notes which are incorporated herein by reference, and the Unaudited Pro Forma Condensed Combined Financial Statements appearing elsewhere in this document. The pro forma data is unaudited and for illustrative purposes only. MuleSoft stockholders should not rely on this information as being indicative of the historical results that would have been achieved during the periods presented had the companies always been combined or the future results that the combined company will achieve after the consummation of the offer and the merger. This pro forma information is subject to risks and uncertainties, including those discussed in Risk Factors.

	<b>Salesforce Historical</b>	<b>MuleSoft Historical</b>	<b>Pro Forma Combined</b>	<b>Pro Forma Equivalent MuleSoft Share<sup>(1)</sup></b>
Net income (loss) per share attributable to common stockholders for the fiscal year ended January 31, 2018 for Salesforce and the fiscal year ended December 31, 2017 for MuleSoft:				
Basic earnings (loss) per share	\$ 0.18	\$ (0.75)	\$ (0.88)	\$ (0.06)
Diluted earnings (loss) per share	\$ 0.17	\$ (0.75)	\$ (0.88)	\$ (0.06)
Cash dividends declared per share for the fiscal year ended January 31, 2018 for Salesforce and the 12 months ended December 31, 2017 for MuleSoft:				
Book value per share as of January 31, 2018 for Salesforce and December 31, 2017 for MuleSoft:	\$ 13.14	\$ 2.18	\$ 15.20	\$ 1.08

(1) The MuleSoft pro forma equivalent per share amounts were calculated by multiplying the pro forma combined amounts by the exchange ratio of 0.0711.



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**RISK FACTORS**

*MuleSoft stockholders should carefully read this document and the other documents referred to or incorporated by reference into this document, including in particular the following risk factors, in deciding whether to tender MuleSoft shares pursuant to the offer.*

**Risk Factors Relating to the Offer and the Merger**

***The stock consideration is fixed and will not be adjusted. Because the market price of Salesforce common stock may fluctuate, MuleSoft stockholders cannot be sure of the market value of the stock consideration they will receive in exchange for their MuleSoft shares in connection with the transactions.***

In connection with the offer and the merger, MuleSoft stockholders will receive cash and a fixed number of Salesforce shares for each of their shares of MuleSoft Class A common stock and MuleSoft Class B common stock (*i.e.*, 0.0711 of a Salesforce share for each MuleSoft share). Accordingly, the market value of the stock consideration that you will receive in the offer or merger will vary based on the price of Salesforce common stock at the time you receive the transaction consideration. The market price of Salesforce common stock may decline after the date of this document, after you tender your shares and/or after the offer and the merger are completed.

A decline in the market price of Salesforce common stock could result from a variety of factors beyond Salesforce's control, including, among other things, the possibility that Salesforce may not achieve the expected benefits of the acquisition of MuleSoft as rapidly or to the extent anticipated, MuleSoft's business may not perform as anticipated following the transactions, the effect of Salesforce's acquisition of MuleSoft on Salesforce's financial results may not meet the expectations of Salesforce, financial analysts or investors, or the addition and integration of MuleSoft's business may be unsuccessful, take longer or be more disruptive than anticipated, as well as numerous factors affecting Salesforce and its businesses that are unrelated to MuleSoft.

Because the offer will not be completed until certain conditions have been satisfied or waived in accordance with the merger agreement, a significant period of time may pass between the commencement of the offer, the time you tender your shares and the time that the Offeror accepts your shares for payment. Therefore, at the time you tender your MuleSoft shares pursuant to the offer, you will not know the exact market value of the stock consideration that will be issued if the Offeror accepts such shares for payment.

See **Comparative Market Price and Dividend Matters**. You are urged to obtain current market quotations for shares of MuleSoft Class A common stock and for shares of Salesforce common stock.

***The offer remains subject to conditions that Salesforce cannot control.***

The offer is subject to conditions, including the minimum tender condition, receipt of required regulatory approvals, lack of legal prohibitions, no material adverse effect (as described in **Merger Agreement Material Adverse Effect**) having occurred with respect to MuleSoft since the date of the merger agreement that is continuing as of immediately prior to the expiration of the offer, the accuracy of MuleSoft's representations and warranties made in the merger agreement (subject to specified materiality standards), MuleSoft being in compliance in all material respects with its covenants under the merger agreement, the listing of the Salesforce shares to be issued in the offer and the merger being authorized for listing on the NYSE, subject to official notice of issuance, the registration statement on Form S-4 of which this document is a part becoming effective, and the merger agreement not having been terminated in accordance with its terms. There are no assurances that all of the conditions to the offer will be satisfied or that the conditions will be satisfied in the time frame expected. If the conditions to the offer are not met, then Salesforce may,

subject to the terms and conditions of the merger agreement, allow the offer to expire, or amend or extend the offer. See [The Offer](#) [Conditions of the Offer](#) for a discussion of the conditions to the offer.

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***If the transactions are completed, MuleSoft stockholders will receive Salesforce shares as part of the transaction consideration and will accordingly become Salesforce stockholders. Salesforce common stock may be affected by different factors than MuleSoft common stock, and Salesforce stockholders will have different rights than MuleSoft stockholders.***

Upon consummation of the transactions, MuleSoft stockholders will receive Salesforce shares as part of the transaction consideration and will accordingly become Salesforce stockholders. Salesforce's business differs from that of MuleSoft, and Salesforce's results of operations and stock price may be adversely affected by factors different from those that would affect MuleSoft's results of operations and stock price.

In addition, holders of shares of Salesforce common stock will have rights as Salesforce stockholders that differ from the rights they had as MuleSoft stockholders before the transactions. For example, shares of MuleSoft Class B common stock are generally entitled to 10 votes per share, whereas all Salesforce shares are entitled to one vote per share. For a comparison of the rights of Salesforce stockholders to the rights of MuleSoft stockholders, see [Comparison of Stockholders' Rights](#).

***MuleSoft stockholders who participate in the Offer will be forfeiting all rights with respect to their MuleSoft shares other than the right to receive the transaction consideration, including the right to participate directly in any earnings or future growth of MuleSoft.***

If the offer and the merger are completed, MuleSoft stockholders will cease to have any equity interest in MuleSoft and will not participate in its earnings or any future growth, except indirectly through ownership of Salesforce shares received in the offer and the merger. In addition, MuleSoft stockholders who validly tender their MuleSoft shares in the offer (and do not validly withdraw such shares) will forfeit their appraisal rights with respect to such MuleSoft shares under Delaware law in connection with the merger. Holders of MuleSoft shares who perfect their appraisal rights under Delaware law could realize a higher or lower value for their shares than the transaction consideration, which is payable in both the offer and the merger, or realize the same value as the transaction consideration. See [The Offer Dissenters' Rights](#).

***Consummation of the offer may adversely affect the liquidity of the MuleSoft shares not tendered in the offer.***

If the offer is completed, you should expect the number of MuleSoft stockholders and the number of publicly-traded MuleSoft shares to be significantly reduced. As a result, the closing of the offer can be expected to adversely affect, in a material way, the liquidity of the remaining MuleSoft shares held by the public pending the consummation of the merger. While Salesforce currently expects the merger to occur on the day after the offer is completed, Salesforce cannot assure you that all conditions to the merger will be satisfied at that time or at all.

***MuleSoft directors and officers potentially have interests in the transaction that differ from, or are in addition to the interests of the MuleSoft stockholders generally.***

You should be aware that some of the officers and directors of MuleSoft may be deemed to have interests in the offer and the merger that are different from, or in addition to, your interests as a MuleSoft stockholder. These interests may include, among others, agreements that certain officers have entered into with MuleSoft that provide for the acceleration of stock options and restricted stock units in the event the officer experiences a qualifying termination of employment within 12 months following a change of control of MuleSoft, payments of severance benefits under MuleSoft's broad-based severance plan to executive officers and certain indemnification obligations. See [The Offer Interests of Certain Persons in the Offer and the Merger](#) and [Merger Agreement Employee Matters](#) below for more information.



As of March 28, 2018, the directors and executive officers of MuleSoft and their affiliates beneficially owned approximately 17,499,266 MuleSoft shares, representing approximately 13% of the MuleSoft shares and approximately 34% of the aggregate voting power of the MuleSoft shares, in each case outstanding as of March 28, 2018.

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Concurrently with the execution of the merger agreement, on March 20, 2018, (i) MuleSoft board members Greg Schott, Ann Winblad, Ravi Mhatre and Gary Little and certain of their affiliates and (ii) MuleSoft officers Simon Parmett, Rob Horton and Matthew Langdon, entered into support agreements with Salesforce and the Offeror, solely in their capacities as stockholders of MuleSoft. For more information regarding the support agreements, see Other Transaction Agreements Support Agreements, and such support agreements, which are filed as Exhibit 10.27 and Exhibit 10.28 to this document.

***MuleSoft stockholders will have a reduced ownership and voting interest in Salesforce as compared to their ownership and voting interest in MuleSoft.***

After consummation of the offer and merger, MuleSoft stockholders will own approximately 1% of the outstanding Salesforce shares, based upon the number of outstanding MuleSoft shares as of March 28, 2018, disregarding stock options, restricted stock units and other rights to acquire shares that may be issued by Salesforce or MuleSoft pursuant to any employee stock plan. Whereas shares of MuleSoft Class B common stock are generally entitled to 10 votes per share, which generally provide such stockholders greater influence on the management and policies of MuleSoft, all Salesforce shares are entitled to one vote per share. Consequently, former MuleSoft stockholders will have less influence on the management and policies of the combined company than they currently exercise over MuleSoft.

***Sales of substantial amounts of Salesforce shares in the open market by former MuleSoft stockholders could depress its stock price.***

Other than shares held by persons who will be affiliates of Salesforce after the offer and the merger, Salesforce shares that are issued to MuleSoft stockholders, including those shares issued upon the exercise of outstanding stock options or restricted stock units, will be freely tradable without restrictions or further registration under the Securities Act. If the offer and the merger are completed and if former MuleSoft stockholders and MuleSoft employees sell substantial amounts of Salesforce common stock in the public market following consummation of the offer and the merger, the market price of Salesforce common stock may decrease.

***The automatic conversion of shares of MuleSoft Class B common stock into shares of MuleSoft Class A common stock upon the consummation of the offer will cause the former holders of shares of MuleSoft Class B common stock to lose their preferential voting entitlement of 10 votes per share.***

Each share of MuleSoft Class A common stock entitles the holder thereof to one vote per share while each share of MuleSoft Class B common stock generally entitles the holder thereof to 10 votes per share. Shares of MuleSoft Class B common stock that are validly tendered (and not validly withdrawn) in the offer will automatically convert, on a one-to-one basis, into MuleSoft Class A common stock upon the consummation of the offer. If the shares of MuleSoft Class B common stock that are not tendered in the offer represent less than 15% of the aggregate number of shares of MuleSoft Class A common stock and MuleSoft Class B common stock outstanding upon the consummation of the offer (assuming that shares of MuleSoft Class B common stock validly tendered (and not validly withdrawn) in the offer are converted into shares of MuleSoft Class A common stock upon the consummation of the offer), then in accordance with the MuleSoft charter all of such non-tendered shares of MuleSoft Class B common stock will automatically convert, on a one-to-one basis, into shares of MuleSoft Class A common stock at the time specified in the MuleSoft charter. Upon such conversion, the former holders of shares of Class B common stock would instead hold Class A common stock, which entitles the holder thereof to one vote per share, rather than the 10 votes per share that they are currently entitled to pursuant to the MuleSoft charter in respect of Class B common stock.

***Litigation relating to the offer or the merger could require Salesforce to incur significant costs and suffer management distraction, as well as could delay or enjoin the merger.***

Salesforce and MuleSoft could be subject to demands or litigation related to the offer or the merger, whether or not the merger is consummated. Such actions may create uncertainty relating to the offer or the merger, or delay or enjoin the merger, and responding to such demands and defending such actions may be costly and distracting to management of both companies.

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***The receipt of Salesforce shares and cash in the transactions contemplated by the merger agreement will be fully taxable to MuleSoft stockholders.***

The exchange of MuleSoft shares for Salesforce shares and cash in the transactions contemplated by the merger agreement generally will be taxable to MuleSoft stockholders for U.S. federal income tax purposes. These consequences are described more fully under Material U.S. Federal Income Tax Consequences. MuleSoft stockholders should consult their tax advisors to determine the specific tax consequences to them of the transactions contemplated by the merger agreement, including any federal, state, local, foreign or other tax consequences, and any tax return filing or other reporting requirements.

## **Risk Factors Relating to Salesforce and the Combined Company**

***Salesforce may fail to realize all of the anticipated benefits of the offer and the merger or those benefits may take longer to realize than expected.***

Salesforce believes there are significant benefits and synergies that may be realized through leveraging the products, scale and enterprise customer base of Salesforce and MuleSoft. However, the efforts to realize these benefits and synergies will be a complex process and may disrupt both companies' existing operations if not implemented in a timely and efficient manner. The full benefits of the transactions, including the anticipated sales or growth opportunities, may not be realized as expected or may not be achieved within the anticipated time frame, or at all. Failure to achieve the anticipated benefits of the transactions could adversely affect Salesforce's results of operations or cash flows, cause dilution to the earnings per share of Salesforce, decrease or delay any accretive effect of the transactions and negatively impact the price of Salesforce common stock.

In addition, Salesforce and MuleSoft will be required to devote significant attention and resources prior to closing to prepare for the post-closing integration and operation of the combined company, and Salesforce will be required post-closing to devote significant attention and resources to successfully align the business practices and operations of Salesforce and MuleSoft. This process may disrupt the businesses and, if ineffective, would limit the anticipated benefits of the transactions.

***Salesforce and MuleSoft will incur direct and indirect costs as a result of the offer and the merger.***

Salesforce and MuleSoft will incur substantial expenses in connection with and as a result of completing the offer and the merger and, following the completion of the merger, Salesforce expects to incur additional expenses in connection with combining the businesses and operations of Salesforce and MuleSoft. Factors beyond Salesforce's control could affect the total amount or timing of these expenses, many of which, by their nature, are difficult to estimate accurately. Moreover, diversion of management focus and resources from the day-to-day operation of the business to matters relating to the transactions could adversely affect each company's business, regardless of whether the offer and the merger are completed.

***Salesforce's and MuleSoft's actual financial positions and results of operations may differ materially from the unaudited pro forma financial information included in this document.***

The pro forma financial information contained in this document is presented for illustrative purposes only and may differ materially from what Salesforce's actual financial position or results of operations would have been had the transactions been completed on the dates indicated. The pro forma financial information has been derived from the historical financial statements of Salesforce and MuleSoft, and certain adjustments and assumptions have been made regarding the combined company after giving effect to the transactions. The assets and liabilities of MuleSoft have

been measured at fair value based on various preliminary estimates using assumptions that Salesforce management believes are reasonable utilizing information currently available. The process for estimating the fair value of acquired assets and assumed liabilities requires the use of judgment in determining the appropriate assumptions and estimates. These estimates may be revised as additional information becomes available and as additional analyses are performed. Differences between preliminary estimates in the pro forma financial information and the final acquisition accounting will occur and could have a material impact on the pro forma financial information and the combined company's financial position and future results of operations.

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In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect Salesforce's financial condition or results of operations following the completion of the transactions. Any potential decline in Salesforce's financial condition or results of operations may cause significant variations in the price of Salesforce common stock. See Unaudited Pro Forma Condensed Combined Financial Statements.

***Salesforce expects to obtain financing in connection with the offer and the merger and cannot guarantee that it will be able to obtain such financing on favorable terms or at all.***

Salesforce currently expects to finance the offer and the merger with available cash and the incurrence of new third-party debt financing, as described in The Offer Source and Amount of Funds. Salesforce's ability to obtain any such new debt financing will depend on, among other factors, prevailing market conditions and other factors beyond Salesforce's control. Salesforce cannot assure you that it will be able to obtain new debt financing on terms acceptable to it or at all, and any such failure could materially adversely affect its operations and financial condition. Completion of the offer and the merger is not conditioned on obtaining such new debt financing.

