SUSE

Q2 FY23

QUARTERLY RESULTS CALL

JULY 6, 2023

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.

Presenters:

Dirk-Peter van Leeuwen

CHIEF EXECUTIVE OFFICER

Jonathan Atack

CHIEF FINANCIAL OFFICER (interim)

Matt Jones

HEAD OF INVESTOR RELATIONS (interim)

Agenda:

1. BUSINESS & FINANCIALS
2. CEO INITIAL PERSPECTIVES
3. QUESTIONS & ANSWERS

Jonathan
Atack

CHIEF FINANCIAL
OFFICER (interim)

Q2 FY23 RESULTS CALL | JULY 6, 2023

1 BUSINESS & FINANCIALS

SUSE

Q2 FY23 - Macro & execution challenges impacting growth

					H1 FY23
ARR & NRR	$658M GROUP ARR[1]	6% GROUP ARR[1] GROWTH	102% GROUP NRR[1]		
ACV & REVENUE	$162M ADJUSTED REVENUE	1% / 1% CCY ADJUSTED REVENUE GROWTH	(6)% / (6)% CCY ACV GROWTH		5% / 5% CCY ADJUSTED REVENUE GROWTH
EBITDA	$52M ADJUSTED EBITDA	32% ADJUSTED EBITDA MARGIN	$46M ADJUSTED CASH EBITDA	28% ADJUSTED CASH EBITDA MARGIN	36% ADJUSTED EBITDA MARGIN
CASH	$18M ADJUSTED UNLEVERED FREE CASH FLOW	34% CASH CONVERSION			77% CASH CONVERSION

(1) As at January 2023
APM metrics definitions on pages 20 & 21

Operational highlights

LINUX

Launched latest version of enterprise Linux platform

AI optimized
Designed to deliver high-performance computing capabilities which are essential for AI workloads

Cloud & Edge Security
Enhanced Confidential Computing offers an additional layer of security in the cloud and at the edge

Launched new version of SLE Micro, SUSE's lightweight Linux

Purpose-built for containerized workloads
Optimal choice for edge devices

RANCHER

Updates to Rancher and Rancher Prime

New extension framework
Empowering users and vendors to create customized user experiences

Added new paid-for components
Enhancing the value of Rancher Prime to support conversion from community edition, including access to SUSE's customer engagement platform SUSE Collective

ESG

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Approved by SBTi as aligned with the 1.5°C trajectory

+35

Maintained on-target employee NPS of 35

MSCI ESG RATINGS
CCC | B | BB | BBB | A | AA | AAA
AAA

Awarded AAA MSCI rating

ISS ESG

PRIME status from ISS

SUSE

Customer wins – cross-selling and strong renewals with upsell

EMEA
HIGHLIGHT

RANCHER PRIME™

Leading semiconductor design company

Cross-selling of Rancher, NeuVector and Harvester to existing SLES customer

- ✓ Single support experience across the stack Linux, Kubernetes, security, and virtualization
- ✓ Ease of evaluation and adoption through the open source model
- ✓ Expert consulting and implementation offerings

EMEA
HIGHLIGHT

SUSE

Major German automotive manufacturer

SLES renewal with upsell, with multi-year commitment in line with the previous contract duration

- ✓ Best-in-class support for transitioning the customer's IT delivery to the next level
- ✓ Easy, straightforward and cloud-ready subscription and service model
- ✓ Flexible and adaptable to customer needs

