SUSE

MARCH 16, 2023

Q1 FY23 Results Presentation

Important Notice

This presentation as well as any information communicated in connection therewith (the "Presentation") contains information regarding SUSE S.A. (the "Company") and its subsidiaries (the Company, together with its subsidiaries, "SUSE" or "Group"). It is being provided for informational purposes only and should not be relied on for any purpose and may not be redistributed, reproduced, published, or passed on to any other person or used in whole or in part for any other purpose.

This document contains alternative performance measures (APMs) which are further specified on pages 20 & 21.

Certain statements in this presentation may constitute forward-looking statements. These statements are based on assumptions that are believed to be reasonable at the time they are made, and are subject to significant risks and uncertainties, including, but not limited to, those risks and uncertainties described in SUSE's disclosures. You should not rely on these forward-looking statements as predictions of future events and we undertake no obligation to update or revise these statements. Our actual results may differ materially and adversely from any forward-looking statements discussed in these statements due to several factors, including without limitation, risks from macroeconomic developments, external fraud, lack of innovation capabilities, inadequate data security and changes in competition levels.

The Company undertakes no obligation, and does not expect to publicly update, or publicly revise, any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to it or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Presentation.

Today’s Presenters

Melissa
Di Donato

CEO

Andy
Myers

CFO

Jonathan
Atack

Investor Relations Director

AGENDA

1. Business Update

2. Financial Update

Business Update

Melissa Di Donato, CEO

Highly Profitable Business Model With Recurring Earnings

- Mission-critical infrastructure solutions
- Rapidly growing markets
- Subscription model
- Diversified enterprise customer base
- Multi-year contracts
- Upfront payments

Resilient business model drives long-term sustainable growth with high profitability and high cash conversion

Q1 FY23 – Solid Revenue Growth And Strong Margins

$169m
Adjusted Revenue

9% / 10% ccy
Adjusted Revenue Growth

2% / 5% ccy
ACV Growth

$655m
Group ARR[(1)]

11%
Group ARR[(1)] Growth

105%
Group NRR[(1)]

40%
Adjusted EBITDA Margin

$67m
Adjusted EBITDA

41%
Adjusted Cash EBITDA Margin

$70m
Adjusted Cash EBITDA

SUSE

110%
Cash Conversion

$74m
Adjusted Unlevered Free Cash Flow

Note: For definition of APM metrics please refer to pages 20 & 21
(1) As at October 2022

Q1 FY23 Operational Highlights

Rancher Progress	**Further progress on developing our Rancher business** Adoption increasing; cross-selling and improved customer support Launched Rancher Government Carbide, a supply chain security solution for the U.S. Government
Edge Product Launch	**Launched Adaptive Telco Infrastructure Platform (ATIP)** Telco-optimized edge computing platform developed in close collaboration with leading European telco operators
Simplified And Re-focused Sales Organization	**New structure implemented early in Q1** Underpins future growth and has enabled efficiency gains
People	**Maintaining a disciplined approach to investment to deliver sustainable growth** Expanded R&D functions focusing on product innovation and technical support

Continued Strength in SAP; Rancher Prime Gaining Traction

	NYSE-listed Leader in Agriculture and Construction Machinery	International Networking and Communications Business	Forbes Global 2000 Banking Leader	Leading US Investment Bank
Overview	Large SLES for SAP Applications renewal at globally renowned agriculture and construction machinery manufacturer	New Rancher Prime business with globally recognized telco leader	High value SLES renewal at market-leading banking customer	New Rancher Prime competitive win at NYSE-listed investment bank
Products	SUSE SLES for SAP Applications	RANCHER PRIME™	SUSE SLES	RANCHER PRIME™
Why SUSE	✓ Long-standing relationship with SUSE ✓ Trust in SUSE's SAP credentials ✓ Enterprise-grade, reliable and stable product	✓ First-class support and service ✓ Strong technical collaboration with the customer	✓ Secure and stable custom-built operating system image for ATMs and branch offices' desktops ✓ Open approach, enabling high customization and lower total cost of ownership ✓ Highly skilled professionals providing first-class support	✓ Flexibility, lack of vendor lock-in and cost-effective scalability ✓ Enabling automation and efficiency gains ✓ Efficient implementation

Financial Update

Andy Myers, CFO

Financial Results Summary

Q1 FY23 Highlights

- Adjusted Revenue $169 million, up 9% / up 10% at constant currency
- ACV $147 million, up 2% / up 5% at constant currency
- ARR $655 million, up 11%
- NRR of 105%
- Adjusted EBITDA Margin of 40%
- Cash Conversion of 110%

