

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

## Part I Reporting Issuer

|  |                                   |   |                                    |
|--|-----------------------------------|---|------------------------------------|
| 1 Issuer's name<br><b>PEGASYSTEMS INC.</b>   |                                   | 2 Issuer's employer identification number (EIN)<br><b>04-2787865</b>                      |                                    |
| 3 Name of contact for additional information<br><b>INVESTOR RELATIONS</b>  | 4 Telephone No. of contact        | 5 Email address of contact<br><b>PEGAINVESTORRELATIONS@PEGA.COM</b>                       |                                    |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact<br><b>225 WYMAN STREET</b> |                                   | 7 City, town, or post office, state, and ZIP code of contact<br><b>WALTHAM, MA, 02451</b> |                                    |
| 8 Date of action<br><b>June 20, 2025</b>   |                                   | 9 Classification and description<br><b>COMMON STOCK</b>                                   |                                    |
| 10 CUSIP number<br><b>705573 103</b>   | 11 Serial number(s)<br><b>N/A</b> | 12 Ticker symbol<br><b>PEGA</b>   | 13 Account number(s)<br><b>N/A</b> |

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► **On February 12, 2025, Pegasystems Inc. (the "Company") announced a 2-for-1 forward stock split of the Company's issued common stock (the "Stock Split"). The Stock Split was effected through a 2-for-1 stock split, paid as a one-time special stock dividend, under which each record holder of common stock as of the close of market on June 10, 2025 received, with respect to each share of common stock held, one additional share of common stock, distributed after the close of market on June 20, 2025.**

**The information contained herein does not constitute tax advice, and does not purport to be complete or to describe the consequences that may be applicable to particular categories of shareholders. Pegasystems Inc. does not provide tax advice to its shareholders. All shareholders of Pegasystems Inc. are urged to consult their own tax advisors regarding the particular consequences of the Stock Split to them, including the applicability and effect of all U.S. federal, state, local, and non-U.S. tax laws, in light of their individual circumstances.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► **The Stock Split is intended to be a non-taxable transaction under Internal Revenue Code ("IRC") Section 305(a). As a result of the Stock Split, shareholders received one additional common share (a "new share") for each common share owned (an "old share"). In accordance with IRC Section 307(a), each shareholder is required to allocate the tax basis in each of his or her old shares equally between the old share and the new share received with respect thereto in the Stock Split. Thus, following the Stock Split, the basis of each old share equals 50% of its basis immediately prior to the Stock Split, and the basis of each new share also equals 50% of the basis of the old share immediately prior to the Stock Split.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► **The Stock Split does not change either the aggregate basis of the Company common shares held by the shareholder or the shareholder's proportionate common interest in the Company. The following illustrates the allocation of basis between an old share and a new share: Before the Stock Split, a shareholder owns two shares of Company common stock, one share with a basis of \$10 and one share with a basis of \$12, for a total basis of \$22. After the Stock Split, the shareholder owns four shares of Company common stock. The old share that had a \$10 basis prior to the Stock Split now has a \$5 basis, and the new share received with respect to that old share also a \$5 basis. Similarly, the old share that had a \$12 basis prior to the Stock Split now has a \$6 basis, and the new share received with respect to that old share also has a \$6 basis. The shareholder's total basis remains the same at \$22 (\$5+\$5+\$6+\$6). The record date for the split was June 10, 2025, and the distribution date was June 20, 2025. The data that supports this calculation is each shareholder's basis immediately before the distribution and the number of shares issued in the distribution.**

**Part II** Organizational Action (continued)

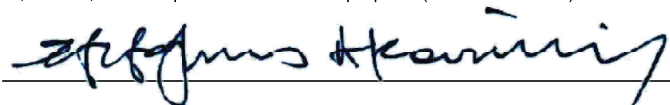
**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► The applicable Internal Revenue Code sections upon which the tax treatment is based are IRC Sections 305(a) and 307(a). Under IRC Section 305(a), the distribution is not taxable to shareholders. Under IRC Section 307(a), each shareholder's basis in each share of old stock must be allocated between the old stock and the new stock that was distributed with respect to such old share in the Stock Split.

**18** Can any resulting loss be recognized? ► Under current law, for U.S. Federal income tax purposes, there will be no U.S. taxable loss recognized in connection with the Stock Split. The laws of jurisdictions other than the United States may impose income taxes on the receipt of additional shares.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ► The reportable tax year is 2025 for shareholders reporting taxable income on a calendar year basis. For shareholders reporting taxable income on a basis other than calendar year, the reportable year is the shareholder's tax year that includes June, 2025.

The information contained herein does not constitute tax advice, and does not purport to be complete or to describe the consequences that may be applicable to particular categories of shareholders. Pegasystems Inc. does not provide tax advice to its shareholders. All shareholders of Pegasystems Inc. are urged to consult their own tax advisors regarding the particular consequences of the Stock Split to them, including the applicability and effect of all U.S. federal, state, local, and non-U.S. tax laws, in light of their individual circumstances.

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►  Date ► June 17, 2025

Print your name ► Efstathios Kouninis

Title ► SVP, Chief Accounting Officer

**Paid  
Preparer  
Use Only**

|                            |                      |      |   |      |
|----------------------------|----------------------|------|---|------|
| Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| Firm's name ►              | Firm's EIN ►         |      |   |      |
| Firm's address ►           | Phone no.            |      |   |      |