***Salesforce has outstanding debt and expects to incur additional debt in connection with the offer and the merger.***

Salesforce has outstanding debt and other financial obligations, each of which subjects Salesforce to certain risks, including among others increasing Salesforce's vulnerability to general adverse economic and industry conditions, requiring Salesforce to dedicate a portion of its cash flow from operations to payments on its debt, thereby reducing the availability of cash flow to fund working capital, capital expenditures, acquisitions and investments and other general corporate purposes, and potentially limiting Salesforce's ability to borrow additional funds or to borrow funds at rates or on other terms it finds acceptable. Salesforce expects to incur or assume additional debt in connection with the financing of the offer and the merger, which could cause the risks described above to intensify.

The agreements governing Salesforce's existing debt contain (and it is expected that any agreements governing any additional debt that Salesforce may incur or assume would contain) various operating covenants with respect to Salesforce's business. In addition, Salesforce's existing credit facilities require it to maintain a minimum interest coverage ratio and a maximum leverage ratio and its future credit facilities may also contain financial covenants. Any failure to comply with such restrictions may result in an event of default under such agreements. Such default may allow the applicable creditors to accelerate the related debt, which acceleration may trigger cross-acceleration or cross-default provisions in other debt.

Furthermore, if future debt financing is not available when required or is not available on acceptable terms, Salesforce may be unable to grow its business, take advantage of business opportunities, respond to competitive pressures or refinance maturing debt, any of which could have a material adverse effect on its operating results and financial condition.

***Litigation relating to the offer and the merger could require Salesforce to incur significant costs and suffer management distraction, as well as delay and/or enjoin the offer and the merger.***

In connection with the merger agreement and the transactions contemplated thereby, five purported class action lawsuits have been filed. Four complaints, captioned Joseph Polchert v. MuleSoft, Inc., et al., Case No. 3:18-cv-02071 (filed April 5, 2018), Chris Robinson v. MuleSoft, Inc., et al., Case No. 3:18-cv-02095 (filed April 6, 2018), LR Trust v. MuleSoft, Inc., et al., Case No. 3:18-cv-02104 (filed April 6, 2018) and Paul Debonis v. Mulesoft, Inc., et al., Case No. 3:18-cv-02259 (filed April 16, 2018), were filed in the United States District Court for the Northern District of California. One complaint, captioned Matthew Sciabacucchi v. MuleSoft, Inc., et al., Case No. 1:18-cv-00530 (filed

April 9, 2018), was filed in the United States District Court of Delaware.

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In general, the complaints assert claims against MuleSoft and the MuleSoft board of directors, with Salesforce and the Offeror as additional defendants in the Chris Robinson v. MuleSoft, Inc., et al. and Matthew Sciabacucchi v. MuleSoft, Inc., et al. complaints. The complaints allege, among other things, that the defendants failed to make adequate disclosures in the Schedule 14D-9 filed by MuleSoft on April 2, 2018. The complaints seek, among other things, to enjoin the proposed transaction, rescission of the proposed transaction should it be completed, and damages. Salesforce and Mulesoft believe that the allegations in the complaints are without merit.

MuleSoft and Salesforce could be subject to additional demands or litigation related to the offer and the merger. Such actions may create uncertainty relating to the offer and the merger, and responding to such demands and defending such actions may be costly and distracting to management.

### **Risks Related to Salesforce's Business**

You should read and consider the risk factors specific to Salesforce's business that will also affect the combined company after the offer and the merger. These risks are described in Salesforce's Annual Report on Form 10-K for the fiscal year ended January 31, 2018, which is incorporated by reference into this document, and in other documents that are incorporated by reference into this document. See "Where to Obtain More Information" for the location of information incorporated by reference in this document.

### **Risks Related to MuleSoft's Business**

You should read and consider the risk factors specific to MuleSoft's business that will also affect the combined company after the offer and the merger. These risks are described in MuleSoft's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which is incorporated by reference into this document, and in other documents that are incorporated by reference into this document. See "Where to Obtain More Information" for the location of information incorporated by reference in this document.



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**FORWARD-LOOKING STATEMENTS**

Information both included and incorporated by reference in this document may contain forward-looking statements, within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Words such as expects, anticipates, aims, projects, intends, plans, believes, estimates, seeks, assumes, may, foresees, forecasts, predicts, targets, variations of such words and similar expressions are intended to identify such forward-looking statements, which may consist of, among other things, trend analyses and statements regarding future events, future financial performance, anticipated growth and industry prospects. These forward-looking statements are based on current expectations, estimates and forecasts, as well as the beliefs and assumptions of Salesforce's management, and are subject to risks and uncertainties that are difficult to predict, including:

Salesforce's ability to consummate the proposed transaction on a timely basis or at all, including due to complexities resulting from the adoption of new accounting pronouncements and associated system implementations;

the satisfaction of the conditions precedent to consummation of the proposed transaction, including having a sufficient number of MuleSoft's shares being validly tendered into the offer to meet the minimum tender condition;

the parties' ability to secure regulatory approvals on the terms expected, in a timely manner or at all;

Salesforce's ability to successfully integrate MuleSoft's operations;

Salesforce's ability to implement Salesforce's plans, forecasts and other expectations with respect to MuleSoft's business after the completion of the transaction and to realize expected synergies;

Salesforce's ability to realize the anticipated benefits of the transaction, including the possibility that the expected benefits from the transaction will not be realized or will not be realized within the expected time period;

disruption from the transaction making it more difficult to maintain business and operational relationships;

the negative effects of the announcement or the consummation of the transaction on the market price of Salesforce common stock or on Salesforce's operating results;

the amount of the costs, fees, expenses and charges related to the offer and the merger;

unknown liabilities;

the risk of litigation or regulatory actions related to the transaction;

the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement;

the effect of general economic and market conditions;

the impact of foreign currency exchange rate and interest rate fluctuations on Salesforce's results;

Salesforce's business strategy and plan to build its business, including its strategy to be the leading provider of enterprise cloud computing applications and platforms;

the pace of change and innovation in enterprise cloud computing services;

the competitive nature of the market in which the parties participate;

Salesforce's international expansion strategy;

Salesforce's service performance and security, including the resources and costs required to prevent, detect and remediate potential security breaches;

the expenses associated with new data centers and third-party infrastructure providers, additional data center capacity and real estate and office facilities space;

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Salesforce's operating results and cash flows;

new services and product features;

Salesforce's strategy of acquiring or making investments in complementary businesses, joint ventures, services, technologies and intellectual property rights;

the performance and fair value of Salesforce's investments in complementary businesses through Salesforce's strategic investment portfolio;

Salesforce's ability to realize the benefits from strategic partnerships and investments;

Salesforce's ability to successfully integrate acquired businesses and technologies;

Salesforce's ability to continue to grow and maintain unearned revenue and remaining transaction price (previously referred to as deferred revenue and unbilled deferred revenue);

Salesforce's ability to protect its intellectual property rights;

Salesforce's ability to develop its brands;

Salesforce's reliance on third-party hardware, software and platform providers;

Salesforce's dependency on the development and maintenance of the infrastructure of the Internet;

the effect of evolving domestic and foreign government regulations, including those related to the provision of services on the Internet, those related to accessing the Internet, and those addressing data privacy, cross-border data transfers and import and export controls;

the valuation of Salesforce's deferred tax assets; the potential availability of additional tax assets in the future; the impact of new accounting pronouncements and tax laws, including the U.S. Tax Cuts and Jobs Act, and interpretations thereof; and uncertainties affecting Salesforce's ability to estimate its tax rate;

the impact of expensing stock options and other equity awards;

the sufficiency of Salesforce's capital resources;

factors related to Salesforce's convertible notes, revolving credit facility, term loan and loan associated with an office building located at 50 Fremont Street in San Francisco, California;

compliance with Salesforce's covenants and capital lease obligations;

current and potential litigation involving Salesforce or MuleSoft;

the impact of climate change; and

other risks detailed in Salesforce's filings with the SEC (see [Where to Obtain More Information](#) ). These and other risks and uncertainties may cause Salesforce's actual results to differ materially and adversely from those expressed in any forward-looking statements. Readers are directed to risks and uncertainties identified above under [Risk Factors](#) and elsewhere in this document for additional detail regarding factors that may cause actual results to be different than those expressed in Salesforce's forward-looking statements. Except as required by law, Salesforce undertakes no obligation to revise or update publicly any forward-looking statements for any reason. All forward-looking statements speak only as of the date of this document. All subsequent written and oral forward-looking statements attributable to Salesforce or any person acting on Salesforce's behalf are qualified by the cautionary statements in this section.

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**THE COMPANIES**

**Salesforce**

Salesforce, a Delaware corporation, is a leading provider of customer relationship management, or CRM, software, and delivers its cloud-based software through the internet as a service. Salesforce introduced its first CRM solution in 2000, and it has since expanded its service offerings into new areas and industries, as well as introduced new features and platform capabilities. Salesforce's core mission is to empower its customers to connect with their customers in entirely new ways through cloud, mobile, social, Internet of Things and artificial intelligence technologies. Salesforce delivers a comprehensive portfolio of service offerings, including sales force automation, customer service and support, marketing automation, digital commerce, community management, collaboration, industry-specific solutions and the Salesforce Platform, also referred to as the Customer Success Platform, which includes Trailhead, Einstein AI, Lightning, Internet of Things, Heroku, Analytics and the AppExchange.

Salesforce common stock is traded on the NYSE under the ticker symbol CRM.

The address of Salesforce's principal executive offices is The Landmark @ One Market, Suite 300, San Francisco, California 94105. Salesforce's telephone number is (415) 901-7000. Salesforce also maintains an Internet site at [www.salesforce.com](http://www.salesforce.com). Salesforce's website and the information contained therein or connected thereto shall not be deemed to be incorporated herein, and you should not rely on any such information in making an investment decision.

**The Offeror**

The Offeror, a Delaware corporation, is a wholly owned subsidiary of Salesforce. The Offeror is newly formed, and was organized for the purpose of making the offer and consummating the merger. The Offeror has engaged in no business activities to date and it has no material assets or liabilities of any kind, other than those incident to its formation and those incurred in connection with the offer and the merger. The Offeror's address is c/o salesforce.com, inc., The Landmark @ One Market, Suite 300, San Francisco, California 94105.

**MuleSoft**

MuleSoft, a Delaware corporation, is enabling a fundamental shift in organizations' technology operating models by equipping them to create composable, agile infrastructures. MuleSoft's Anypoint Platform allows customers to connect their applications, data and devices into an application network where IT assets are pluggable instead of glued together with custom integration code. The application network enables a self-serve infrastructure through discoverable building blocks that can be used and reused to rapidly compose applications. As a result, IT organizations can deliver projects faster and lines of business are able to innovate and respond more rapidly. With an application network built with Anypoint Platform, organizations can transform into composable enterprises. MuleSoft is headquartered in San Francisco, California and as of December 31, 2017, MuleSoft had over 1,200 customers located in over 60 countries across every major industry.

MuleSoft Class A common stock is listed on the NYSE under the ticker symbol MULE. The MuleSoft Class B common stock is not publicly traded but converts, on a one-for-one basis, into MuleSoft Class A common stock at the election of the holder.

The address of MuleSoft's principal executive offices is 77 Geary Street, Suite 400, San Francisco, California 94108. MuleSoft's telephone number is (415) 229-2009. MuleSoft also maintains an Internet site at [www.mulesoft.com](http://www.mulesoft.com). MuleSoft's website and the information contained therein or connected thereto shall not be deemed to be incorporated

herein, and you should not rely on any such information in making an investment decision.

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**THE OFFER**

**General**

Salesforce, through the Offeror, which is a wholly owned subsidiary of Salesforce, is offering to exchange for each outstanding share of MuleSoft Class A common stock and MuleSoft Class B common stock validly tendered and not validly withdrawn in the offer:

\$36.00 in cash; and

0.0711 of a share of Salesforce common stock, together with cash in lieu of any fractional shares of Salesforce common stock;

in each case, without interest and less any applicable withholding taxes.

MuleSoft stockholders will not receive any fractional shares of Salesforce common stock in the offer or the merger, and each MuleSoft stockholder who otherwise would be entitled to receive a fraction of a share of Salesforce common stock pursuant to the offer or the merger will be paid an amount in cash (without interest) equal to such fractional part of a share of Salesforce common stock multiplied by the volume weighted average closing sale price of one share of Salesforce common stock as reported on the NYSE for the 10 consecutive trading days ending on and including the trading day immediately preceding the acceptance of tendered MuleSoft shares in the offer, rounded to the nearest cent. See Merger Agreement Fractional Shares.

The purpose of the offer is for Salesforce to acquire control of, and ultimately the entire equity interest in, MuleSoft. The offer is the first step in Salesforce's plan to acquire all of the outstanding MuleSoft shares, and the merger is the second step in such plan. If the offer is completed, validly tendered (and not validly withdrawn) MuleSoft shares will be exchanged for the transaction consideration, and if the merger is completed, any remaining MuleSoft shares that were not tendered into the offer (other than certain dissenting, converted or cancelled shares, as described further in this document) will be converted into the right to receive the transaction consideration. If the offer is completed, Salesforce intends to promptly consummate the merger as the second step in such plan. The purpose of the merger is for Salesforce to acquire all MuleSoft shares that it did not acquire in the offer. Upon consummation of the merger, the MuleSoft business will be held in a wholly owned subsidiary of Salesforce, and the former MuleSoft stockholders will no longer have any direct ownership interest in the surviving corporation.

**Background of the Offer and the Merger**

**The Schedule 14D-9 includes additional information on the background, deliberations and other activities involving MuleSoft (see the section titled Background of the Offer and the Merger in the Schedule 14 D-9, which has been filed with the SEC and is being mailed to you and other stockholders of MuleSoft together with this document). You are encouraged to read that section in its entirety.**

Members of Salesforce's management team regularly consider and pursue opportunities to enhance Salesforce's product suite, improve customer satisfaction and unlock stockholder value. In this regard, members of Salesforce's management team have reviewed and discussed business, operational and strategic plans to enhance and complement Salesforce's existing product suite to address the needs articulated by Salesforce customers, including to better leverage data (regardless of where it resides) to make smarter and faster decisions and create differentiated connected

customer experiences.

Over the past several years, Salesforce has had numerous strategic discussions with MuleSoft in connection with Salesforce's prior investment in MuleSoft and the two companies' long-standing commercial relationship. Salesforce participated in a number of MuleSoft's private investment rounds beginning in 2013 and prior to MuleSoft's initial public offering, but was not an investor in MuleSoft at the time the transaction was announced. In addition, MuleSoft has been a Salesforce customer for over a decade, and Salesforce has been a MuleSoft



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customer since 2013. As part of their investor and commercial relationships, Greg Schott, the Chairman and Chief Executive Officer, and other representatives of MuleSoft, on the one hand, and John Somorjai, Executive Vice President of Corporate Development and Salesforce Ventures, Alex Dayon, President and Chief Strategy Officer, and Bret Taylor, President and Chief Product Officer, and other representatives of Salesforce, on the other hand, have had discussions from time to time to better understand each other's respective businesses, platforms and products, and to explore various ways in which they could collaborate in order to advance their shared business objectives.

Prior to February 2018, none of the discussions between representatives of MuleSoft and Salesforce involved the possibility of an acquisition of MuleSoft.

On February 2, 2018, Mr. Somorjai sent an email to Mr. Schott requesting a meeting to discuss various commercial matters, including joint business development ideas.

On February 12, 2018, Mr. Schott met with Mr. Somorjai, Mr. Dayon and Mr. Taylor, and the Salesforce executives discussed their strategic focus on creating a leading integration platform to enable connectivity among their customers. During the meeting, Mr. Somorjai suggested that Mr. Schott meet with Marc Benioff, the Chairman, Chief Executive Officer and co-founder of Salesforce, to further discuss these matters.

On February 26, 2018, the Mergers and Acquisitions Committee of the Salesforce board of directors (which we refer to as the M&A Committee) met to discuss and review, among other things, the possible acquisition of MuleSoft and recommended that management brief the Salesforce board of directors on a potential transaction. At the invitation of the M&A Committee, members of Salesforce management, representatives of Bank of America Merrill Lynch (which we refer to as BofA Merrill Lynch) and representatives of Salesforce's outside counsel, Wachtell, Lipton, Rosen & Katz (which we refer to as Wachtell Lipton) attended the meeting.