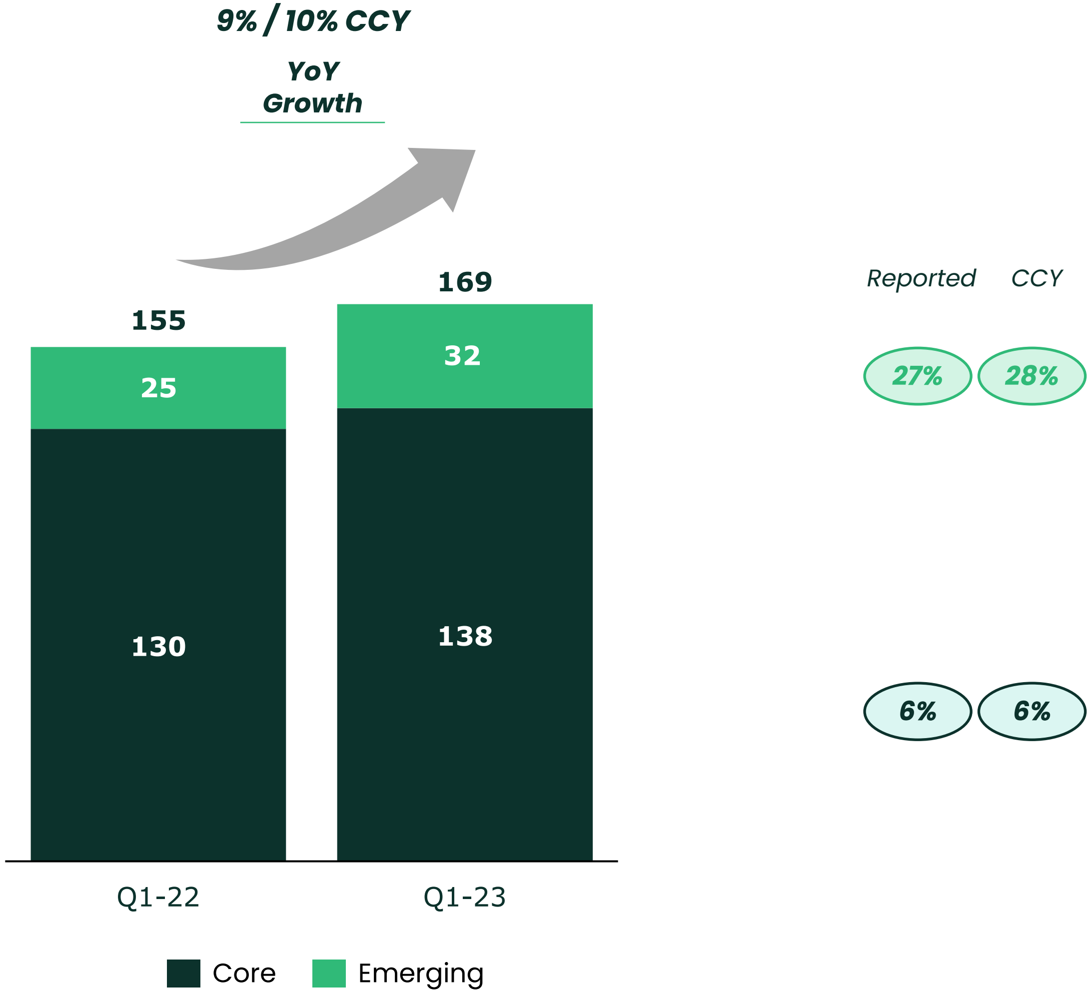
Solid Revenue Growth, Strong Margins And High Cash Conversion

Guidance Reiterated

Note: All figures are expressed in $m unless otherwise specified. For definition of APM metrics please refer to pages 20 & 21.

Adjusted Revenue By Solutions – Solid Growth

Adjusted Revenues by Solutions ($m)



Q1 FY23 Adjusted Revenue of $169m, up 9% / up 10% at constant currency, comprising $138 million in Core and $32 million in Emerging

Excluding the run-off of SUSE legacy products and the suspension of sales to Russian customers, at constant currency Core revenue was up 7% YoY and Emerging revenue was up 38% YoY

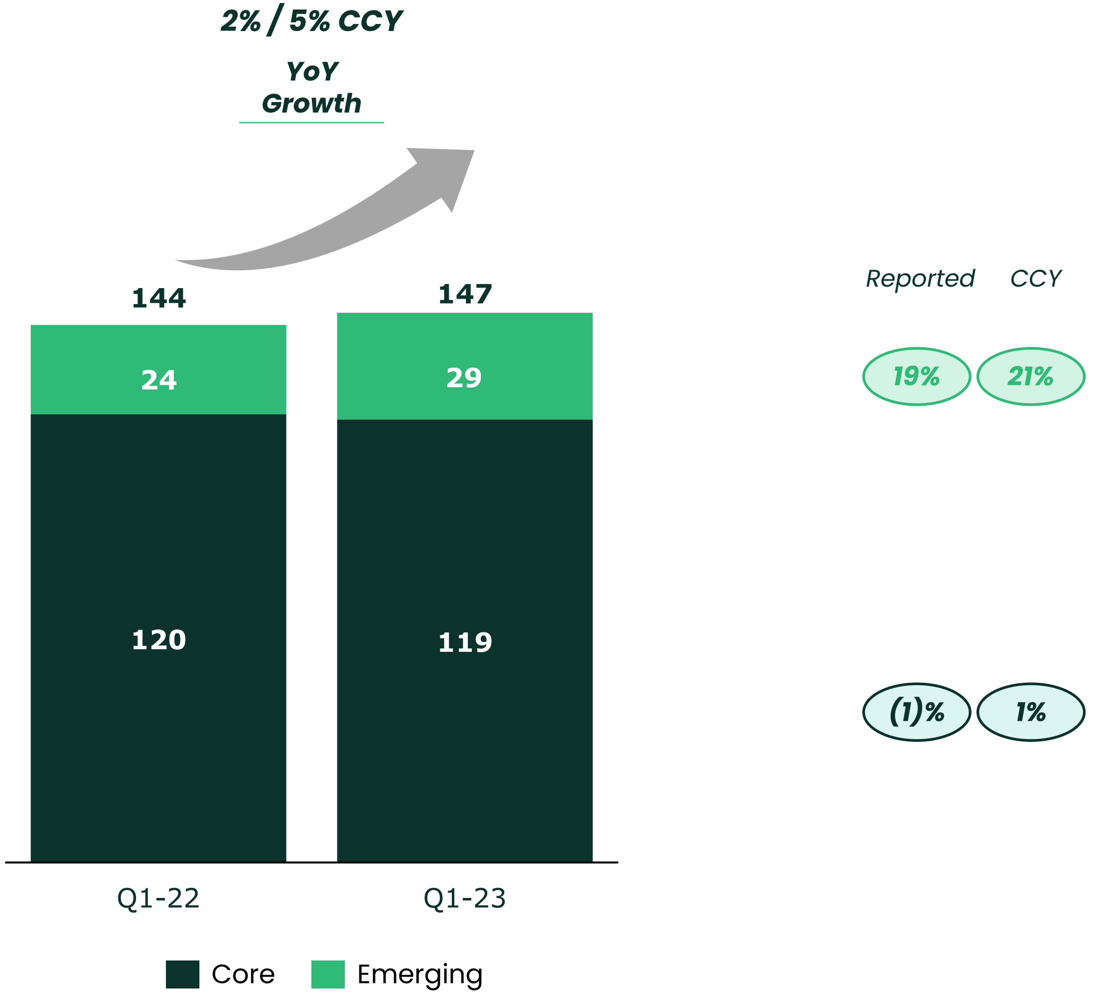
Annual Recurring Revenue and Net Retention Rate(1)