ASIA-PACIFIC
HIGHLIGHT

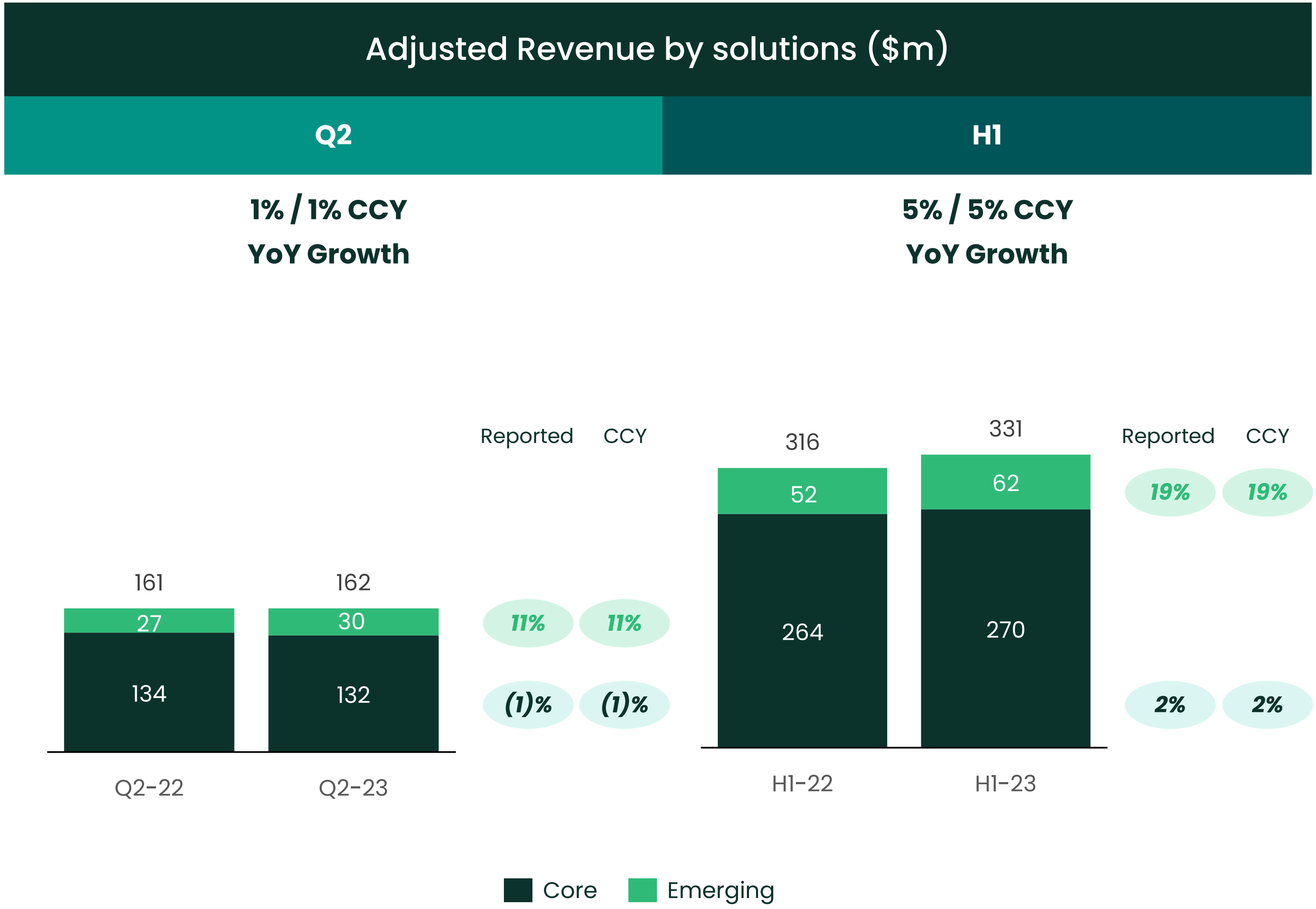
SUSE

Two of Japan's largest banks

High-value SLES renewals, with durations consistent with previous contracts

- ✓ Both customers are highly satisfied with SUSE's support and the strength of the SUSE partnership
- ✓ SUSE has been a valued long-term partner to both banks for over 10 years
- ✓ Allows customer flexibility

Adjusted Revenue by solutions



Q2 FY23 Adjusted Revenue of $162m, up 1% (same at constant currency), comprising $132 million in Core and $30 million in Emerging

- Impacted by ongoing macroeconomic uncertainty, slower Cloud growth, and lower-than-expected traction from the sales force re-organization. This has led to some downsell in Core, continued Emerging growth driven by new business and upselling
- The suspension of sales to Russian customers and legacy product run-off impacted Adjusted Revenue growth by c.1 ppt

Annual Recurring Revenue and Net Retention Rate (1)

- ARR of $658m, up 6% YoY, supported by continued growth from new and existing customers
- NRR of 102%, demonstrating continued upsell to our existing customer base, partially offset by higher levels of downsell than in previous quarters
- Exchange rate movements, the suspension of sales to Russian customers and legacy product run-off negatively impacted ARR growth and NRR by c.2 ppt