On February 26, 2018, Mr. Schott met with Mr. Benioff. During the course of this meeting, Mr. Benioff described the importance of an integration platform to Salesforce's strategic plans, and observed that MuleSoft's products could be the foundation of Salesforce's integration platform. Mr. Benioff asked Mr. Schott if the MuleSoft board of directors would be open to the possibility of considering a combination of the two companies. Mr. Schott responded that, although MuleSoft was not for sale, the MuleSoft board of directors would consider in good faith any reasonable offer it received from Salesforce.

On February 28, 2018, Mr. Schott had a meeting with Keith Block, the Vice Chairman, President and Chief Operating Officer of Salesforce, to further discuss the possibility of combining the two companies. No substantive business terms were proposed or discussed at that time, although Mr. Block previewed that Salesforce would likely be delivering a preliminary indication of interest within a couple of days.

On March 2, 2018, the Salesforce board of directors met to discuss and review the business, prospects and potential for an acquisition of MuleSoft and authorized management to continue to pursue negotiations with MuleSoft and to submit a proposal to acquire MuleSoft. At the invitation of the Salesforce board of directors, members of Salesforce management, representatives of BofA Merrill Lynch and representatives of Wachtell, Lipton attended the meeting.

On March 2, 2018, Salesforce negotiated and entered into a confidentiality agreement with MuleSoft. The confidentiality agreement included a 12-month standstill provision, which did not restrict Salesforce from making confidential proposals to, or requesting a waiver of the standstill from, the MuleSoft board of directors. The confidentiality agreement also precluded Salesforce from engaging in any discussions with MuleSoft's executive officers or other employees regarding any retention arrangements unless and until the MuleSoft board of directors granted express permission, which representatives of MuleSoft indicated the MuleSoft board of directors only

intended to grant following negotiation and agreement regarding the transaction consideration.

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On March 2, 2018, Salesforce submitted to MuleSoft a nonbinding proposal in which Salesforce expressed an interest in acquiring MuleSoft for \$38.00 per share, to be comprised of approximately 50% cash and 50% Salesforce common stock (the exchange ratio for which would be fixed at signing based on the unaffected trailing five-day volume weighted average price of Salesforce common stock). In its proposal, Salesforce indicated that it would be open to discussing a different mix of cash and Salesforce common stock if preferred by the MuleSoft board of directors, and that the transaction would not be subject to any financing condition. The proposal included a request for a three-week period of exclusive negotiations, as well as an indication that Salesforce would be willing to move quickly in an effort to sign a definitive agreement as early as the week of March 26, 2018. The proposal also indicated that Salesforce viewed the management team as important to the success of the combination and that, at the appropriate time and with the consent of the MuleSoft board of directors, Salesforce would look to engage in discussions with the management team related to their retention.

On March 5, 2018, Mr. Schott held a telephone call with Mr. Benioff in which Mr. Schott conveyed the MuleSoft board of directors' initial view that Salesforce's offer price would need to be significantly higher than \$38.00 per share, and also noted that the MuleSoft board of directors would need further time to analyze MuleSoft's standalone valuation before providing a more specific response.

On March 7, 2018, Mr. Schott communicated to Mr. Benioff MuleSoft's counter-proposal of a price of \$45.00 per share, conditioned on announcing a transaction by the week of March 19, 2018.

Later on March 7, 2018 and again on March 8, 2018, Mr. Somorjai called Mr. Schott to discuss the mix of consideration in the proposed transaction. During these calls, Mr. Schott conveyed the MuleSoft board of directors' preference for an all-cash transaction, while Mr. Somorjai communicated that any acquisition of MuleSoft would need to include some Salesforce common stock in the purchase price. Mr. Somorjai communicated to Mr. Schott Salesforce's view on the attractiveness of Salesforce common stock, even before reflecting the anticipated benefits of the proposed transaction and resulting value creation opportunity. Representatives of BofA Merrill Lynch and representatives of Goldman Sachs also discussed MuleSoft's counter-proposal and the mix of consideration in the proposed transaction.

On March 8, 2018, the M&A Committee met to discuss and review the status of the potential acquisition of MuleSoft and the merits of the potential combination, including the potential for substantial synergies (including due to MuleSoft's existing penetration of large enterprise customers) and for MuleSoft's products to serve as the foundation of Salesforce's integration platform and provide meaningful additional value to Salesforce's customers. At the invitation of the M&A Committee, members of Salesforce management, representatives of BofA Merrill Lynch and representatives of Wachtell, Lipton attended the meeting. After deliberation, the M&A Committee authorized management to submit a revised proposal to acquire MuleSoft.

Later on March 8, 2018, Salesforce submitted to MuleSoft a revised proposal in which Salesforce offered to acquire MuleSoft for \$45.00 per share, to be comprised of approximately 80% cash and 20% Salesforce common stock (the exchange ratio for which would be fixed at signing based on the unaffected trailing five-day volume weighted average price of Salesforce common stock). Salesforce's revised proposal represented a premium of approximately 32% over the closing price of \$34.10 per share of Class A common stock on March 7, 2018. In its revised proposal, Salesforce reiterated that the transaction would not be subject to any financing condition. Salesforce's revised proposal included a request for exclusivity until March 20, 2018 and noted that Salesforce would be willing to work expeditiously towards completing its due diligence, negotiating definitive agreements and announcing a transaction as early as the week of March 19, 2018. Salesforce also expressed its belief that it could quickly obtain required approvals and promptly close the transaction.

On March 8, 2018, Salesforce entered into an agreement with MuleSoft providing for exclusive negotiations through March 20, 2018.

On March 9, 2018, MuleSoft provided a virtual data room which provided substantial materials regarding MuleSoft's business. Salesforce continued to conduct due diligence on MuleSoft throughout the negotiation

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period. Also on March 9, 2018, representatives of Wachtell, Lipton sent drafts of a proposed definitive merger agreement and form of support agreement to representatives of Wilson Sonsini Goodrich and Rosati (which we refer to as WSGR ).

Between March 12, 2018 and March 16, 2018, representatives of MuleSoft held a number of lengthy management meetings in person and by conference call with various representatives of Salesforce, during which in-depth financial, technological, legal and other due diligence was conducted, including meetings in Argentina on March 15, 2018 between Mr. Dayon and other employees of Salesforce and employees of MuleSoft based in Argentina.

On March 13, 2018, the M&A Committee met to discuss and review the status of, and negotiations with respect to, the potential acquisition of MuleSoft. At the invitation of the M&A Committee, members of Salesforce management and representatives of Wachtell, Lipton attended the meeting.

On March 13, 2018, representatives of WSGR provided a revised draft of the definitive merger agreement to representatives of Wachtell Lipton.

On March 14, 2018, the Salesforce board of directors met to discuss and review the merits and the status of the potential acquisition of MuleSoft. At the invitation of the Salesforce board of directors, members of Salesforce management and representatives of Wachtell, Lipton attended the meeting.

On March 14, 2018, representatives of WSGR provided a revised draft of the form of support agreement to representatives of Wachtell Lipton, which was finalized over the course of the next several days. During the course of these negotiations, representatives of Wachtell Lipton communicated Salesforce's request to have certain MuleSoft stockholders, who held approximately 30% of the outstanding shares of MuleSoft common stock, sign the support agreement.

On March 15, 2018, members of MuleSoft management, along with representatives of WSGR and Goldman Sachs, held a conference call with members of Salesforce management regarding reverse legal and financial due diligence of Salesforce and Salesforce common stock.

Also on March 15, 2018, representatives of Wachtell Lipton provided a revised draft of the definitive merger agreement to representatives of WSGR. On March 16, 2018, representatives of Wachtell Lipton formally requested on behalf of Salesforce permission for representatives of Salesforce to discuss retention arrangements with executives of MuleSoft, which permission was granted.

On March 17, 2018, representatives of WSGR provided a revised draft of the definitive merger agreement to representatives of Wachtell Lipton.

Between the afternoon of March 18, 2018 and the morning of March 20, 2018, representatives of WSGR continued to negotiate and finalized the draft definitive merger agreement with representatives of Wachtell Lipton.

On March 19, 2018, the M&A Committee held a meeting to consider and discuss the terms of the proposed acquisition of MuleSoft by Salesforce. At the invitation of the M&A Committee, members of Salesforce management, representatives of BofA Merrill Lynch and representatives of Wachtell Lipton attended the meeting. Members of Salesforce management briefed the M&A Committee on the status of negotiations with MuleSoft with respect to the proposed transaction. The M&A Committee reviewed the material terms and conditions of the proposed transaction. Representatives of BofA Merrill Lynch discussed with the M&A Committee various financial analyses performed by BofA Merrill Lynch with respect to the proposed transaction, including with respect to comparable companies,

comparable precedent transactions and discounted cash flow analyses. The M&A Committee engaged in discussion and deliberations.

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On March 20, 2018, the Salesforce board of directors held a meeting to consider and discuss the terms of the proposed acquisition of MuleSoft by Salesforce. At the invitation of the Salesforce board of directors, members of Salesforce management, representatives of BofA Merrill Lynch and representatives of Wachtell Lipton attended the meeting. The Salesforce board of directors reviewed the material terms and conditions of the proposed transaction. Representatives of BofA Merrill Lynch discussed with the directors various financial analyses performed by BofA Merrill Lynch with respect to the proposed transaction, including with respect to comparable companies, comparable precedent transactions and discounted cash flow analyses. The Salesforce board of directors then engaged in discussion and deliberations, following which the Salesforce board of directors approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the offer and the merger and the issuance of Salesforce shares in connection therewith, were advisable and fair to, and in the best interests of, Salesforce and its stockholders.

Immediately following the close of markets on March 20, 2018, Salesforce and MuleSoft signed the definitive merger agreement and issued a joint press release announcing the transaction.

**MuleSoft's Reasons for the Offer and the Merger; Recommendation of the MuleSoft Board of Directors**

In evaluating the merger agreement and the transactions contemplated by the merger agreement, including the offer and the merger, the MuleSoft board of directors consulted with MuleSoft's management, as well as Goldman Sachs, its financial advisor, and WSGR, its outside legal counsel. In the course of reaching its determination that the offer and the merger are in the best interests of MuleSoft stockholders, and its recommendation that MuleSoft stockholders accept the offer and tender their shares of MuleSoft common stock in the offer, the MuleSoft board of directors considered numerous factors, including the following material factors and benefits of the offer and merger, each of which the MuleSoft board of directors believed supported its unanimous determination and recommendation:

**Offer Price.** The MuleSoft board of directors considered the fact that the per share offer price of \$36.00 in cash and 0.0711 of a share of Salesforce common stock represents a significant premium over the market prices at which the Class A common stock had been trading, including representing (based on the closing price of Salesforce shares on March 19, 2018, which was the day before the date of the merger agreement) a (i) 35.9% premium over the closing price of \$33.03 per share of Class A common stock on the day before the date of the merger agreement and (ii) 43.4% premium over the volume weighted average trading price of \$31.31 per share of Class A common stock during the one- month period prior to the date of the merger agreement.

**Implied Valuation:** The MuleSoft board of directors considered the fact that the valuation of MuleSoft implied by the offer price was at a premium to the comparable software company and precedent software transaction multiples identified by MuleSoft and its advisors, in each case based on projected next twelve month revenue multiples.

**Combined Resources, Complementary Products, Execution Risks in Remaining Independent, Partnership with Salesforce and Future Success.** The MuleSoft board of directors carefully considered the current and historical financial condition, results of operations, business, competitive position and prospects of MuleSoft. Additionally, the MuleSoft board of directors also considered a number of other factors, including:

**Combined Resources.** The MuleSoft board of directors belief that the transaction would provide MuleSoft with the substantial resources necessary to expand its platform for building application networks that connect enterprise apps, data and devices across any cloud and on-premise. The MuleSoft board of directors considered that the combination between MuleSoft and Salesforce would enable MuleSoft to grow its Anypoint Platform and to support the Salesforce Integration Cloud, thereby enabling customers to connect data through enterprises across all public and private clouds and data sources and improving the customer data experience.



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**Complementary Products.** The MuleSoft board of directors considered the complementary nature of the products and development capabilities of MuleSoft and Salesforce to enable the combined company to compete more effectively in current and prospective markets by offering greater breadth and depth in the data and integration software markets, an enhanced ability to develop new product offerings and the potential to build and deliver a larger business model across domestic and international markets.

**Execution Risks in Remaining Independent.** The MuleSoft board of directors considered a number of the business challenges that MuleSoft was facing, including the operational and business risks of operating as an independent company, the current competitive environment in MuleSoft's industry as well as general uncertainty surrounding forecasted economic conditions, both in the near-term and long-term.

**Strong Partnership.** In the view of the MuleSoft board of directors, Salesforce has an excellent management team with a strong track record of growing businesses and is a global leader in customer relationship management.

**Future Success.** Given the stock component of the consideration payable to MuleSoft stockholders, MuleSoft stockholders will continue to be able to meaningfully participate in the future growth of Salesforce and, indirectly, MuleSoft.

**Opinion of MuleSoft's Financial Advisor.** The MuleSoft board of directors considered Goldman Sachs' oral opinion and analysis as of March 20, 2018, subsequently confirmed in writing, to the MuleSoft board of directors to the effect that, subject to the factors and assumptions set forth therein, the transaction consideration per share to be paid to the holders (other than Salesforce and its affiliates) of shares of MuleSoft common stock, taken in the aggregate, pursuant to the merger agreement was fair from a financial point of view to such holders. The MuleSoft board of directors was aware that Goldman Sachs became entitled to certain fees upon the announcement of the transactions and will become entitled to additional fees upon consummation of the merger. See [Opinion of MuleSoft's Financial Advisor](#).

**Certainty of Value and Liquidity; Potential Participation in Growth.** The MuleSoft board of directors considered the form of the consideration payable to MuleSoft stockholders. The cash consideration will offer MuleSoft stockholders certainty as to value and liquidity, while the stock consideration will offer the ability to participate in the future growth of Salesforce and, indirectly, MuleSoft and to benefit from any potential appreciation that may be reflected in the value of Salesforce common stock (which future earnings growth rate may represent a different growth rate than MuleSoft's business on a standalone basis), as well as the ability to attain liquidity should any of the MuleSoft stockholders choose not to retain their shares of Salesforce common stock.

**Likelihood of Completion; Certainty of Payment.** The MuleSoft board of directors considered its belief that the offer and the merger will likely be consummated, based on, among other factors:

the absence of any financing condition to consummation of the offer or the merger;

the reputation and financial condition of Salesforce;

the fact that holders of approximately 30% of the outstanding shares of MuleSoft common stock had agreed to tender their shares into the offer pursuant to the support agreements; and

MuleSoft's ability to request the Delaware Court of Chancery to specifically enforce the merger agreement, including the consummation of the offer and the merger, subject to the terms and conditions therein.

**Certain Management Projections.** The MuleSoft board of directors considered certain financial projections for MuleSoft prepared by MuleSoft management, which reflected certain assumptions of MuleSoft's senior management. For further discussion, see [Projected Financial Information](#) .

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**Other Terms of the Merger Agreement.** The MuleSoft board of directors considered other terms of the merger agreement, which are more fully described in the section entitled Merger Agreement. Certain provisions of the merger agreement that the MuleSoft board of directors considered important included:

**Ability to Respond to Certain Unsolicited Acquisition Proposals.** The merger agreement permits the MuleSoft board of directors, in furtherance of the exercise of its fiduciary duties under Delaware law, to consider and engage in negotiations or discussions with third parties regarding alternative transactions under certain circumstances (see the section titled Merger Agreement No Solicitation of Other Offers by MuleSoft );

**Fiduciary Termination Right.** The MuleSoft board of directors may terminate the merger agreement to accept a superior proposal if certain conditions are met, including providing Salesforce an opportunity to match such proposal and the payment of the termination fee to Salesforce (see Merger Agreement Termination of the Merger Agreement Termination by MuleSoft );

**Low Termination Fee.** Although MuleSoft must pay a termination fee as a condition to terminating the merger agreement to accept a superior proposal in the circumstances described above, the termination fee of 2.75% of the equity value of the transaction is relatively low compared to other selected transactions;

**Conditions to Consummation of the Offer and the Merger; Likelihood of Closing.** The fact that the Offeror's obligations to purchase (and Salesforce's obligation to cause the Offeror to purchase) shares of MuleSoft common stock in the offer and to close the merger are subject to limited and customary conditions, and the resulting belief of the MuleSoft board of directors that the offer and the merger are reasonably likely to be consummated; and

**Extension of Offer Period.** The fact that in the event that the conditions of the offer, with the exception of certain conditions, have not been satisfied or waived at the scheduled expiration of the offer, the Offeror must extend the offer for one or more periods of up to ten business days until such conditions have been satisfied or waived, subject to the outside date provided in the merger agreement and the other terms and conditions of the merger agreement.