- **ARR of $655m**, up 11% YoY, demonstrating the continued strength of subscription business, supported by growth in both Core and Emerging ARR
- **NRR of 105%**, demonstrates continued growth from existing customers in a challenging macro environment
- The impact of legacy product run-off and the suspension of sales to Russian customers was c.2 ppt on NRR
- The impact of the stronger U.S. dollar was also a c.2 ppt headwind to NRR

Note: All figures are expressed in $m unless otherwise specified. For definition of APM metrics please refer to pages 20 & 21.
(1) As at October 2022

ACV By Solutions – Robust Renewals

ACV by Solutions ($m)



Group ACV up 2% / up 5% at constant currency in Q1 FY23

- **Core down 1% / up 1% at constant currency**
- **Emerging up 19% / up 21% at constant currency**
- Excluding the run-off of SUSE legacy products and the suspension of sales to Russian customers, at constant currency Core ACV was up 2% YoY and Emerging ACV was up 22% YoY

Highlights by Region

- **Europe, Middle East and Africa flat,** with higher sales through CSPs offsetting a negative foreign exchange impact and lower renewals
- **North America down 1%,** as growth from new customers was more than offset by lower renewals

Highlights by Route-to-Market

- **End User & Cloud up 3%**, driven by continued growth in sales through CSPs, partly offset by lower renewals
- **IHV & Embedded ACV down 2%,** driven by hardware shortages and a shift to selling through other routes

Note: All figures are expressed in $m unless otherwise specified. For definition of APM metrics please refer to pages 20 & 21.

Operating Costs Evolution – Disciplined Investment

	($m)	Q1-23	Q1-22
	Adjusted Revenue	**169.0**	**155.0**
	Cost of Sales	**(13.4)**	**(11.8)**
	As % of Revenue	*8%*	*8%*
	Gross Profit	**155.6**	**143.2**
1	*% Margin*	*92%*	*92%*
2	**Sales, Marketing & Operations**	**(42.0)**	**(43.0)**
3	**Research & Development**	**(28.0)**	**(27.0)**
4	**General & Administrative**	**(18.5)**	**(20.9)**
	Total Operating Costs	**(88.5)**	**(90.9)**
5	**Adjusted EBITDA**	**67.1**	**52.3**
	% Margin	*40%*	*34%*

1 **Gross Profit Margin:**

- Gross margin maintained at 92%, in line with the prior year

2 **Sales, Marketing & Operations:**

- **Down 2% / up 2% at constant currency,** with the return to more normal levels of business travel offset by lower headcount following sales re-organization

3 **Research & Development:**

- **Up 4% / up 9% at constant currency** due to continued investments in people focused on product innovation and technical support

