



SAP South Africa
SAP Business Park
1 Woodmead Drive
Woodmead
2148
T +27/11 235 6000
F +27/11 235 6001
www.sap.com/africa

SAP South Africa, P O Box 1621, Gallo Manor, 2052, South Africa

19.12.2025

Mr. Mulaudzi - SCM

Magalies Water
38 Heystek St,
Rustenburg,
0300

Dear Mr Mulaudzi

Direct Engagement with OEM

This summary is provided solely to support Magalies Water in its internal evaluation of available sourcing approaches and to assist in making an informed decision that best aligns with its operational and strategic requirements.

One potential sourcing option available to Magalies Water is direct engagement with SAP. This approach may offer certain benefits, including direct interaction with the original equipment manufacturer (OEM), alignment on commercial and contractual frameworks, the ability to leverage SAP's existing understanding of Magalies Water SAP landscape, and the potential for reduced time-to-value through coordinated delivery and support capabilities.

At the same time, SAP operates a broad, mature, and highly capable partner ecosystem. SAP-authorized partners are well positioned to provide implementation, integration, and support services, and customers may elect to engage with such partners either independently or in combination with SAP, depending on their preferred sourcing model.

The sections below outline considerations that organizations may take into account when assessing direct engagement with SAP, provide an overview of SAP's Services organization, and describe the value proposition of SAP's Services and Support portfolio.

1. Direct engagement with the OEM

SAP is the developer and licensor of the SAP software portfolio. In the context of Magalies Water's existing SAP support and maintenance arrangements, SAP is able to discuss potential commercial constructs that may support a transition from the legacy SAP ECC 6 environment to an SAP S/4HANA solution under the RISE with SAP offering, subject to mutual agreement.

2. Business risk considerations

For business-critical environments and time-sensitive transformation initiatives, some organizations consider direct engagement with the software vendor as one way to support risk management objectives. This approach may offer clearer contractual alignment, defined responsibilities, and access to SAP's product-level expertise and delivery experience. Such considerations are typically evaluated alongside alternative delivery models involving one or more SAP partners.



3. Time-to-value considerations

Where time-to-value is a key priority, SAP's familiarity with both the solution roadmap and the customer's existing SAP landscape may support delivery planning within agreed timelines. Actual delivery schedules would, in all cases, be subject to scope definition, resource availability, and contractual agreement.

4. SAP Services and Support

SAP Services is focused on enabling customer success through outcome-driven delivery models. Whether supporting a discrete implementation or a broader business transformation, SAP Services applies structured methodologies, tools, and governance frameworks throughout the customer journey.

As the organization responsible for the development and evolution of SAP solutions, SAP Services has direct insight into current innovations, future product direction, and recommended practices for leveraging SAP technologies. This experience is informed by SAP's global footprint, supporting hundreds of thousands of customers across diverse industries and geographies.

SAP's services, support, and tools are designed to guide, simplify, and accelerate customers' transformation journeys. Services may be delivered directly by SAP, by SAP-authorized partners, or through a combination of both, depending on the customer's chosen engagement model.

We trust that this information supports Magalies Water's internal assessment process. SAP remains committed to supporting Magalies Water in achieving its strategic objectives and maximising value from its SAP investments and would be pleased to provide additional information or clarification if required.

We remain available for any further information or queries that you may have. In this regard please contact your account executive Tumi Mokwena on tumi.mokwena@sap.com

Kind regards

Signed by:

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Sandi de Souza
Chief Financial Officer: SAP South Africa