**Appraisal Rights.** The MuleSoft board of directors considered the availability of statutory appraisal rights under Delaware law in connection with the merger for MuleSoft stockholders.

In reaching its determinations and recommendations described above, the MuleSoft board of directors also considered the following potentially negative factors:

**Announcement.** The MuleSoft board of directors considered the fact that the announcement of the offer could result in a disruption of MuleSoft's business and relationships with certain customers, suppliers, vendors and employees.

**Interim Operating Covenants.** The MuleSoft board of directors considered that the merger agreement imposes certain restrictions on the conduct of MuleSoft's business prior to the consummation of the merger (see Merger Agreement Conduct of Business Before Completion of the Merger Restrictions on MuleSoft's Operations ).

**Risks the Offer and the Merger May Not Be Completed.** The MuleSoft board of directors considered the risk that the conditions to the offer may not be satisfied and that, therefore, the offer and the merger may not be consummated. The MuleSoft board of directors also considered the impact on MuleSoft if the offer and the merger were not consummated, including the likely negative impact on MuleSoft's near-term stock price, diversion of management and employee attention, potential employee attrition and the potential negative effect on business relationships.

**Interests of Directors and Executive Officers.** The MuleSoft board of directors considered the potential conflict of interest created by the fact that MuleSoft's executive officers and directors have

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financial interests in the transactions contemplated by the merger agreement, including the offer and the merger. See *Interests of Certain Persons in the Transaction* and *Item 3 Past Contacts, Transactions, Negotiations and Agreements* in the Schedule 14D-9, which has been filed with the SEC and is being mailed to you and other stockholders of MuleSoft together with this document.

**Tax Consequences of the Receipt of Salesforce Common Stock.** The MuleSoft board of directors considered the fact that the receipt of a combination of cash and shares of Salesforce common stock in exchange for the shares of MuleSoft common stock pursuant to the offer and the merger will be a taxable transaction to the MuleSoft stockholders for U.S. federal income tax purposes.

At a meeting held on March 20, 2018, after careful consideration of the foregoing factors, the MuleSoft board of directors, among other things, unanimously:

determined that the terms of the merger agreement and the transactions contemplated by the merger agreement, including the offer and the merger and the issuance of shares of Salesforce common stock in connection therewith, are fair to, and in the best interests of, MuleSoft and its stockholders;

determined that it is in the best interests of MuleSoft and its stockholders and declared it advisable to enter into the merger agreement;

approved the execution and delivery by MuleSoft of the merger agreement, the performance by MuleSoft of its covenants and agreements contained in the merger agreement and the consummation of the offer, the merger and the other transactions contemplated by the merger agreement upon the terms and subject to the conditions contained in the merger agreement;

approved the execution and delivery of the support agreements by the supporting stockholders and the performance of such supporting stockholders' obligations under the support agreements; and

resolved to recommend, and recommended, that the MuleSoft stockholders accept the offer and tender their shares of MuleSoft common stock to the Offeror pursuant to the offer.

**Accordingly, the MuleSoft board of directors unanimously recommends that MuleSoft stockholders tender their MuleSoft common stock pursuant to the offer.**

The foregoing discussion of the factors considered by the MuleSoft board of directors is intended to be a summary, and is not intended to be exhaustive, but rather includes the material factors considered by the MuleSoft board of directors. After considering these factors, the MuleSoft board of directors concluded that the positive factors relating to the merger agreement and the transactions contemplated by the merger agreement, including the offer and the merger, substantially outweighed the potential negative factors. The MuleSoft board of directors collectively reached the unanimous conclusion to approve the merger agreement and the related transactions, including the offer and the merger, in light of the various factors described above and other factors that the members of the MuleSoft board of directors believed were appropriate. In view of the wide variety of factors considered by the MuleSoft board of directors in connection with its evaluation of the merger agreement and the transactions contemplated by the merger

agreement, including the offer and the merger, and the complexity of these matters, the MuleSoft board of directors did not consider it practical, and did not attempt, to quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision, and it did not undertake to make any specific determination as to whether any factor, or any particular aspect of any factor, supported or did not support its ultimate determination. Rather, the MuleSoft board of directors made its recommendation based on the totality of information it received and the investigation it conducted. In considering the factors discussed above, individual directors may have given different weights to different factors.

**Salesforce s Reasons for the Offer and the Merger**

In reaching its decision to approve the merger agreement, the offer, the merger and the other transactions contemplated by the merger agreement, the Salesforce board of directors consulted with Salesforce s

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management, as well as Salesforce's legal and financial advisors, and considered a number of factors, including the following factors which it viewed as supporting its decision to approve the merger agreement, the offer, the merger and the other transactions contemplated by the merger agreement (not in any relative order of importance):

the view that MuleSoft is a premier integration platform that will help enable Salesforce's customers to surface customer data regardless of where it resides to drive deep customer experiences;

the view that MuleSoft's products will enhance Salesforce's value to its customers by helping customers unlock data to make smarter and faster decisions and create differentiated connected customer experiences;

the view that MuleSoft's products, when integrated with Salesforce's products, presents an opportunity to improve customer satisfaction and lower attrition;

the view that MuleSoft addresses a multi-billion dollar market opportunity that is growing at a fast rate;

the view that MuleSoft's products present an opportunity for Salesforce to enhance its vertical expertise;

the view that MuleSoft strengthens the Salesforce platform by adding hundreds of connectors, an enterprise service bus and API management tools used by Salesforce customers;

MuleSoft's penetration of large enterprise customers, which also includes many of Salesforce's largest customers (such as Coca-Cola, Barclays and Unilever);

the view of Salesforce customers that integration and data are an important part of the broader digital transformation initiative and a high priority;

MuleSoft's demonstrated ability to meaningfully scale its business with attractive growth prospects;

the expectation that the combined company would create additional growth opportunities by leveraging the respective strengths of each business, which is expected to create long-term stockholder value;

the strength of MuleSoft's management team and engineering and delivery teams, and the cultural synergies between the two companies;

the view that the terms and conditions of the merger agreement and the transactions contemplated therein, including the representations, warranties, covenants, closing conditions and termination provisions, are comprehensive and favorable to completing the proposed transactions;

the fact that the merger agreement places limitations on MuleSoft's ability to seek an alternative proposal and requires MuleSoft to pay Salesforce a termination fee of \$187 million if Salesforce or MuleSoft terminates the merger agreement under certain circumstances, including if MuleSoft consummates or enters into an agreement with respect to a competing acquisition proposal within a certain time period;

the anticipated short time period from announcement to completion achievable through the exchange offer structure and the expectation that the conditions to the consummation of the offer and the merger will be satisfied on a timely basis;

the amount and form of consideration to be paid in the transaction, including the fact that the exchange ratio is fixed, and the other financial terms of the transactions;

current financial market conditions and the current and historical market prices and volatility of, and trading information with respect to, shares of Salesforce common stock and MuleSoft Class A common stock;

the Salesforce board of directors' and Salesforce's management's familiarity with the business operations, strategy, earnings and prospects of each of Salesforce and MuleSoft and the scope and results of the due diligence investigation of MuleSoft conducted by Salesforce;



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the entry into the support agreements by certain of MuleSoft's directors, officers and largest stockholders, whose shares in the aggregate represent approximately 30% of the voting power of all outstanding MuleSoft shares as of March 28, 2018 (assuming all of the shares of MuleSoft Class B common stock will convert, on a one-to-one basis, into shares of MuleSoft Class A common stock in connection with the consummation of the offer, as described elsewhere in this document); and

MuleSoft's management's recommendation in favor of the offer and the merger.

The Salesforce board of directors also considered a variety of uncertainties and risks and other potentially negative factors concerning the transactions, including the following (not in any relative order of importance):

the risk that the potential benefits of the acquisition may not be fully or even partially achieved, or may not be achieved within the expected timeframe;

costs associated with the transactions;

the risk that the transactions may not be consummated despite the parties' efforts or that the closing of the transactions may be unduly delayed, including due to complexities resulting from the adoption of new accounting pronouncements and associated system implementations;

the risks associated with the occurrence of events which may materially and adversely affect the operations or financial condition of MuleSoft and its subsidiaries, which may not entitle Salesforce to terminate the merger agreement;

the challenges and difficulties relating to combining the operations of Salesforce and MuleSoft;

the risk of diverting Salesforce's management focus and resources from other strategic opportunities and from operational matters while working to implement the acquisition of MuleSoft, and other potential disruption associated with combining the two companies;

the effects of general competitive, economic, political and market conditions and fluctuations on Salesforce, MuleSoft or the combined company; and

various other risks associated with the acquisition and the businesses of Salesforce, MuleSoft and the combined company, some of which are described under "Risk Factors."

The Salesforce board of directors concluded that the potential negative factors associated with the acquisition were outweighed by the potential benefits of completing the offer and the merger. Accordingly, the Salesforce board of directors approved the merger agreement, the offer, the merger and the other transactions contemplated by the merger agreement.

The foregoing discussion of the information and factors considered by the Salesforce board of directors is not intended to be exhaustive, but includes the material positive and negative factors considered by the Salesforce board of directors. In view of the variety of factors considered in connection with its evaluation of the acquisition, the Salesforce board of directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination. In addition, individual directors may have given different weights to different factors. The Salesforce board of directors did not undertake to make any specific determination as to whether any factor, or any particular aspect of any factor, supported or did not support its ultimate determination. The Salesforce board of directors based its determination on the totality of the information presented.

**Opinion of MuleSoft's Financial Advisor**

Goldman Sachs delivered its opinion to the MuleSoft board of directors that, as of the date of the written fairness opinion and based upon and subject to the factors and assumptions set forth therein, the transaction consideration per share to be paid to the holders (other than Salesforce and its affiliates) of shares of MuleSoft common stock, taken in the aggregate, pursuant to the merger agreement was fair from a financial point of view to such holders.

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**The full text of the written opinion of Goldman Sachs, dated March 20, 2018, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex A. Goldman Sachs provided advisory services and its opinion for the information and assistance of the MuleSoft board of directors in connection with its consideration of the transactions. The Goldman Sachs opinion does not constitute a recommendation as to whether or not any holder of shares of MuleSoft common stock should tender such shares of MuleSoft common stock in connection with the offer.**

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the merger agreement;

annual reports to stockholders and Annual Reports on Form 10-K of MuleSoft and Salesforce for the three fiscal years ended December 31, 2017 and five fiscal years ended January 31, 2018, respectively;

MuleSoft's Registration Statement on Form S-1, including MuleSoft's prospectus contained therein, dated March 16, 2017;

certain other communications from MuleSoft and Salesforce to their respective stockholders;

certain publicly available research analyst reports for MuleSoft and Salesforce;

certain internal financial analyses and forecasts for MuleSoft prepared by its management as approved for Goldman Sachs' use by MuleSoft (which we refer to as the "forecasts") (for more information, see above under the caption "Projected Financial Information");

certain internal financial analyses and forecasts for Salesforce prepared by its management, in each case as approved for Goldman Sachs' use by MuleSoft; and

certain analyses prepared by the management of MuleSoft related to the expected utilization of certain net operating loss carryforwards, as approved for Goldman Sachs' use by MuleSoft (which we refer to as the "NOL forecasts").

Although certain internal financial analyses and forecasts for Salesforce prepared by its management were provided to and reviewed by Goldman Sachs in connection with the transaction, such analyses and forecasts were not utilized by Goldman Sachs to perform its financial analyses in connection with rendering its fairness opinion.

Goldman Sachs also held discussions with members of the managements of MuleSoft and Salesforce regarding their assessment of the strategic rationale for, and the potential benefits of, the transactions and the past and current

business operations, financial condition and future prospects of MuleSoft and Salesforce; reviewed the reported price and trading activity for the Class A common stock and the Salesforce common stock; compared certain financial and stock market information for MuleSoft and Salesforce with similar information for certain other companies, the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the software industry and in other industries; and performed such other studies and analyses, and considered such other factors, as it deemed appropriate based upon its professional judgement.

For purposes of rendering its opinion, Goldman Sachs, with MuleSoft's consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, it, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed with MuleSoft's consent that the forecasts and the NOL forecasts were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of MuleSoft. Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of MuleSoft or Salesforce or any of their respective subsidiaries and it was not furnished with any such evaluation or appraisal. Goldman Sachs assumed that all governmental, regulatory or other consents and approvals necessary

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for the consummation of the transactions will be obtained without any adverse effect on MuleSoft or Salesforce or on the expected benefits of the transactions in any way meaningful to its analysis. Goldman Sachs has also assumed that the transactions will be consummated on the terms set forth in the merger agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis.

Goldman Sachs' opinion does not address the underlying business decision of MuleSoft to engage in the transactions or the relative merits of the transactions as compared to any strategic alternatives that may be available to MuleSoft; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs was not requested to solicit, and did not solicit, interest from other parties with respect to any acquisition of, or other business combination with, MuleSoft or any other alternative transactions. Goldman Sachs' opinion addresses only the fairness from a financial point of view to the holders (other than Salesforce and its affiliates) of shares of MuleSoft common stock, as of the date of the opinion, of the transaction consideration per share to be paid to such holders, taken in the aggregate, pursuant to the merger agreement. Goldman Sachs' opinion does not express any view on, and does not address, any other term or aspect of the merger agreement or the transactions or any term or aspect of any other agreement or instrument contemplated by the merger agreement or entered into or amended in connection with the transactions, including the allocation of the consideration payable pursuant to the merger agreement, including among the holders of Class A common stock and Class B common stock, the fairness of the transactions to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors or other constituencies of MuleSoft; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the executive officers, directors or employees of MuleSoft, or class of such persons, in connection with the transactions, whether relative to the transaction consideration per share to be paid to the holders (other than Salesforce and its affiliates) of shares of MuleSoft common stock, taken in the aggregate, pursuant to the merger agreement or otherwise. Goldman Sachs' opinion was necessarily based on economic, monetary market and other conditions, as in effect on, and the information made available to it as of the date of the opinion and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of its opinion. In addition, Goldman Sachs does not express any opinion as to the prices at which shares of Salesforce common stock will trade at any time or as to the impact of the transactions on the solvency or viability of MuleSoft or Salesforce or the ability of MuleSoft or Salesforce to pay their respective obligations when they come due. Goldman Sachs' advisory services and its opinion were provided for the information and assistance of MuleSoft board of directors in connection with its consideration of the transactions and its opinion does not constitute a recommendation as to whether or not any holder of shares of MuleSoft common stock should tender such shares of MuleSoft common stock in connection with the offer. Goldman Sachs' opinion was approved by a fairness committee of Goldman Sachs.

The following is a summary of the material financial analyses delivered by Goldman Sachs to the MuleSoft board of directors in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs' financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before March 19, 2018, the last trading day before the date of the public announcement of the merger agreement, and is not necessarily indicative of current market conditions.

For purposes of its analyses, Goldman Sachs calculated an implied transaction consideration per share to be paid to the holders of shares of MuleSoft common stock pursuant to the merger agreement based on the closing price per share of Salesforce common stock of \$124.98 on March 19, 2018 by adding the \$36.00 in cash consideration to an implied value for 0.0711 of a share of Salesforce common stock of \$8.89 (determined by multiplying



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0.0711 by the March 19, 2018 closing price for the Salesforce common stock of \$124.98) to derive an implied transaction consideration per share of MuleSoft common stock of \$44.89.

**Historical Stock Trading Analysis.** Goldman Sachs reviewed the historical trading prices for the shares of Class A common stock since MuleSoft's initial public offering on March 17, 2017. This analysis indicated that the implied transaction consideration per share to be paid to the MuleSoft stockholders pursuant to the merger agreement represented:

a premium of 35.9% based on the closing price of \$33.03 per share of Class A common stock on March 19, 2018, the last trading day prior to the date on which MuleSoft entered into the merger agreement; and

a premium of 43.4% based on the volume weighted average trading price of \$31.31 per share of Class A common stock during the one-month period prior to the date of the merger agreement.