4 **General & Administrative:**

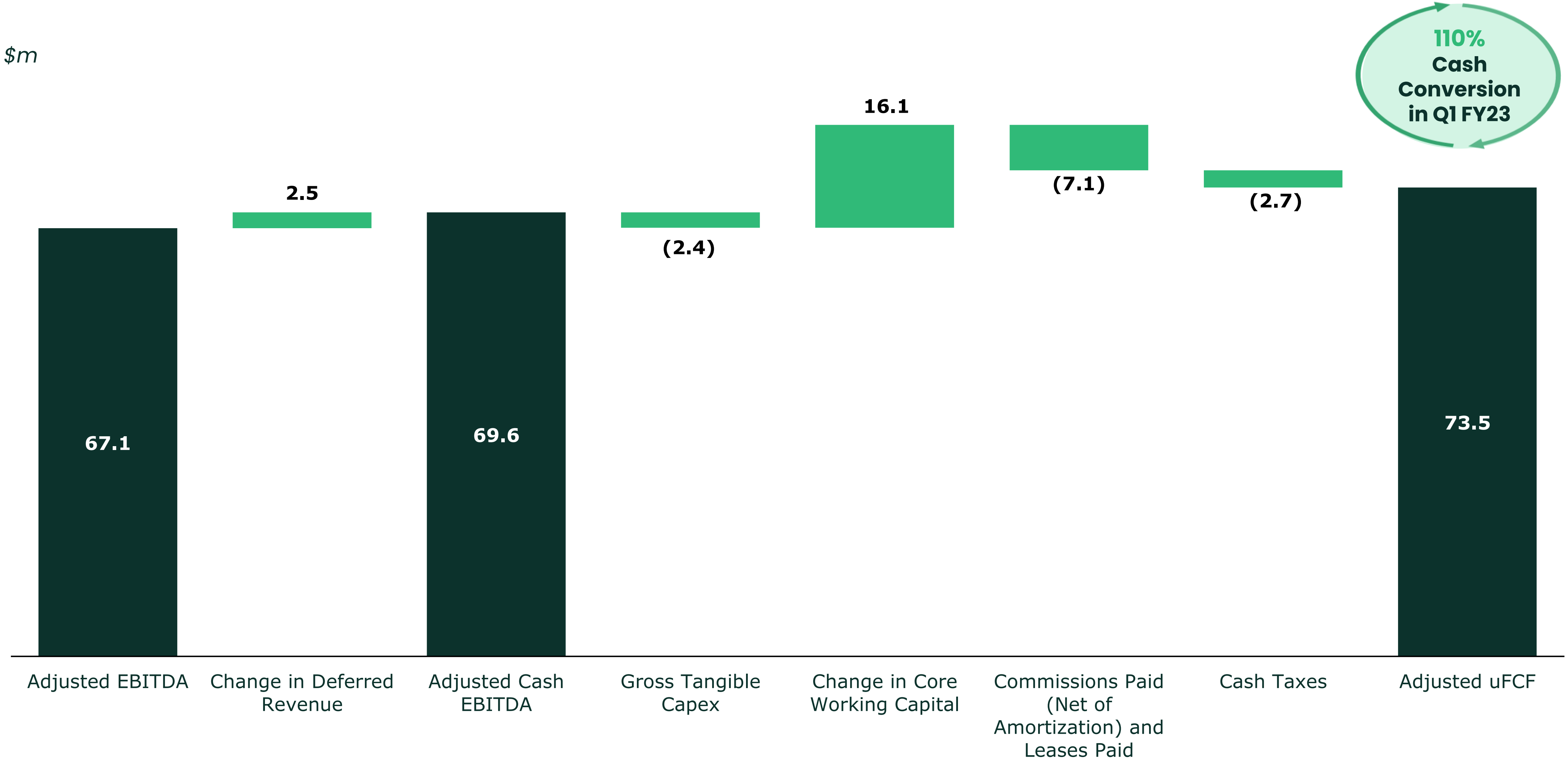
- **Down 11% / down 7% at constant currency,** with continued investment more than offset by a realized foreign exchange gain

5 **Adjusted EBITDA Margin:**

- **6 ppt increase,** driven by solid revenue growth and lower operating costs, supported by foreign exchange movements

Note: All figures are expressed in $m unless otherwise specified. For definition of APM metrics please refer to pages 20 & 21.

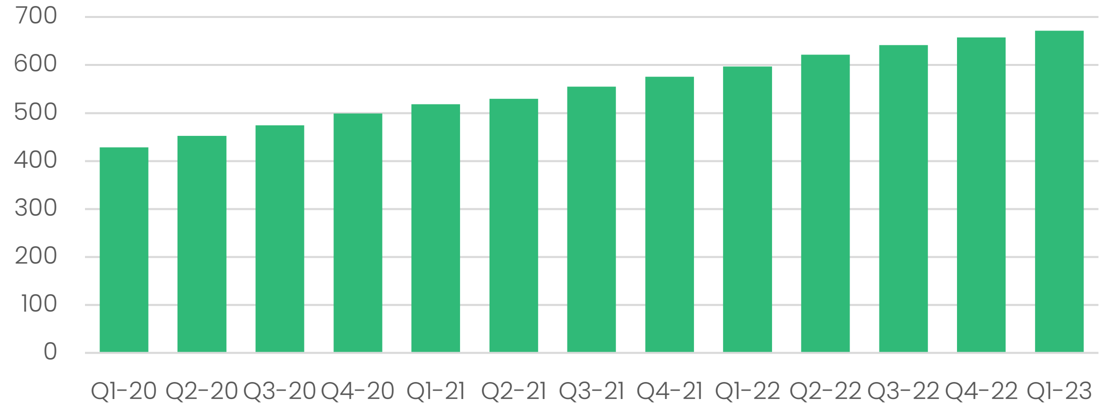
Strong Profitability And Cash Conversion In Q1 FY23



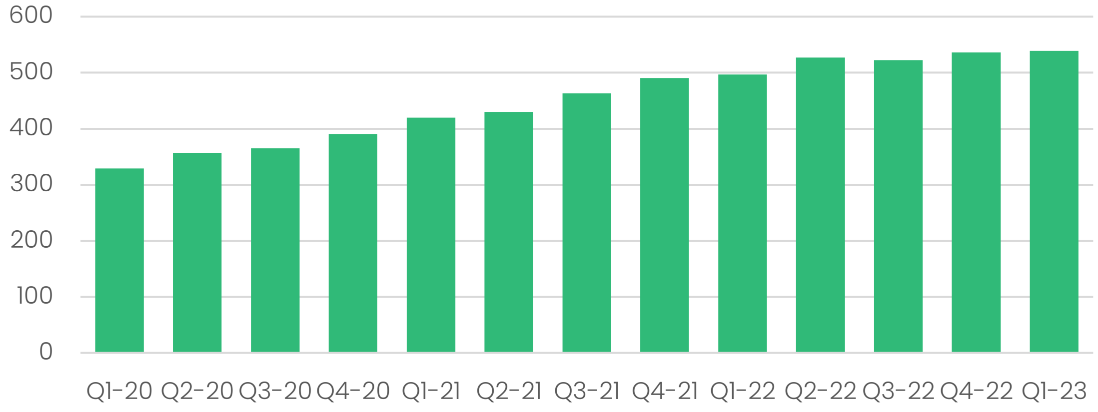
Note: All figures are expressed in $m unless otherwise specified. For definition of APM metrics please refer to pages 20 & 21.

LTM Metrics Show Continued Revenue Growth

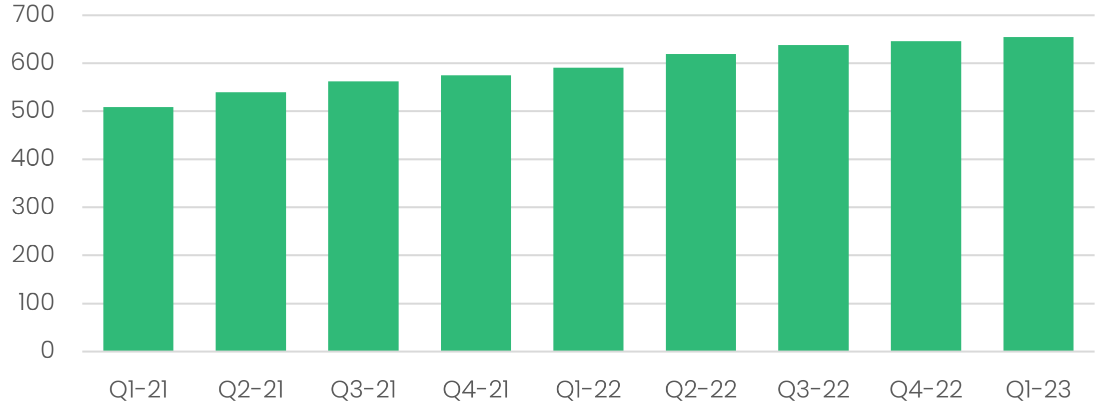
LTM Revenue ($m)



LTM ACV ($m)

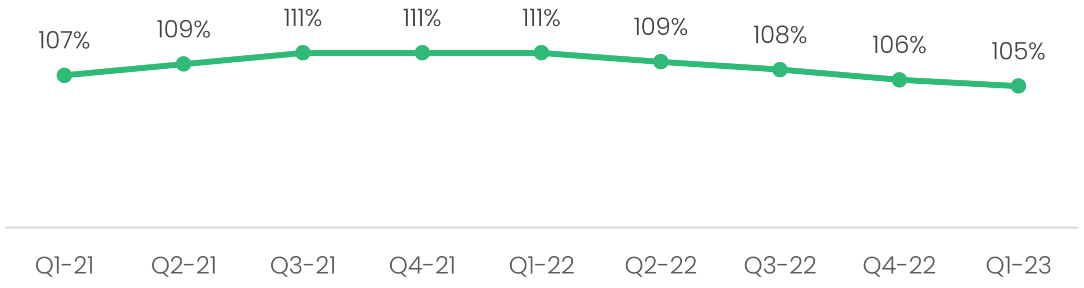


ARR(1) ($m)



NRR(1)

NRR has been impacted recently by the run-off of legacy products, the suspension of sales to Russian customers and foreign exchange movements. Q1 FY23 adverse impact of c.4 ppt on NRR



Note: FY20 financial figures only include Rancher actual contribution on a coterminous basis starting from November 2019.
For definition of APM metrics please refer to pages 20 & 21.
(1) ARR and NRR are reported a quarter in arrears

Guidance Reiterated

	FY23 Guidance	FY23 Estimated Full Year FX Impact[1]	Medium-Term Guidance Updated
Core Adjusted Revenue	c. 10% growth (CCY)	c. (2) ppt	Growth in excess of 10% p.a.
Emerging Adjusted Revenue	c. 25% growth (CCY)	c. (1) ppt	Growth in excess of 30% p.a.
Total Adjusted Revenue	11-13% growth (CCY)	c. (2) ppt	Growth of mid-to-high teens percent p.a.
Adjusted EBITDA Margin	Expansion from FY22	-	In excess of 40%
Adjusted uFCF Conversion	In excess of 80%	-	In excess of 80%

Note: All figures are expressed in $m unless otherwise specified. For definition of APM metrics please refer to pages 20 & 21.
(1) Based on end Q4 rates projected through FY23.