**Selected Companies Analysis.** Goldman Sachs reviewed and compared certain financial information for MuleSoft to corresponding financial information, ratios and public market multiples for the following publicly traded companies in the software industry (which we refer to as the selected companies):

**Recent IPO Selected Companies**

Alteryx, Inc.

Appian Corporation

MongoDB, Inc.

Okta, Inc.

Talend S.A.

Twilio Inc.

**Other Selected Companies**

Altassian Corporation Plc

HubSpot, Inc.

New Relic, Inc.

ServiceNow, Inc.

Splunk Inc.

Workday, Inc.

Zendesk, Inc.

Although none of the selected companies is directly comparable to MuleSoft, the companies included were chosen by Goldman utilizing its professional judgment because they are companies with operations, results, market sizes and product profiles that, for the purposes of analysis, may be considered similar to certain of MuleSoft's operations, results, market sizes and product profiles.



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Goldman Sachs calculated and compared the ratio of enterprise value to next twelve months revenue (which we refer to as the NTM revenue multiple) based on financial data as of March 19, 2018, IBES estimates and Bloomberg data for MuleSoft, Salesforce and the selected companies. Goldman Sachs first calculated the NTM revenue multiple for MuleSoft, Salesforce and the selected companies on each date during the two-year period ended March 19, 2018. For the selected companies, Goldman Sachs then took the median of each daily NTM revenue multiple over both the one-year and two-year periods ended March 19, 2018 and calculated the average of those medians for the respective one-year and two-year periods. For MuleSoft and Salesforce, Goldman Sachs calculated the average of the daily NTM revenue multiples over the one-year and two-year periods ended March 19, 2018. The following table summarizes the results of this analysis:

**NTM Revenue Multiples**

	1 Year Average	2 Year Average	Multiple as of March 19, 2018
MuleSoft	9.0x	NM	10.4x
Salesforce	6.0x	5.8x	6.9x
Other Selected Companies	7.4x	7.3x	9.5x
Recent IPO Selected Companies	7.7x	NM	8.8x

**Selected Transactions Analysis.** Goldman Sachs analyzed certain information relating to certain selected transactions in the software industry since 2011 (which we refer to as the selected transactions). The following table presents the results of this analysis:

**Selected Transactions**

Announcement Date	Acquirer	Target	NTM Transaction Revenue Multiple
October 24, 2011	Oracle Corporation	RightNow Technologies, Inc.	5.6x
December 3, 2011	SAP AG	SuccessFactors, Inc.	8.7x
February 9, 2012	Oracle Corporation	Taleo Corporation	5.3x
May 22, 2012	SAP AG	Ariba, Inc.	7.7x
December 20, 2012	Oracle Corporation	Eloqua, Inc.	8.2x
June 4, 2013	Salesforce	ExactTarget, Inc.	6.6x
July 23, 2013	Cisco Systems, Inc.	Sourcefire, Inc.	8.1x
December 20, 2013	Oracle Corporation	Responsys, Inc.	6.9x
September 19, 2014	SAP SE	Concur Technologies, Inc.	9.6x
September 29, 2014	Vista Equity Partners	TIBCO Software Inc.	3.7x
October 21, 2015	Silver Lake Partners LP/Thoma Bravo, LLC	SolarWinds, Inc.	8.0x
April 28, 2016	Oracle Corporation	Textura Corporation	6.1x
May 31, 2016	Vista Equity Partners	Marketo, Inc.	5.9x
June 1, 2016	Salesforce	Demandware, Inc.	8.9x
June 13, 2016	Microsoft Corporation	LinkedIn Corporation	6.8x
July 28, 2016	Oracle Corporation	NetSuite, Inc.	9.1x
January 24, 2017	Cisco Systems, Inc.	AppDynamics, Inc.	12.2x
January 29, 2018	SAP SE	Callidus Software Inc.	8.4x

**Median**

**7.9x**

Although none of the selected transactions are directly comparable to the transactions, the selected transactions were chosen by Goldman Sachs utilizing its professional judgment because the target companies in the selected transactions were companies within an industry that, for the purposes of analysis, may be considered similar to the industry in which MuleSoft operates.

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For each of the selected transactions, Goldman Sachs calculated and compared the estimated transaction enterprise value, which is (x) the announced per share consideration paid or payable in the applicable transaction multiplied by the number of diluted outstanding shares of the target company plus (y) the net debt of the target company, in each case based on data obtained from public filings, as a multiple of the target's estimated next twelve months' revenue from the announcement date of the transaction based on IBES consensus estimates and Wall Street Research (which we refer to as the NTM transaction revenue multiple).

Goldman Sachs also calculated that the revenue multiple applicable to the transactions using MuleSoft's calendar year 2018 projected revenues included in the forecasts at the implied transaction price was 14.4x.

Goldman Sachs then applied an illustrative range of NTM transaction revenue multiples of 9.0x to 12.0x to MuleSoft's estimated revenue for the year ended December 31, 2018, as provided in the forecasts, to derive a range of implied enterprise values from which Goldman Sachs subtracted MuleSoft's net debt, as provided by the management of MuleSoft, to derive a range of implied equity values that Goldman Sachs then divided by the number of fully diluted outstanding shares of MuleSoft common stock as provided by the management of MuleSoft, to derive a range of implied equity values per share of MuleSoft common stock of \$29.18 to \$37.93. The illustrative range was selected by Goldman Sachs based on its professional judgment and experience, taking into consideration, among other things, the observed multiples for the selected transactions.

**Premia Analysis.** Goldman Sachs reviewed and analyzed, using publicly available and Thomson SDC data, the acquisition premia for acquisition transactions announced during the time period from 2012 through 2017 involving a public company in the technology industry as the target where the disclosed transaction value was greater than \$500 million. For the entire period, using publicly available information, Goldman Sachs calculated the median, 25th percentile and 75th percentile premia of the price paid in the transactions relative to the target's last closing price per share one day prior to the date of the announcement of the transaction. This analysis indicated a median premium of 28% across the period. This analysis also indicated a 25th percentile premium of 17.8% and 75th percentile premium of 41.5% across the period. Using this analysis, Goldman Sachs applied a reference range of illustrative premiums of 20.0% to 40.0% to the closing price per share of Class A common stock of \$33.03 as of March 19, 2018 and calculated a range of implied equity values per share of MuleSoft common stock of \$39.64 to \$46.24. The illustrative range was selected by Goldman Sachs based on its professional judgment and experience, taking into consideration, among other things, the observed premia for the transactions.

In addition, Goldman Sachs reviewed and analyzed, using publicly available and Thomson SDC data, the acquisition premia represented by the closing price per share one day prior to the date of the announcement of the transaction for the same set of transactions outlined above after they had been categorized according to the percentage of the 52-week high trading price per share represented by the closing price per share one day prior to the date of the announcement of the transaction. The results of this analysis were as follows:

<b>% of 52-week High Represented by Closing Price One Day Prior to Announcement</b>	<b>Number of Average One-Day Transactions</b>	<b>Median Premium Paid</b>
Less than 50%	5	50%
50-60%	6	52%
60-70%	19	33%
70-80%	13	32%
80-90%	17	29%

90-100%

60

25%

This analysis indicated a 25th percentile premium of 14.5% and 75th percentile premium of 34.9% for companies with closing prices per share one day prior to the date of the announcement of the transaction that were within 90% to 100% of their 52 week high, as was the case for MuleSoft (which had a 52 week high of \$34.90 as of March 14, 2018). Using this analysis, Goldman Sachs applied a reference range of illustrative premiums of 15.0% to 35.0% to the undisturbed closing price per share of MuleSoft common stock of \$33.03 as of March 19, 2018 and calculated a range of implied equity values per share of MuleSoft common stock of \$37.98 to \$44.59.

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**Illustrative Present Value of Future Share Price Analysis.** Goldman Sachs performed an illustrative analysis of the implied present value of the future price per share of MuleSoft common stock using the forecasts, which is designed to provide an indication of the present value of a theoretical value of MuleSoft's equity as a function of MuleSoft's one-year forward revenue estimates. For this analysis, Goldman Sachs used certain financial information from the forecasts for each of the fiscal years ended December 31, 2019, 2020 and 2021.

Goldman Sachs first calculated illustrative enterprise values of MuleSoft for the fiscal years ended December 31, 2019, 2020 and 2021 by multiplying the respective one-year forward revenue estimates for the fiscal years ended December 31, 2019, 2020 and 2021 from the forecasts by enterprise value to revenue multiples ranging from 7.0x to 8.0x. The illustrative multiples were derived by Goldman Sachs utilizing its professional judgment and experience, taking into account current and historical trading data and the current and historical enterprise value to revenue multiples for MuleSoft and the selected companies. Goldman Sachs then added the \$347 million in assumed net cash (which amount was MuleSoft's net cash as of December 31, 2017, as provided by MuleSoft's management) as of the relevant year-end per the forecasts from such enterprise values in order to calculate the implied future equity values. The implied future equity values in turn were divided by the projected year-end diluted shares of MuleSoft common stock outstanding, which were calculated based on the fully diluted shares outstanding at December 31, 2017 and a 1.75% year-over-year share count dilution, as provided by MuleSoft's management. Goldman Sachs then calculated the present values of each implied future value per share of MuleSoft common stock by discounting the implied future values per share of MuleSoft common stock to December 31, 2017, using a discount rate of 13.0%, reflecting Goldman Sachs' estimate of MuleSoft's cost of equity. Goldman Sachs derived such discount rate by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including an estimated beta for MuleSoft, as well as certain financial metrics for the United States financial markets in general. The following table summarizes the results of Goldman Sachs' analysis:

	<b>Implied Present Value Per Share of MuleSoft Common Stock Based on Illustrative Enterprise Value to Revenue Multiple of 7.0x to 8.0x</b>	
<b>Year Ended December 31</b>		
2019	\$26.91	30.49
2020	\$33.76	38.34
2021	\$40.89	46.49

**Illustrative Discounted Cash Flow Analysis.** Using the forecasts, Goldman Sachs performed an illustrative discounted cash flow analysis on MuleSoft. Using discount rates ranging from 11.0% to 14.0%, reflecting Goldman Sachs' estimate of MuleSoft's weighted average cost of capital, Goldman Sachs discounted to present value as of December 31, 2017 (i) estimates of Unlevered FCF Less SBC for MuleSoft for the years 2018 through 2037 as reflected in the forecasts and (ii) a range of illustrative terminal values for MuleSoft, which were calculated by applying perpetuity growth rates ranging from 2.0% to 4.0%, to a terminal year estimate of the free cash flow to be generated by MuleSoft, as reflected in the forecasts for 2037 (which analysis implied exit terminal year NTM EBITDA multiples ranging from 4.7x to 8.0x). In addition, using discount rates ranging from 11.0% to 14.0%, Goldman Sachs discounted to present value as of December 31, 2017 estimates for MuleSoft's net operating losses (which we refer to as NOLs) per share, based on the estimated benefits of NOLs for the years 2018 through 2027 as provided by MuleSoft's management, as reflected in the NOL forecasts (which we refer to as the NOL analysis). Goldman Sachs derived such discount rates by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including MuleSoft's target capital structure weightings, the cost of long-term debt, future

applicable marginal cash tax rate and a beta for MuleSoft, as well as certain financial metrics for the United States financial markets generally. The range of perpetuity growth rates was estimated by Goldman Sachs utilizing its professional judgment and experience, taking into account the forecasts and market expectations regarding long-term real growth of gross domestic product and inflation. Goldman Sachs derived ranges of illustrative enterprise values for MuleSoft by adding the ranges of present values it derived above. Goldman Sachs then added to the range of illustrative enterprise values it derived for MuleSoft the \$347 million in net cash of MuleSoft as of December 31, 2017, in each case, as provided by the management of MuleSoft to derive a range of illustrative equity values for MuleSoft. Goldman Sachs then

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divided the range of illustrative equity values it derived by the number of fully diluted outstanding shares of MuleSoft common stock, as provided by the management of MuleSoft to derive a range of illustrative present values per share ranging from \$20.21 to \$38.31 including the net present value of the NOLs of \$0.34 to \$0.41 per share of MuleSoft common stock reflected in the NOL analysis.

***General***

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to MuleSoft or Salesforce or the contemplated transaction.

Goldman Sachs prepared these analyses for purposes of Goldman Sachs' providing its opinion to the MuleSoft board of directors as to the fairness from a financial point of view to the holders (other than Salesforce and its affiliates) of shares of MuleSoft common stock, as of the date of the opinion, of the transaction consideration per share to be paid to such holders, taken in the aggregate, pursuant to the merger agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of MuleSoft, Salesforce, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

The transaction consideration was determined through arm's-length negotiations between MuleSoft and Salesforce and was approved by the MuleSoft board of directors. Goldman Sachs provided advice to MuleSoft during these negotiations. Goldman Sachs did not, however, recommend any specific amount or form of consideration to MuleSoft or the MuleSoft board of directors or that any specific amount or form of consideration constituted the only appropriate consideration for the transactions.

As described above, Goldman Sachs' opinion to the MuleSoft board of directors was one of many factors taken into consideration by the MuleSoft board of directors in making its determination to approve the merger agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the fairness opinion and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached as Annex A.

Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its affiliates and employees, and funds or other entities in which they invest or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of MuleSoft, Salesforce, any of their respective affiliates and third parties, or any currency or commodity that may be involved in the transactions for the accounts of Goldman Sachs and its affiliates and employees and their customers. Goldman Sachs acted as financial advisor to MuleSoft in connection with, and participated in certain of the negotiations leading to, the transactions. Goldman Sachs expects to receive fees for its services in connection with the

transactions, the principal portion of which is contingent upon consummation of the transactions, and MuleSoft has agreed to reimburse certain of its expenses arising out of its engagement, and indemnify Goldman Sachs against certain liabilities that may arise, out of its engagement. Goldman Sachs has provided certain financial advisory and/or underwriting services to MuleSoft and/or its affiliates from time to time for which the Investment Banking Division of Goldman Sachs has received, and may receive,



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compensation, including having acted as an underwriter on MuleSoft's initial public offering in March 2017. During the two year period ended March 20, 2018, Goldman Sachs' Investment Banking Division has recognized compensation for financial advisory and/or underwriting services provided to MuleSoft and/or its affiliates in the aggregate of approximately \$5.0 million. During the two year period ended March 20, 2018, Goldman Sachs' Investment Banking Division has not performed any financial advisory and/or underwriting services for Salesforce or any of its affiliates for which it has recognized compensation. Goldman Sachs may also in the future provide investment banking services to MuleSoft, Salesforce and their respective affiliates for which the Investment Banking Division of Goldman Sachs may receive compensation.

The MuleSoft board of directors selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the transactions. Pursuant to a letter agreement dated March 5, 2018, MuleSoft engaged Goldman Sachs to act as its financial advisor in connection with the transactions. The engagement letter between MuleSoft and Goldman Sachs provides for a transaction fee that is estimated, based on the information available as of the date of announcement, at approximately \$46.3 million, approximately \$3.0 million of which became payable upon the announcement of the merger agreement and the remainder of which is contingent upon consummation of the transactions. In addition, MuleSoft has agreed to reimburse Goldman Sachs for certain of its expenses, including attorneys' fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

**Projected Financial Information**

MuleSoft does not as a matter of course issue public projections as to future performance or earnings beyond the current fiscal year or issue public projections for extended periods due to the unpredictability of the underlying assumptions and estimates. In connection with its 2018 annual planning process, MuleSoft's management prepared financial projections for calendar years 2018 through 2021, which were reviewed by the MuleSoft board of directors and were, in connection with the financial analysis conducted by Goldman Sachs (see the discussion under the caption "Opinion of MuleSoft's Financial Advisor"), later extended out to 2037 by MuleSoft's senior management and reviewed by the MuleSoft board of directors. We refer to these financial projections and extensions collectively as the "projections". The projections were provided to the MuleSoft board of directors and Goldman Sachs, and the portion of the projections for calendar years 2018 through 2021 were provided to Salesforce, during the evaluation of the offer, the merger and the other transactions contemplated by the merger agreement. In addition, the projections were later used to prepare the NOL forecasts, which were used in connection with the illustrative discounted cash flow analysis on MuleSoft performed by Goldman Sachs (see "Opinion of MuleSoft's Financial Advisor - Illustrative Discounted Cash Flow Analysis").

To give MuleSoft stockholders access to certain nonpublic information that was available to the MuleSoft board of directors at the time of the evaluation of the offer, the merger and the other transactions contemplated by the merger agreement, we have included the projections and the NOL forecasts below.

The projections and the NOL forecasts were developed from historical financial statements and a series of MuleSoft management's assumptions and estimates related to future trends, including assumptions and estimates related to future business initiatives for which historical financial statements were not available, and did not give effect to any changes or expenses as a result of the offer, the merger or the other transactions contemplated by the merger agreement.

The projections and the NOL forecasts included below were not prepared with a view toward public disclosure or compliance with published guidelines of the SEC or the guidelines established by American Institute of Certified Public Accountants for preparation and presentation of prospective financial information or U.S. generally accepted

accounting principles, or GAAP.

The inclusion of the projections and the NOL forecasts in this document should not be regarded as an indication that the MuleSoft board of directors, Goldman Sachs, any of their affiliates, or any other recipient of this

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information (including Salesforce) considered, or now considers, such projections or NOL forecasts to be a reliable prediction of future results or any actual future events. None of MuleSoft, Goldman Sachs, Salesforce, any of their respective affiliates or any other person assumes any responsibility for the validity, reasonableness, accuracy or completeness of the projections and the NOL forecasts included below. None of MuleSoft, Goldman Sachs, Salesforce, or any of their respective affiliates intends to, and each of them disclaims any obligations to, update, revise or correct the projections or the NOL forecasts if they are or become inaccurate (in the long term or the short term), except as may be required by applicable securities laws.

MuleSoft's future financial results may materially differ from those expressed in the projections and the NOL forecasts due to numerous factors, including many that are beyond MuleSoft's ability to control or predict. MuleSoft cannot assure you that any of the projections or the NOL forecasts will be realized or that MuleSoft's future financial results will not materially vary from the projections and the NOL forecasts. Furthermore, while presented with numerical specificity, the projections and the NOL forecasts necessarily are based on numerous assumptions, many of which are beyond MuleSoft's control and difficult to predict, including with respect to industry performance, competitive factors, industry consolidation, general business, economic, regulatory, market and financial conditions, as well as matters specific to MuleSoft's business, including with respect to future business initiatives and changes to MuleSoft's business model for which MuleSoft has no historical financial data, which assumptions may not prove to have been, or may no longer be, accurate. The projections and the NOL forecasts do not take into account any circumstances or events occurring after the date they were prepared, including the March 20, 2018 announcement of the offer, the merger and any of the transactions contemplated by the merger agreement or subsequent integration planning activities, and have not been updated since their respective dates of preparation. In addition, the projections and the NOL forecasts do not take into account any adverse effects that may arise out of the termination of the offer, the merger and the other transactions contemplated by merger agreement, and should not be viewed as accurate or continuing in that context.

The projections and the NOL forecasts were estimated in the context of the business, economic, regulatory, market and financial conditions that existed at that time, and the projections and the NOL forecasts have not been updated to reflect revised prospects for MuleSoft's business, changes in general business, economic, regulatory, market and financial conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the projections and the NOL forecasts were prepared. The projections and the NOL forecasts cover multiple years, and such information by its nature becomes less reliable with each successive year. They should not be utilized as public guidance and will not be provided in the ordinary course of MuleSoft's business in the future.

The inclusion of the projections and the NOL forecasts below should not be deemed an admission or representation by MuleSoft, Goldman Sachs, Salesforce or any of their respective affiliates with respect to such projections and NOL forecasts or that the projections and the NOL forecasts included are viewed by MuleSoft, Goldman Sachs, Salesforce or any of their respective affiliates as material information regarding MuleSoft. MuleSoft in fact views the projections and the NOL forecasts as non-material because of the inherent risks and uncertainties associated with such projections and NOL forecasts. The projections and the NOL forecasts are not being included in this document to influence your decision whether to tender your shares of MuleSoft common stock in the offer, but they are being included in this document because such projections or NOL forecasts, or portions of these projections or NOL forecasts, were provided to the MuleSoft board of directors, Goldman Sachs and/or Salesforce.

The information from the projections and the NOL forecasts should be evaluated, if at all, in conjunction with the historical financial statements and other information regarding MuleSoft contained in MuleSoft's public filings with the SEC. In light of the foregoing factors and the uncertainties inherent in the projections and the NOL forecasts, stockholders are cautioned not to place undue, if any, reliance on the projections and the NOL forecasts included in this document, including in making a decision as to whether to tender their shares of MuleSoft common stock in the offer.

The projections and the NOL forecasts included in this document have been prepared by, and are the responsibility of, MuleSoft's management.

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The following table presents the projections (which are unaudited) for the calendar years 2018 to 2021, and extended projections (which are unaudited) for the calendar years 2022 to 2037.

<b>Financial Projections</b>												
<i>(information for calendar years 2022 through 2037 are extended from MuleSoft's management projections for calendar years 2018 to 2021)</i>												
2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2037
\$ 1,098	\$ 1,460	\$ 1,869	\$ 2,336	\$ 2,803	\$ 3,223	\$ 3,626	\$ 3,989	\$ 4,348	\$ 4,696	\$ 5,025	\$ 5,326	\$ 5,326
\$ 220	\$ 290	\$ 368	\$ 456	\$ 544	\$ 620	\$ 693	\$ 756	\$ 818	\$ 876	\$ 930	\$ 978	\$ 1,026
\$ 1,317	\$ 1,750	\$ 2,237	\$ 2,792	\$ 3,347	\$ 3,844	\$ 4,319	\$ 4,745	\$ 5,166	\$ 5,572	\$ 5,955	\$ 6,304	\$ 6,352
\$ 25	\$ 82	\$ 168	\$ 289	\$ 441	\$ 615	\$ 792	\$ 981	\$ 1,188	\$ 1,412	\$ 1,647	\$ 1,891	\$ 2,135
\$ (121)	\$ (155)	\$ (193)	\$ (233)	\$ (271)	\$ (301)	\$ (327)	\$ (346)	\$ (363)	\$ (377)	\$ (387)	\$ (410)	\$ (410)
\$ 5	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ (91)	\$ (73)	\$ (24)	\$ 56	\$ 170	\$ 314	\$ 465	\$ 634	\$ 825	\$ 1,035	\$ 1,260	\$ 1,481	\$ 1,702
\$ (7)	\$ (10)	\$ (12)	\$ (14)	\$ (44)	\$ (82)	\$ (121)	\$ (165)	\$ (214)	\$ (269)	\$ (328)	\$ (385)	\$ (444)
\$ (17)	\$ (24)	\$ (31)	\$ (39)	\$ (53)	\$ (70)	\$ (84)	\$ (99)	\$ (113)	\$ (128)	\$ (141)	\$ (154)	\$ (167)
\$ 42	\$ 107	\$ 199	\$ 328	\$ 494	\$ 685	\$ 876	\$ 1,079	\$ 1,301	\$ 1,539	\$ 1,789	\$ 2,045	\$ 2,301
\$ (7)	\$ (10)	\$ (12)	\$ (14)	\$ (44)	\$ (82)	\$ (121)	\$ (165)	\$ (214)	\$ (269)	\$ (328)	\$ (385)	\$ (444)
177	196	213	234	234	210	201	181	180	174	164	151	138
\$ (95)	\$ (108)	\$ (122)	\$ (139)	\$ (139)	\$ (124)	\$ (119)	\$ (107)	\$ (105)	\$ (102)	\$ (96)	\$ (87)	\$ (78)
\$ (40)	\$ (52)	\$ (67)	\$ (84)	\$ (100)	\$ (115)	\$ (130)	\$ (142)	\$ (155)	\$ (167)	\$ (179)	\$ (189)	\$ (199)
\$ 77	\$ 132	\$ 210	\$ 324	\$ 444	\$ 573	\$ 708	\$ 847	\$ 1,006	\$ 1,175	\$ 1,351	\$ 1,534	\$ 1,726
\$ (121)	\$ (155)	\$ (193)	\$ (233)	\$ (271)	\$ (301)	\$ (327)	\$ (346)	\$ (363)	\$ (377)	\$ (387)	\$ (410)	\$ (410)
\$ (43)	\$ (23)	\$ 17	\$ 91	\$ 174	\$ 273	\$ 381	\$ 501	\$ 643	\$ 798	\$ 964	\$ 1,124	\$ 1,288

(1) We define **Total Revenue** as the sum of the total subscription and services revenue attributable to MuleSoft.

(2) We define **EBIT** as earnings attributable to MuleSoft, before interest expense and taxes.

(3) We define **Profit Before Tax** as Total Revenue, less expenses, before tax.

(4) We define **EBITDA** as earnings attributable to MuleSoft, before interest expense, taxes, depreciation and amortization.

(5) We define **Unlevered FCF** as cash flow before interest expense.

(6) We define **Unlevered FCF Less SBC** as Unlevered FCF, less stock-based compensation.



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The following table presents the NOL forecasts (which are unaudited) for the calendar years 2018 to 2027.

**FYE December**

(\$ in millions)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	<i>(information for calendar years 2022 through 2027 are extended from MuleSoft's management projections for calendar years 2018 through 2021)</i>									
<b>Taxable Income</b>	<b>\$ (99)</b>	<b>\$ (93)</b>	<b>\$ (95)</b>	<b>\$ (91)</b>	<b>\$ (73)</b>	<b>\$ (24)</b>	<b>\$ 56</b>	<b>\$ 170</b>	<b>\$ 314</b>	<b>\$ 465</b>
<b>NOLs</b>										
Beginning										
Balance	\$ 232	\$ 331	\$ 424	\$ 518	\$ 609	\$ 682	\$ 707	\$ 651	\$ 481	\$ 167
(+) New NOLs	99	93	95	91	73	24	0	0	0	0
(-) NOLs Used	0	0	0	0	0	0	(56)	(170)	(314)	(167)
Ending balance	331	424	518	609	682	707	651	481	167	0
<b>Tax Benefit</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 12</b>	<b>\$ 36</b>	<b>\$ 66</b>	<b>\$ 35</b>
% Tax Rate	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%

As noted above, the projections and the NOL forecasts reflect numerous estimates and assumptions made with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, including assumptions and estimates related to future business initiatives for which historical financial statements are not available, as well as matters specific to MuleSoft's business, all of which are difficult to predict and many of which are beyond MuleSoft's control.

This document contains non-GAAP financial measures including EBIT, EBITDA and Unlevered Free Cash Flow. MuleSoft's management included such measures in the projections and the NOL forecasts because it believed that such measures may be useful in evaluating, on a prospective basis, the potential operating performance and cash flow of MuleSoft and the surviving corporation in the merger. A material limitation associated with the use of the above non-GAAP financial measures is that they have no standardized measurement prescribed by GAAP and may not be comparable with similar non-GAAP financial measures used by other companies. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in accordance with GAAP.

The projections and the NOL forecasts are forward-looking statements and, therefore, should be read in light of the factors discussed in the section entitled "Forward-Looking Statements." For information on factors that may cause MuleSoft's future results to materially vary, see "Item 8. Additional Information - Cautionary Statements Regarding Forward-Looking Statements" in the Schedule 14D-9, which has been filed with the SEC and is being mailed to you and other stockholders of MuleSoft together with this document.

**Distribution of Offering Materials**

This document, the related letter of transmittal and other relevant materials will be delivered to record holders of MuleSoft shares and to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on MuleSoft's stockholder list or, if applicable, who are listed as participants in a

clearing agency's security position listing, so that they can in turn send these materials to beneficial owners of MuleSoft shares.

**Expiration of the Offer**

The offer is scheduled to expire at 11:59 p.m., New York City time, at the end of May 1, 2018, unless extended or terminated in accordance with the merger agreement. Expiration date means 11:59 p.m., New York City time, at the end of May 1, 2018, unless and until the Offeror has extended the period during which the offer is open, subject to the terms and conditions of the merger agreement, in which event the term expiration date means the latest time and date at which the offer, as so extended by the Offeror, will expire.



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**Extension, Termination and Amendment of Offer**

Subject to the provisions of the merger agreement and the applicable rules and regulations of the SEC, and unless MuleSoft consents otherwise (which may be granted or withheld in its sole discretion) or the merger agreement is otherwise terminated:

the Offeror must extend the offer for any period required by any law, or any rule, regulation, interpretation or position of the SEC or its staff or the NYSE applicable to the offer, or to the extent necessary to resolve any comments of the SEC or its staff applicable to the offer or the offer documents or the registration statement on Form S-4 of which this document is a part;

in the event that any of the conditions to the offer (other than the minimum tender condition, and other than any such conditions that by their nature are to be satisfied at the expiration of the offer) have not been satisfied or waived in accordance with the merger agreement as of any then-scheduled expiration of the offer, the Offeror must extend the offer for successive extension periods of up to 10 business days each (or for such longer period as may be agreed by Salesforce and MuleSoft) in order to permit the satisfaction or valid waiver of the conditions to the offer (other than the minimum tender condition); however, if any then-scheduled expiration of the offer occurs on or before May 5, 2018, then the Offeror may not extend the offer beyond 11:59 p.m., New York City time, on May 8, 2018; and

if as of any then-scheduled expiration of the offer each condition to the offer (other than the minimum tender condition, and other than any such conditions that by their nature are to be satisfied at the expiration of the offer (if such conditions would be satisfied or validly waived were the expiration of the offer to occur at such time)) has been satisfied or waived in accordance with the merger agreement and the minimum tender condition has not been satisfied, the Offeror may, and at the request in writing of MuleSoft must, extend the offer for successive extension periods of up to 10 business days each (with the length of each such period being determined in good faith by Salesforce) (or for such longer period as may be agreed by Salesforce and MuleSoft); however, in no event will the Offeror be required to extend the expiration of the offer for more than 20 business days in the aggregate for these reasons, and if any then-scheduled expiration of the offer occurs on or before May 5, 2018, then the Offeror may not extend the offer beyond 11:59 p.m., New York City time, on May 8, 2018.

If the offer would otherwise expire at any time after 11:59 p.m. New York City Time on May 8, 2018 and on or prior to May 24, 2018, the Offeror may extend the offer to expire at 11:59 p.m. New York City time on May 24, 2018. No extension will impair, limit or otherwise restrict the right of the parties to terminate the merger agreement pursuant to its terms.

The Offeror may not terminate or withdraw the offer prior to the then-scheduled expiration of the offer unless the merger agreement is validly terminated in accordance with its terms, in which case the Offeror will terminate the offer promptly (but in no event more than one business day) after such termination. Among other circumstances, the merger agreement may be terminated by either Salesforce or MuleSoft if the offer shall have terminated or expired in accordance with its terms (subject to the rights and obligations of Salesforce or the Offeror to extend the offer pursuant to the merger agreement) without the Offeror having accepted for payment any MuleSoft shares pursuant to the offer, or if the acceptance for exchange of MuleSoft shares tendered in the offer has not occurred on or before September 20, 2018 (subject to the two-month extension in certain circumstances described under Merger

Agreement Termination of the Merger Agreement ), which we refer to as the outside date. See Merger Agreement Termination of the Merger Agreement.

The Offeror expressly reserves the right to waive any offer condition or modify the terms of the offer, except that the Offeror may not make certain changes to the offer or waive certain conditions to the offer without the prior written consent of MuleSoft (which may be granted or withheld in its sole discretion). Changes to the offer that require the prior written consent of MuleSoft include changes (i) that change the form of consideration or the cash-stock mix to be paid in the offer, (ii) that decrease the consideration in the offer or the number of MuleSoft

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shares sought in the offer, (iii) that extend the offer (other than in a manner required or permitted by the merger agreement), (iv) that impose conditions to the offer not included in the merger agreement, (v) that amend or modify any of the conditions to the offer or (vi) that amend or modify any other term of or condition to the offer in any manner that is adverse to the holders of MuleSoft shares.