Highly Profitable Business Model With Recurring Earnings

Mission-critical infrastructure solutions

Rapidly growing markets

Subscription model

Diversified enterprise customer base

Multi-year contracts

Upfront payments

Resilient business model drives long-term sustainable growth with high profitability and high cash conversion

Q&A

Appendix

Alternative Performance Measures (APMs) – 1/2

This document contains certain alternative performance measures (collectively, "APMs") as defined below that are not required by, or presented in accordance with, IFRS, Luxembourg GAAP or any other generally accepted accounting principles. Certain of these measures are derived from the IFRS accounts of the Company and others are derived from management reporting or the accounting or controlling systems of the Group.

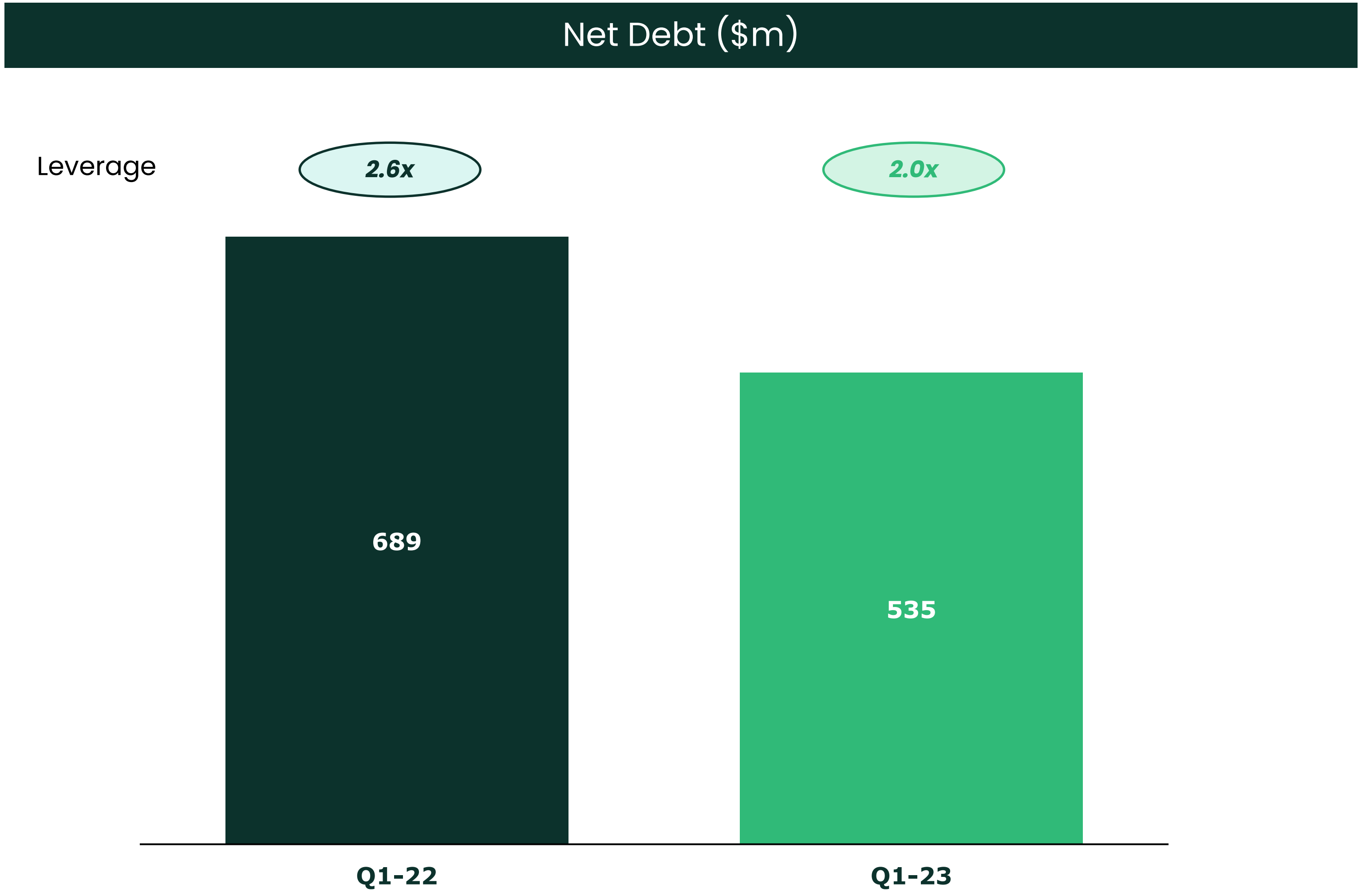
SUSE presents APMs because they are used by management in monitoring, evaluating and managing its business, and management believes these measures provide an enhanced understanding of SUSE's underlying results and related trends. The definitions of the APMs may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should, therefore, not be considered in isolation or as a substitute for analysis of SUSE's operating results as reported under IFRS or Luxembourg GAAP. SUSE has defined each of its APMs as follows:

Annual Contract Value or ACV	Represents the first 12 months value of a contract. If total contract duration is less than 12 months, 100% of invoicing is included in ACV.
Annual Recurring Revenue or ARR	Represents the sum of the monthly contractual value for subscriptions and recurring elements of contracts in a given one month period, multiplied by 12. ARR is calculated three months in arrears, given backdated royalties relating to IHV and Cloud Service Providers, and hence reflects the customer base as of three months prior.
Adjusted Cash EBITDA	Represents Adjusted EBITDA plus changes in contract liabilities (also referred to as deferred revenue) in the related period and excludes the impact of contract liabilities haircut (also referred to as deferred revenue haircut).
Adjusted Cash EBITDA Margin	Expressed as a percentage, this APM represents Adjusted Cash EBITDA divided by Adjusted Revenue.
Adjusted Gross Profit	Represents Adjusted Revenue less cost of sales adjusted for non-recurring items.
Adjusted Gross Profit Margin	Expressed as a percentage, this APM represents Adjusted Gross Profit divided by Adjusted Revenue.
Adjusted Earnings per share	Represents Adjusted Profit after Tax divided by the weighted average number of ordinary shares in issue during the period.
Adjusted EBITDA (AEBITDA)	Represents earnings before net finance costs, share of loss on associate and tax, adjusted for depreciation and amortization of intangible assets, share-based payments, contract liabilities haircut, separately reported items, specific non-recurring items and net unrealized foreign exchange (gains)/losses.
Adjusted EBITDA Margin	Expressed as a percentage, this APM represents Adjusted EBITDA divided by Adjusted Revenue.
Adjusted Effective Tax Rate	Represents the IFRS effective tax rate adjusted for the tax effect of adjusting items (those items adjusted for to arrive at Adjusted Profit before Tax).

Alternative Performance Measures (APMs) – 2/2

Adjusted Profit before Tax	Represents Adjusted EBITDA, less depreciation and amortization (excluding intangible amortization for customer relationships, intellectual property and non-compete agreements) less net finance costs.
Adjusted Profit After Tax	Represents Adjusted Profit before Tax less notional tax.
Adjusted Revenue	Represents Revenue as reported in the statutory accounts of the Group, adjusted for contract liability fair value adjustment (also referred to as deferred revenue haircut).
Adjusted unlevered Free Cash Flow or Adjusted uFCF	Represents Adjusted Cash EBITDA less tangible capital expenditure related cash outflow, working capital movements (including commissions paid net of amortization of contract-related assets and excluding non-recurring items), cash taxes paid and leases paid.
Cash Conversion	Expressed as a percentage, this APM represents Adjusted uFCF divided by Adjusted EBITDA.
Contractual Liabilities and Remaining Performance Obligations or "RPO"	A Contract Liability is an entity's obligation to transfer goods or services to a customer and is recognized in the Statement of Financial Position, when a payment from a customer is invoiced, before a related performance obligation is satisfied. A remaining performance obligation is a promise to transfer goods or services to a customer (with a contract agreed), at a point in the future, but is yet to be invoiced or recognized in the Statement of Financial Position.
Leverage	Expressed as a multiple, Leverage is Net Debt divided by Adjusted Cash EBITDA.
Net Debt	Represents the sum of current and non-current interest bearing borrowings (excluding un-amortized capitalized arrangement fees, gains or losses on loan modifications), current and non-current lease liabilities, less cash and cash equivalents.
Net Retention Rate or NRR	Expressed as a percentage, NRR indicates the proportion of ARR that has been retained over the prior 12-month period, which is inclusive of upsell, cross-sell, down-sell, churn and pricing. It excludes ARR from net new logo End user customers. The NRR is calculated three months in arrears, aligned to the calculation of ARR.
Notional Tax	Represents total income tax charge/credit for the year less the taxation charge/credit associated with adjusting items (those items adjusted for to arrive at Adjusted Profit before Tax).

Continued De-Leveraging



$535m Net Debt at Q1 FY23, a reduction of $154.2 million versus the prior year, driven by our strong cash flow

Leverage ratio of 2.0x, significantly lower than the prior year at 2.6x and well within our commitment to keep leverage below 3.5x

Note: All figures are expressed in $m unless otherwise specified. For definition of APM metrics please refer to pages 20 & 21.

Impact Of Exchange Rates

Impact of foreign exchange rate changes on Q1 FY23 YoY growth (constant currency (CCY FX) versus Actual FX growth)

	Q1 FY23
ACV Core	(2) ppt
ACV Emerging	(2) ppt
Total ACV	(3) ppt
Adjusted Revenue	(1) ppt
Adjusted EBITDA	8 ppt

Key financial metrics by currency

Q1 FY23	USD	EUR	GBP	Other
Total ACV	59%	31%	1%	9%
Adjusted Revenue	96%	3%	0%	1%
Operating Expenses	46%	25%	11%	18%

Key Financial Metrics By Quarter And By Year

($m)	Q1-21	Q2-21	Q3-21	Q4-21	FY-21	Q1-22	Q2-22	Q3-22	Q4-22	FY-22	Q1-23
Total ACV	**137.6**	**109.0**	**119.0**	**125.0**	**490.6**	**143.8**	**139.4**	**114.4**	**138.3**	**535.9**	**147.0**
o/w Core	111.3	94.6	101.5	98.7	406.1	119.9	113.6	93.2	102.4	429.1	118.5
o/w Emerging	26.3	14.4	17.5	26.3	84.5	23.9	25.8	21.2	35.9	106.8	28.5
Adjusted Revenue	**134.1**	**136.8**	**151.0**	**154.0**	**575.9**	**155.0**	**161.3**	**171.2**	**170.3**	**657.8**	**169.0**
o/w Core	118.6	121.4	133.2	133.4	506.6	130.2	133.9	142.9	139.8	546.8	137.5
o/w Emerging	15.5	15.4	17.8	20.6	69.3	24.8	27.4	28.3	30.5	111.0	31.5
Adjusted EBITDA	**60.7**	**48.2**	**55.2**	**48.0**	**212.1**	**52.3**	**58.6**	**65.1**	**65.9**	**241.9**	**67.1**
% Margin	*45%*	*35%*	*37%*	*31%*	*37%*	*34%*	*36%*	*38%*	*39%*	*37%*	*40%*
Change in Deferred Revenue	46.4	6.2	9.8	3.7	66.1	40.8	17.3	(18.9)	14.1	53.3	2.5
Adjusted Cash EBITDA	**107.1**	**54.4**	**65.0**	**51.7**	**278.2**	**93.1**	**75.9**	**46.2**	**80.0**	**295.2**	**69.6**
% Margin	*80%*	*40%*	*43%*	*34%*	*48%*	*60%*	*47%*	*27%*	*47%*	*45%*	*41%*