Conditions to the offer that the Offeror and Salesforce may not amend, modify or waive without the prior written consent of MuleSoft (which may be granted or withheld in its sole discretion) include (i) the minimum tender condition, (ii) the receipt of required regulatory approvals, (iii) lack of legal prohibitions, (iv) the effectiveness of the registration statement on Form S-4 of which this document is a part and (v) the approval for listing on the NYSE of the Salesforce shares to be issued in the offer and the merger.

The Offeror will effect any extension, termination, amendment or delay of the offer by giving oral or written notice to the exchange agent and by making a public announcement as promptly as practicable thereafter. In the case of an extension, any such announcement will be issued no later than 9:00 a.m., New York City time, on the next business day following the previously scheduled expiration date. Subject to applicable law (including Rules 14d-4(c) and 14d-6(d) under the Exchange Act, which require that any material change in the information published, sent or given to stockholders in connection with the offer be promptly disseminated to stockholders in a manner reasonably designed to inform them of such change) and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror assumes no obligation to publish, advertise or otherwise communicate any such public announcement of this type other than by issuing a press release.

If the Offeror materially changes the terms of the offer or the information concerning the offer, or if the Offeror waives a material condition of the offer, in each case, subject to the terms and conditions of the merger agreement, the Offeror will extend the offer to the extent legally required under the Exchange Act.

For purposes of the offer, a **business day** means any day other than a Saturday, Sunday and any day which is a legal holiday under the laws of California or New York or is a day on which banking institutions located in such states are authorized or required by applicable law or other governmental action to close.

No subsequent offering period will be available following the expiration of the offer without the prior written consent of MuleSoft, other than in accordance with the extension provisions set forth in the merger agreement.

## **Exchange of Shares; Delivery of Cash and Salesforce Shares**

Salesforce has retained Computershare Trust Company, N.A. as the depository and exchange agent for the offer and the merger (which we refer to as the **exchange agent**) to handle the exchange of MuleSoft shares for the transaction consideration in the offer and the merger.

Upon the terms and subject to the satisfaction or waiver of the conditions of the offer (including, if the offer is extended or amended in accordance with the merger agreement, the terms and conditions of any such extension or amendment), the Offeror will accept for exchange, and will exchange, MuleSoft shares validly tendered and not validly withdrawn in the offer, promptly after the expiration of the offer. In all cases, a MuleSoft stockholder will receive consideration for MuleSoft shares tendered in the offer only after timely receipt by the exchange agent of either a confirmation of a book-entry transfer of such shares into the exchange agent's account at The Depository Trust Company (which we refer to as **DTC**) (as described in **Procedure for Tendering**) or a properly completed and duly executed letter of transmittal, in each case, together with any other required documents.

For purposes of the offer, the Offeror will be deemed to have accepted for exchange MuleSoft shares validly tendered and not validly withdrawn if and when it notifies the exchange agent of its acceptance of those MuleSoft shares pursuant to the offer. The exchange agent will deliver to the applicable MuleSoft stockholders any cash and Salesforce shares issuable in exchange for MuleSoft shares validly tendered and accepted pursuant

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to the offer promptly after receipt of such notice. The exchange agent will act as the agent for tendering MuleSoft stockholders for the purpose of receiving cash and Salesforce shares from the Offeror and transmitting such cash and Salesforce shares to the tendering MuleSoft stockholders. MuleSoft stockholders will not receive any interest on any cash that the Offeror pays in the offer, even if there is a delay in making the exchange.

If the Offeror does not accept any tendered MuleSoft shares for exchange pursuant to the terms and conditions of the offer for any reason, the MuleSoft shares to be returned will be credited to an account maintained with DTC or otherwise credited to the tendering stockholder as soon as practicable following expiration or termination of the offer.

## **Withdrawal Rights**

MuleSoft stockholders can withdraw tendered MuleSoft shares at any time until the expiration of the offer and, if the Offeror has not agreed to accept the shares for exchange on or prior to June 1, 2018, MuleSoft stockholders can thereafter withdraw their shares from tender at any time after such date until the Offeror accepts shares for exchange. Any MuleSoft stockholder that validly withdraws previously validly tendered MuleSoft shares will receive shares of the same class of MuleSoft common stock that were tendered.

For the withdrawal of MuleSoft shares to be effective, the exchange agent must receive a written notice of withdrawal from the MuleSoft stockholder at one of the addresses set forth elsewhere in this document prior to the expiration of the offer. The notice must include the MuleSoft stockholder's name, address, social security number (or tax identification number in the case of entities), the number of shares to be withdrawn and the name of the registered holder, if it is different from that of the person who tendered those shares, and any other information required pursuant to the offer or the procedures of DTC, if applicable.

A financial institution must guarantee all signatures on the notice of withdrawal, unless the shares to be withdrawn were tendered for the account of an eligible institution. Most banks, savings and loan associations and brokerage houses are able to provide signature guarantees. An eligible institution is a financial institution that is a participant in the Securities Transfer Agents Medallion Program.

If shares have been tendered pursuant to the procedures for book-entry transfer discussed under the section entitled Procedure for Tendering, any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn shares and must otherwise comply with DTC's procedures.

The Offeror will decide all questions as to the form and validity (including time of receipt) of any notice of withdrawal in its sole discretion, and its decision will be final and binding. None of the Offeror, Salesforce, MuleSoft, the exchange agent, the information agent or any other person is under any duty to give notification of any defects or irregularities in any tender or notice of withdrawal or will incur any liability for failure to give any such notification. Any shares validly withdrawn will be deemed not to have been validly tendered for purposes of the offer. However, a MuleSoft stockholder may re-tender withdrawn shares by following the applicable procedures discussed under the section Procedure for Tendering at any time prior to the expiration of the offer.

## **Procedure for Tendering**

All MuleSoft shares are held in electronic book entry form.

To validly tender MuleSoft shares held of record, MuleSoft stockholders must deliver a properly completed and duly executed letter of transmittal, along with any required signature guarantees and any other required documents for tendered MuleSoft shares to the exchange agent for the offer, at its address set forth elsewhere in this document, all of

which must be received by the exchange agent prior to the expiration of the offer.

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If MuleSoft shares of Class A common stock are held in street name (*i.e.*, through a broker, dealer, commercial bank, trust company or other nominee), those shares of Class A common stock may be tendered by the nominee holding such shares by book-entry transfer through DTC. To validly tender such shares held in street name, MuleSoft stockholders should instruct such nominee to do so prior to the expiration of the offer. No shares of MuleSoft Class B common stock are held in street name.

The exchange agent has established an account with respect to the MuleSoft shares at DTC in connection with the offer, and any financial institution that is a participant in DTC may make book-entry delivery of MuleSoft shares by causing DTC to transfer such shares prior to the expiration date into the exchange agent's account in accordance with DTC's procedure for such transfer. However, although delivery of MuleSoft shares may be effected through book-entry transfer at DTC, the letter of transmittal with any required signature guarantees, or an agent's message, along with any other required documents, must, in any case, be received by the exchange agent at its address set forth elsewhere in this document prior to the expiration date. The term agent's message means a message transmitted by DTC to, and received by, the exchange agent and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment from the DTC participant tendering the shares that are the subject of such book-entry confirmation, that such participant has received and agrees to be bound by the terms of the letter of transmittal and that the Offeror may enforce that agreement against such participant.

**The Offeror is not providing for guaranteed delivery procedures and therefore MuleSoft stockholders who hold their shares through a DTC participant must allow sufficient time for the necessary tender procedures to be completed during normal business hours of DTC prior to the expiration date.** Tenders received by the exchange agent after the expiration date will be disregarded and of no effect.

Signatures on all letters of transmittal must be guaranteed by an eligible institution, except in cases in which shares are tendered either by a registered holder of MuleSoft shares who has not completed the box entitled Special Issuance Instructions or the box entitled Special Delivery Instructions on the letter of transmittal or for the account of an eligible institution.

If the MuleSoft shares are registered in the name of a person other than the person who signs the letter of transmittal, or if payment is to be made or delivered to a person other than the registered holder(s), the tendering stockholder must provide appropriate stock powers, in either case signed exactly as the name or names of the registered owner or owners appear on the applicable book entry position, with the signature or signatures on the stock powers guaranteed by an eligible institution.

**The method of delivery of all required documents, including delivery through DTC, is at the option and risk of the tendering MuleSoft stockholder, and delivery will be deemed made only when actually received by the exchange agent. If delivery is by mail, the Offeror recommends registered mail with return receipt requested and properly insured. In all cases, MuleSoft stockholders should allow sufficient time to ensure timely delivery.**

To prevent U.S. federal backup withholding, each MuleSoft stockholder that is a U.S. person (as defined in the U.S. Internal Revenue Code of 1986, as amended (which we refer to as the Code)), other than a stockholder exempt from backup withholding as described elsewhere in this document, must provide the exchange agent with its correct taxpayer identification number and certify that it is not subject to U.S. federal backup withholding by timely completing the IRS Form W-9 included in the letter of transmittal. Certain stockholders (including, among others, certain foreign persons) are not subject to these backup withholding requirements. In order for a MuleSoft stockholder that is a foreign person to qualify as an exempt recipient for purposes of U.S. federal backup withholding, the stockholder must timely submit an applicable IRS Form W-8, signed under penalty of perjury, attesting to such person's exempt status.





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**The acceptance for payment by the Offeror of MuleSoft shares pursuant to any of the procedures described above will constitute a binding agreement between the Offeror and the tendering MuleSoft stockholder upon the terms and subject to the conditions of the offer (including, if the offer is extended or amended in accordance with the merger agreement, the terms and conditions of any such extension or amendment).**

### **No Guaranteed Delivery**

**The Offeror is not providing for guaranteed delivery procedures, and therefore MuleSoft stockholders must allow sufficient time for the necessary tender procedures to be completed prior to the expiration date. If MuleSoft stockholders hold shares through a DTC participant, such stockholders must allow sufficient time for the necessary tender procedures to be completed during normal business hours of DTC prior to the expiration date.** MuleSoft stockholders must tender their MuleSoft shares in accordance with the procedures set forth in this document. In all cases, the Offeror will exchange MuleSoft shares tendered and accepted for exchange pursuant to the offer only after either a confirmation of a book-entry transfer of such shares (as described in Procedure for Tendering ) or a properly completed and duly executed letter of transmittal, in each case, together with any other required documents.

### **Grant of Proxy**

By executing a letter of transmittal, subject to and effective upon acceptance for exchange of MuleSoft shares tendered thereby, a MuleSoft stockholder will irrevocably appoint the Offeror's designees as such MuleSoft stockholder's attorneys-in-fact and proxies, each with full power of substitution, to exercise to the full extent such stockholder's rights with respect to its MuleSoft shares tendered and accepted for exchange by the Offeror and with respect to any and all other shares and other securities issued or issuable in respect of those MuleSoft shares. **That appointment is effective, and voting rights will be effected, when and only to the extent that the Offeror accepts tendered MuleSoft shares for exchange pursuant to the offer and deposits with the exchange agent the transaction consideration for such MuleSoft shares. Furthermore, the letter of transmittal will not constitute a binding agreement between the signatory thereto and the Offeror until the Offeror accepts tendered MuleSoft shares for exchange pursuant to the offer and deposits with the exchange agent the transaction consideration for such MuleSoft shares.**

All such proxies, when effective, will be considered coupled with an interest in the tendered MuleSoft shares and therefore will not be revocable. Upon the effectiveness of such appointment, all prior powers of attorney and proxies that the MuleSoft stockholder has given will be revoked, and such stockholder may not give any subsequent powers of attorney or proxies (and, if given, they will not be deemed effective). The Offeror's designees will, with respect to the MuleSoft shares for which the appointment is effective, be empowered, among other things, to exercise all of such stockholder's voting and other rights as they, in their sole discretion, deem proper at any annual, special or adjourned meeting of MuleSoft's stockholders or otherwise.

The Offeror reserves the right to require that, in order for MuleSoft shares to be deemed validly tendered, immediately upon the Offeror's acceptance of such shares for exchange, the Offeror must be able to exercise full voting rights with respect to such shares. **However, prior to acceptance for exchange by the Offeror in accordance with terms of the offer, the appointment will not be effective, and the Offeror will have no voting rights as a result of the tender of MuleSoft shares.**

### **MuleSoft Class A Common Stock and MuleSoft Class B Common Stock**

Under MuleSoft's amended and restated certificate of incorporation (which we refer to as the MuleSoft charter), each share of MuleSoft Class A common stock entitles the holder to one vote while each share of MuleSoft Class B common stock generally entitles the holder to 10 votes. Each share of MuleSoft Class B common stock is convertible at any time at the option of the holder into one share of MuleSoft Class A common

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stock. In addition, each share of MuleSoft Class B common stock will convert automatically into one share of MuleSoft Class A common stock upon any transfer, whether or not for value, subject to certain exceptions set forth in the MuleSoft charter (none of such exceptions being applicable to the consummation of the offer). Accordingly, shares of MuleSoft Class B common stock that are validly tendered (and not validly withdrawn) in the offer will automatically convert, on a one-to-one basis, into MuleSoft Class A common stock upon the consummation of the offer. In addition, all outstanding shares of MuleSoft Class B common stock will automatically convert into MuleSoft Class A common stock on the earlier of (i) March 22, 2022 or (ii) when the then-outstanding shares of MuleSoft Class B common stock represent less than 15% of the total outstanding shares of MuleSoft Class A common stock and MuleSoft Class B common stock. **Accordingly, if the shares of MuleSoft Class B common stock that are not tendered in the offer represent less than 15% of the aggregate number of shares of MuleSoft Class A common stock and MuleSoft Class B common stock outstanding upon the consummation of the offer (assuming that shares of MuleSoft Class B common stock validly tendered (and not validly withdrawn) in the offer are converted into shares of MuleSoft Class A common stock upon the consummation of the offer), then all of such non-tendered shares of MuleSoft Class B common stock will automatically convert, on a one-to-one basis, into shares of MuleSoft Class A common stock at the time specified in the MuleSoft charter.**

If the offer is successfully completed, holders of shares of MuleSoft Class A common stock and MuleSoft Class B common stock that validly tender (and do not validly withdraw) their shares into the offer will both receive the same transaction consideration. In the merger, each outstanding share of MuleSoft Class A common stock and MuleSoft Class B common stock (other than certain dissenting, converted or cancelled shares, as described elsewhere in this document) that were not acquired by the Offeror in the offer will be converted into the right to receive the same transaction consideration.

**Fees and Commissions**

Tendering registered MuleSoft stockholders who tender MuleSoft shares directly to the exchange agent will not be obligated to pay any charges or expenses of the exchange agent or any brokerage commissions. Tendering MuleSoft stockholders who hold MuleSoft shares through a broker, dealer, commercial bank, trust company or other nominee should consult that institution as to whether or not such institution will charge the MuleSoft stockholder any service fees in connection with tendering MuleSoft shares pursuant to the offer.

**Matters Concerning Validity and Eligibility**

The Offeror will determine questions as to the validity, form, eligibility (including time of receipt) and acceptance for exchange of any tender of MuleSoft shares, in its sole discretion, and its determination will be final and binding to the fullest extent permitted by law. The Offeror reserves the absolute right to reject any and all tenders of MuleSoft shares that it determines are not in the proper form or the acceptance of or exchange for which may be unlawful. The Offeror also reserves the absolute right to waive any defect or irregularity in the tender of any MuleSoft shares. No tender of MuleSoft shares will be deemed to have been validly made until all defects and irregularities in tenders of such shares have been cured or waived. None of the Offeror, Salesforce, MuleSoft or any of their affiliates or assigns, the exchange agent, the information agent or any other person will be under any duty to give notification of any defects or irregularities in the tender of any MuleSoft shares or will incur any liability for failure to give any such notification. The Offeror's interpretation of the terms and conditions of the offer (including the letter of transmittal and instructions thereto) will be final and binding to the fullest extent permitted by law.

**MuleSoft stockholders who have any questions about the procedure for tendering MuleSoft shares in the offer should contact the information agent at the address and telephone number set forth elsewhere in this document.**



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### **Announcement of Results of the Offer**

Salesforce will announce the final results of the offer, including whether all of the conditions to the offer have been satisfied or waived and whether the Offeror will accept the tendered MuleSoft shares for exchange, as promptly as practicable following the expiration date. The announcement will be made by a press release in accordance with applicable securities laws and stock exchange requirements.