Note: For definition of APM metrics please refer to pages 20 & 21.
Q1-21 and FY-21 figures have been made pro forma for the acquisition of Rancher, as if consolidated from 1 November 2019.

Adjusted Revenue Reconciliation

($m)	Q1-23	Q1-22
Revenue - IFRS	**168.4**	**153.5**
Deferred revenue haircut amortized	0.6	1.6
Contract asset haircut amortized	-	(0.1)
Adjusted Revenue	**169.0**	**155.0**

Note: Note: For definition of APM metrics please refer to pages 20 & 21.

Adjusted EBITDA Reconciliation

($m)	Q1-23	Q1-22
Operating Profit/Loss	**34.5**	**(3.4)**
Amortization and depreciation	36.5	38.8
Separately reported items	4.9	-
Deferred revenue haircut amortized	0.6	1.6
Contract asset haircut amortized	-	(0.1)
Non-recurring items	1.3	2.8
Share-based payments - charge	11.9	9.9
Share-based payments - ER taxes	0.6	0.4
Foreign exchange - unrealized	(23.2)	2.3
Adjusted EBITDA	**67.1**	**52.3**

Note: For definition of APM metrics please refer to pages 20 & 21.

Adjusted PBT Bridge

($m)	Q1-23	Q1-22
Adjusted Revenue	**169.0**	**155.0**
Adjusted EBITDA	**67.1**	**52.3**
Depreciation & amortization	(4.8)	(5.0)
Net finance costs	(14.7)	(11.6)
Adjusted PBT	**47.6**	**35.7**
% Margin	*28.2%*	*23.0%*

Note: For definition of APM metrics please refer to pages 20 & 21.

Adjusted Unlevered FCF Bridge

($m)	Q1-23	Q1-22
Adjusted Cash EBITDA	**69.6**	**93.1**
Gross tangible capex	(2.4)	(2.0)
Change in core working capital	16.1	(34.5)
Commissions paid (net of amortization)	(5.1)	(5.1)
Leases paid	(2.0)	(1.9)
Cash taxes	(2.7)	(5.0)
Adjusted uFCF	**73.5**	**44.6**

Note: For definition of APM metrics please refer to pages 20 & 21.

Core Working Capital Reconciliation

($m)	Q1-23	Q1-22	YoY
Working Capital Movements - IFRS			
Movements in trade receivables	51.7	(1.7)	n.m.
Movements in other receivables	(7.7)	(2.5)	208%
Movements in trade payables	(6.6)	(1.5)	340%
Movements in other payables	(23.4)	(39.1)	(40)%
Total Working Capital Movements - IFRS	**14.0**	**(44.8)**	**n.m.**
Remove non-recurring items:			
Third party consulting fees	0.5	(0.1)	n.m.
Transaction costs	1.2	10.4	(88)%
Integration costs	0.4	-	0%
Total Working Capital Adjustments	**2.1**	**10.3**	**(80)%**
Change in core working capital (within uFCF)	**16.1**	**(34.5)**	**n.m.**

Note: For definition of APM metrics please refer to pages 20 & 21.

Share-Based Compensation Update

	Ongoing Incentive Schemes	
	Options	**RSUs**
Who?	▪ Senior Management	▪ c.1,600 employees
How Many Shares?	▪ c.300k shares	▪ c.4,000k shares
What's Next?	▪ Annual grant ▪ Phased vesting over 2 and 3 years ▪ Exercisable up to 10 years from grant	▪ Annual grant ▪ Phased vesting over years 1, 2 and 3

- **c.4m RSUs / options** are currently outstanding (comprising ongoing incentive schemes and One-off Transitional Scheme from IPO)
- **One-off Transitional Scheme**
  - c.670k shares granted with two-year vesting period
  - No further shares to be granted under this scheme
- **Ongoing Incentive Schemes**(1)
  - Ongoing non-cash P&L charge estimated at c.$15m per quarter in FY23, before inflation
  - Actual shares granted is share price dependent, c.3.4m per annum based on estimated quarterly charge above and end FY22 share price
- **Overall dilution cap**(2) at 5% of total issued capital at any point in time

(1) Ongoing incentive annual awards expected to grant are at the discretion of the Board.
(2) An award may not be granted if the result of granting the award would be that the aggregate number of plan shares issued or committed to be issued under: 1. awards which have not vested under the plan; or 2. unvested options or awards granted under any other employee share plan operated by the company except for the Management Participation Programme, would exceed 5 percent of the Company's issued ordinary share capital at that time.

Thank You