### **Purpose of the Offer and the Merger**

The purpose of the offer is for Salesforce to acquire control of, and ultimately the entire equity interest in, MuleSoft. The offer, as the first step in the acquisition of MuleSoft, is intended to facilitate the acquisition of MuleSoft. Accordingly, if the offer is completed and as a second step in such plan, pursuant to the terms and subject to the conditions of the merger agreement, Salesforce intends to promptly consummate a merger of the Offeror with and into MuleSoft, with MuleSoft surviving the merger. The purpose of the merger is for Salesforce to acquire all MuleSoft shares that it did not acquire in the offer. In the merger, each outstanding MuleSoft share that was not acquired by Salesforce or the Offeror in the offer (other than certain dissenting, converted and cancelled shares, as described further in this document) will be converted into the right to receive the transaction consideration. Upon consummation of the merger, the MuleSoft business will be held in a wholly owned subsidiary of Salesforce, and the former stockholders of MuleSoft will no longer have any direct ownership interest in the surviving corporation.

### **No Stockholder Approval**

If the offer is consummated, Salesforce is not required to and will not seek the approval of MuleSoft's remaining public stockholders before effecting the merger. Section 251(h) of the DGCL provides that following consummation of a successful tender offer for a public corporation, and subject to certain statutory provisions, if the acquiring corporation owns at least the amount of shares of each class of stock of the target corporation that would otherwise be required to approve a merger involving the target corporation, and the other stockholders receive the same consideration for their stock in the merger as was payable in the tender offer, the acquiring corporation can effect a merger without the action of the other stockholders of the target corporation. Accordingly, if the offer is completed, it will mean that the minimum tender condition has been satisfied, and if the minimum tender condition has been satisfied, it will mean that the merger will be subject to Section 251(h) of the DGCL. Accordingly, if the offer is completed, Salesforce intends to effect the closing of the merger without a vote of the MuleSoft stockholders in accordance with Section 251(h) of the DGCL.

### **Dissenters' Rights**

No appraisal rights are available to the holders of MuleSoft shares in connection with the offer. However, if the merger is consummated, the holders of MuleSoft shares immediately prior to the effective time of the merger who (1) did not tender MuleSoft shares in the offer; (2) follow the procedures set forth in Section 262 of the DGCL; and (3) do not thereafter withdraw their demand for appraisal of such shares or otherwise lose their appraisal rights, in each case in accordance with, and subject to certain requirements of, the DGCL, will be entitled to have their shares appraised by the Delaware Court of Chancery and receive payment of the fair value of such shares, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with a fair rate of interest, as determined by such court. Unless the Delaware Court of Chancery in its discretion determines otherwise for good cause shown, interest from the effective time through the date of payment of the judgment will be compounded quarterly and will accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective time and the date of payment of the judgment. MuleSoft, however, has the right at any time before the entry of judgment in the appraisal proceedings, to voluntarily pay to each stockholder entitled to

appraisal an amount in cash. If MuleSoft elects to make such a voluntary payment pursuant to Section 262(h) of the DGCL, interest shall accrue thereafter only upon the sum of (1) the difference, if any, between the amount paid by MuleSoft in such

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voluntary cash payment and the fair value of the shares as determined by the Delaware Court of Chancery, and (2) interest accrued prior to such voluntary payment, unless paid at that time. MuleSoft, however, is under no obligation to make such a voluntary cash payment prior to such entry of judgment.

The fair value of any MuleSoft shares could be based upon considerations other than, or in addition to, the price paid in the offer and the merger and the market value of such shares. Holders of MuleSoft shares should recognize that the value so determined could be higher or lower than, or the same as, the consideration payable in the offer and the merger. Moreover, Salesforce and MuleSoft may argue in an appraisal proceeding that, for purposes of such proceeding, the fair value of such shares of MuleSoft common stock is less than such amount.

Under Section 262 of the DGCL, if a merger is approved under Section 251(h), either a constituent corporation before the effective date of the merger, or the surviving corporation within 10 days thereafter, must notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and will include in such notice a copy of Section 262 of the DGCL. **The Schedule 14D-9 will constitute the formal notice of appraisal rights under Section 262 of the DGCL.**

As will be described more fully in the Schedule 14D-9, which has been filed with the SEC and is being mailed to you and other stockholders of MuleSoft together with this document, if a MuleSoft stockholder elects to exercise appraisal rights under Section 262 of the DGCL, such stockholder must do all of the following:

within the later of the consummation of the offer and 20 days after the mailing of the Schedule 14D-9, deliver to MuleSoft a written demand for appraisal of MuleSoft shares held, which demand must reasonably inform MuleSoft of the identity of the stockholder and that the stockholder is demanding appraisal;

not tender MuleSoft shares in the offer (or otherwise waive such stockholder's right to appraisal); and

continuously hold of record the MuleSoft shares from the date on which the written demand for appraisal is made through the effective time of the merger.

In addition, after an appraisal petition has been filed, the Delaware Court of Chancery will dismiss appraisal proceedings as to all holders of shares of MuleSoft Class A common stock who asserted appraisal rights unless (a) the total number of shares entitled to appraisal exceeds 1% of the outstanding shares of the class or series eligible for appraisal as measured in accordance with Section 262(g) of the DGCL, or (b) the value of the transaction consideration in respect of such total number of shares entitled to appraisal exceeds \$1 million. We refer to these conditions as the ownership thresholds.

**This does not purport to be a complete statement of the requirements of and procedures to be followed by MuleSoft stockholders desiring to exercise any appraisal rights and is qualified in its entirety by reference to Section 262 of the DGCL. The proper exercise of appraisal rights requires strict and timely adherence to the applicable provisions of Delaware law. A copy of Section 262 of the DGCL will be included as Annex B to the Schedule 14D-9, which has been filed with the SEC and is being mailed to you and other stockholders of MuleSoft together with this document.**

**Non-Applicability of Rules Regarding Going Private Transactions**

The SEC has adopted Rule 13e-3 under the Exchange Act, which is applicable to certain going private transactions, and which may under certain circumstances be applicable to the merger or another business

combination following the acceptance of shares pursuant to the offer in which the Offeror seeks to acquire the remaining shares not held by it. The Offeror believes that Rule 13e-3 will not be applicable to the merger because it is anticipated that the merger will be effected within one year following the consummation of the offer and, in the merger, stockholders will receive the same consideration as that paid in the offer.



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### **Plans for MuleSoft**

In connection with the offer, Salesforce has reviewed and will continue to review various possible business strategies that it might consider in the event that the Offeror acquires control of MuleSoft, whether pursuant to the offer, the merger or otherwise. Following a review of additional information regarding MuleSoft, these changes could include, among other things, changes in MuleSoft's business, operations, personnel, employee benefit plans, corporate structure, capitalization and management. See also The Offer Salesforce's Reasons for the Offer and the Merger.

### ***Delisting and Termination of Registration***

Following consummation of the transactions, shares of MuleSoft Class A common stock will no longer be eligible for inclusion on the NYSE and will be withdrawn from listing. Assuming that MuleSoft qualifies for termination of registration under Exchange Act after the transactions are consummated, Salesforce also intends to seek to terminate the registration of shares of MuleSoft Class A common stock under the Exchange Act. See Effect of the Offer on the Market for MuleSoft Shares; NYSE Listing; Registration Under the Exchange Act; Margin Regulations.

### ***Board of Directors and Management; Organizational Documents***

Upon consummation of the merger, the directors of the Offeror immediately prior to the consummation of the merger will be the directors of the Offeror, as the surviving corporation in the merger, and the officers of MuleSoft immediately prior to the consummation of the merger will be the officers of the Offeror, as the surviving corporation in the merger. Upon consummation of the merger, the certificate of incorporation and bylaws of the Offeror as in effect immediately prior to the effective time of the merger will be the certificate of incorporation and bylaws of the Offeror, as the surviving corporation in the merger. After Salesforce's review of MuleSoft and its corporate structure, management and personnel, Salesforce will determine what changes, if any, are desirable.

### **Ownership of Salesforce Shares after the Offer and the Merger**

Salesforce estimates that former MuleSoft stockholders would own, in the aggregate, approximately 1% of the outstanding Salesforce shares immediately following consummation of the offer and the merger, assuming that:

Salesforce acquires through the offer and the merger 100% of the outstanding MuleSoft shares;

in the offer and the merger, Salesforce issues 9,537,293 Salesforce shares as part of the transaction consideration (disregarding for this purpose stock options, restricted stock units and other rights to acquire shares that may be issued by Salesforce or MuleSoft pursuant to any employee stock plan); and

immediately following completion of the transactions, there are 742,457,361 Salesforce shares outstanding (calculated by adding 732,920,068, the number of Salesforce shares outstanding as of March 28, 2018 (excluding treasury shares), plus 9,537,293, the number of Salesforce shares estimated to be issued as part of the transaction consideration).

Each Salesforce share has one vote.

**Effect of the Offer on the Market for MuleSoft Shares; NYSE Listing; Registration under the Exchange Act; Margin Regulations**

*Effect of the Offer on the Market for MuleSoft Shares*

The purchase of shares of MuleSoft Class A common stock by the Offeror pursuant to the offer will reduce the number of holders of shares of MuleSoft Class A common stock and the number of shares of MuleSoft Class A

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common stock that might otherwise trade publicly and could adversely affect the liquidity and market value of the remaining shares of MuleSoft Class A common stock held by the public. The extent of the public market for shares of MuleSoft Class A common stock after consummation of the offer and the availability of quotations for such shares will depend upon a number of factors, including the number of stockholders holding shares of MuleSoft Class A common stock, the aggregate market value of the shares of MuleSoft Class A common stock held by the public at such time, the interest of maintaining a market in the shares of MuleSoft Class A common stock, analyst coverage of MuleSoft on the part of any securities firms and other factors. However, under the merger agreement, the closing of the merger must occur promptly, and in any case no later than the first business day, after the acceptance of tendered MuleSoft shares in the offer and the satisfaction of the other condition to the merger, unless the parties agree otherwise in writing (see *Merger Agreement Conditions to the Merger* ). If the merger is completed, shares of MuleSoft Class A common stock will no longer qualify for inclusion on the NYSE and will be withdrawn from listing.

There is no public trading market for the MuleSoft Class B common stock.

***NYSE Listing***

Shares of MuleSoft Class A common stock are currently listed on the NYSE. However, the rules of the NYSE establish certain criteria that, if not met, could lead to the discontinuance of listing of shares of MuleSoft Class A common stock from the NYSE. Among such criteria are the number of stockholders, the number of shares publicly held and the aggregate market value of the shares publicly held. If, as a result of the purchase of shares of MuleSoft Class A common stock pursuant to the offer or otherwise, shares of MuleSoft Class A common stock no longer meet the requirements of the NYSE for continued listing and the shares of MuleSoft Class A common stock are delisted, the market for such shares would be adversely affected.

Following the consummation of the offer, if the merger is for some reason not consummated, it is possible that shares of MuleSoft Class A common stock could be traded on other securities exchanges (with trades published by such exchanges), the OTC Bulletin Board or in a local or regional over-the-counter market. The extent of the public market for such shares would, however, depend upon the number of MuleSoft stockholders and the aggregate market value of shares of MuleSoft Class A common stock remaining at such time, the interest in maintaining a market in such shares on the part of securities firms, the possible termination of registration of shares of MuleSoft Class A common stock under the Exchange Act and other factors. If the merger is completed, shares of MuleSoft Class A common stock will no longer qualify for inclusion on the NYSE and will be withdrawn from listing.

***Margin Regulations***

The shares of MuleSoft Class A common stock are currently *margin securities* under the Regulations of the Board of Governors of the Federal Reserve System (which we refer to as the *Federal Reserve Board* ), which designation has the effect, among other effects, of allowing brokers to extend credit on the collateral of such shares of MuleSoft Class A common stock. Depending upon factors similar to those described above regarding the market for shares of MuleSoft Class A common stock and stock quotations, it is possible that, following the offer, shares of MuleSoft Class A common stock would no longer constitute *margin securities* for the purposes of the margin regulations of the Federal Reserve Board and, therefore, could no longer be used as collateral for loans made by brokers. If the merger is completed, shares of MuleSoft Class A common stock will no longer constitute *margin securities*.

***Registration under the Exchange Act***

Shares of MuleSoft Class A common stock are currently registered under the Exchange Act. Such registration may be terminated upon application by MuleSoft to the SEC if shares of MuleSoft Class A common stock are neither listed on

a national securities exchange nor held by 300 or more holders of record. Termination of

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registration of shares of MuleSoft Class A common stock under the Exchange Act would substantially reduce the information required to be furnished by MuleSoft to its stockholders and to the SEC and would make certain provisions of the Exchange Act no longer applicable to MuleSoft, such as the short-swing profit recovery provisions of Section 16(b) of the Exchange Act, the requirement of furnishing a proxy statement pursuant to Section 14(a) of the Exchange Act in connection with meetings of stockholders and the related requirement of furnishing an annual report to stockholders, and the requirements of Rule 13e-3 under the Exchange Act with respect to going private transactions. Furthermore, the ability of affiliates of MuleSoft and persons holding restricted securities of MuleSoft to dispose of such securities pursuant to Rule 144 promulgated under the Securities Act may be impaired. If registration of shares of MuleSoft Class A common stock under the Exchange Act were terminated, such shares would no longer be margin securities or be eligible for quotation on the NYSE. After consummation of the offer, Salesforce and the Offeror currently intend to cause MuleSoft to terminate the registration of shares of MuleSoft Class A common stock under the Exchange Act as soon as the requirements for termination of registration are met.

**Conditions of the Offer**

Notwithstanding any other provisions of the offer and in addition to Salesforce's and the Offeror's rights to extend, amend or terminate the offer in accordance with the terms and conditions of the merger agreement and applicable law, and in addition to the obligations of the Offeror to extend the offer pursuant to the terms and conditions of the merger agreement and applicable law, the Offeror and Salesforce are not required to accept for exchange or, subject to any applicable rules and regulations of the SEC (including Rule 14e-1(c) under the Exchange Act), exchange the transaction consideration for any MuleSoft shares validly tendered in the offer and not validly withdrawn prior to the expiration of the offer, if at the expiration of the offer any of the following conditions have not been satisfied or waived in accordance with the merger agreement:

*Minimum Tender Condition* MuleSoft stockholders having validly tendered and not validly withdrawn in accordance with the terms of the offer and prior to the expiration of the offer a number of shares of MuleSoft common stock that upon the consummation of the offer (assuming that shares of MuleSoft Class B common stock validly tendered (and not validly withdrawn) will convert, on a one-to-one basis, into shares of MuleSoft Class A common stock upon the consummation of the offer), together with any shares of MuleSoft common stock then owned by Salesforce and the Offeror, would represent at least a majority of the aggregate voting power of the MuleSoft shares outstanding immediately after the consummation of the offer (which we refer to as the *minimum tender condition*);

*Regulatory Approvals* Any applicable waiting period under the HSR Act having expired or been terminated;

*Effectiveness of Form S-4* The registration statement on Form S-4, of which this document is a part, having become effective under the Securities Act, and not being the subject of any stop order or proceeding seeking a stop order;

*No Legal Prohibition* No governmental entity of competent jurisdiction having (i) enacted, issued or promulgated any law that is in effect as of immediately prior to the expiration of the offer or (ii) issued or granted any order or injunctions (whether temporary, preliminary or permanent) that is in effect as of immediately prior to the expiration of the offer, which, in each case, has the effect of restraining or enjoining

or otherwise prohibiting the consummation of the offer or the merger;

*Listing of Salesforce Shares* The Salesforce shares to be issued in the offer and the merger having been approved for listing on the NYSE, subject to official notice of issuance;

*No MuleSoft Material Adverse Effect* There not having occurred any change, effect, development, circumstance, condition, fact, state of facts, event or occurrence since the date of the merger agreement that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the financial condition, business, assets or operations of MuleSoft and its

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subsidiaries, taken as a whole (with such term as defined in the merger agreement and described under Merger Agreement Material Adverse Effect ), and that is continuing as of immediately prior to the expiration of the offer;