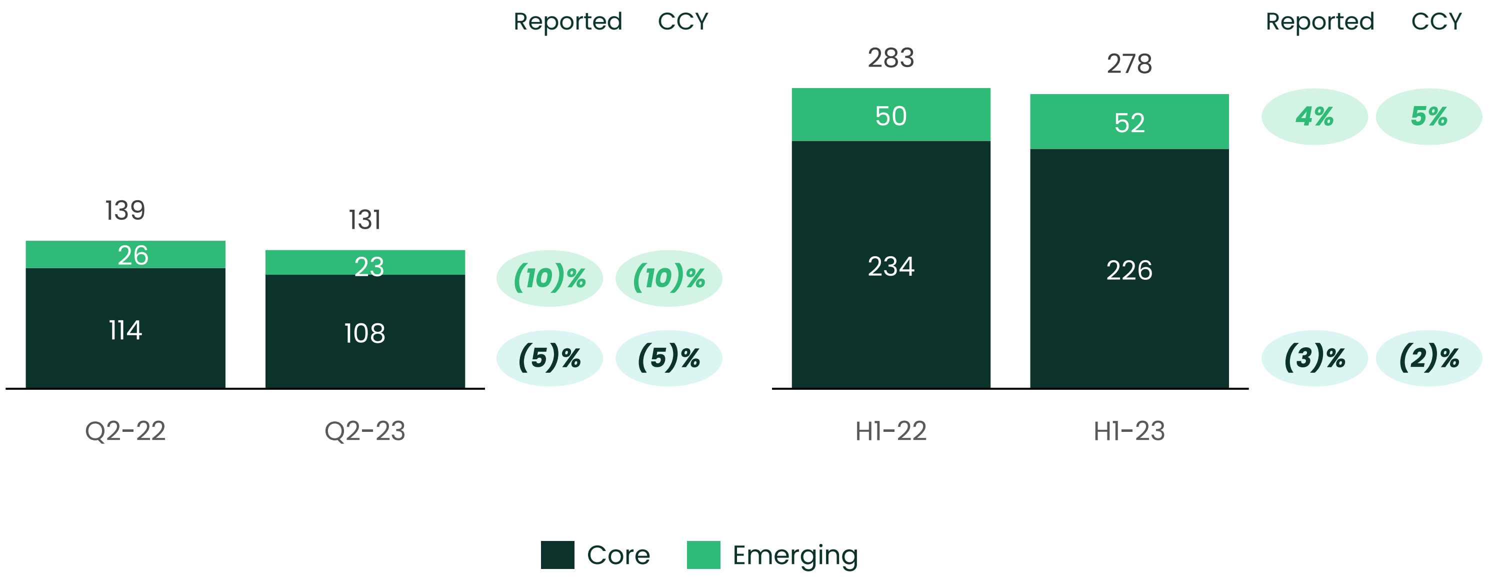
(1) As at January 2023

Note: All figures are expressed in $m unless otherwise specified. APM metrics definitions on pages 20 & 21

ACV by solutions

ACV by solutions ($m)

Q2	H1
(6)% / (6)% CCY YoY Growth	**(2)% / 0% CCY YoY Growth**



Group ACV down 6% (same at constant currency) in Q2 FY23

- Core down 5% (same at constant currency)
- Emerging down 10% (same at constant currency)

Highlights by Region

- Europe, Middle East and Africa up 13%, including a significant renewal with upsell with a long-standing customer
- Asia Pacific and Japan up 21%, supported by large renewals
- North America down 12%, driven by phasing of renewals and fewer net new customers
- Latin America down 62%, due to phasing of renewals, and Greater China down 47%, due to challenging local market conditions

Highlights by Route-to-Market

- End User & Cloud down 2%, driven by lower sales through the End User route-to-market, partly offset by continued growth in Cloud
- IHV & Embedded ACV down 25%, driven by lower hardware shipments in the broader market, a shift to selling through other routes-to-market, primarily through cloud service providers

SUSE

Note: All figures are expressed in $m unless otherwise specified. APM metrics definitions on pages 20 & 21

Operating costs evolution

($m)	Q2-23	Q2-22	H1-23	H1-22
Adjusted Revenue	162.4	161.3	331.4	316.3
Cost of Sales	(13.4)	(13.1)	(26.8)	(24.9)
As % of Revenue	*8%*	*8%*	*8%*	*8%*
1 **Gross Profit**	149.0	148.2	304.6	291.4
% Margin	*92%*	*92%*	*92%*	*92%*
2 **Sales, Marketing & Operations**	(44.5)	(46.3)	(86.5)	(89.3)
3 **Research & Development**	(31.7)	(27.1)	(59.7)	(54.1)
4 **General & Administrative**	(20.6)	(16.2)	(39.1)	(37.1)
Total Operating Costs	(96.8)	(89.6)	(185.3)	(180.5)
5 **Adjusted EBITDA**	52.2	58.6	119.3	110.9
% Margin	*32%*	*36%*	*36%*	*35%*

1. Gross Profit Margin

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

2. Sales, Marketing & Operations:

- Down 4% (down 2% at constant currency), reflecting lower headcount following the sales reorganization

3. Research & Development:

- Up 17% (up 20% at constant currency) due to continued investments in product development yielding new products including the latest versions of Linux and Rancher

4. General & Administrative:

- Up 27% (up 31% at constant currency), driven by differences in timing of spend versus the prior year and some wage inflation in line with market conditions

5. Adjusted EBITDA Margin:

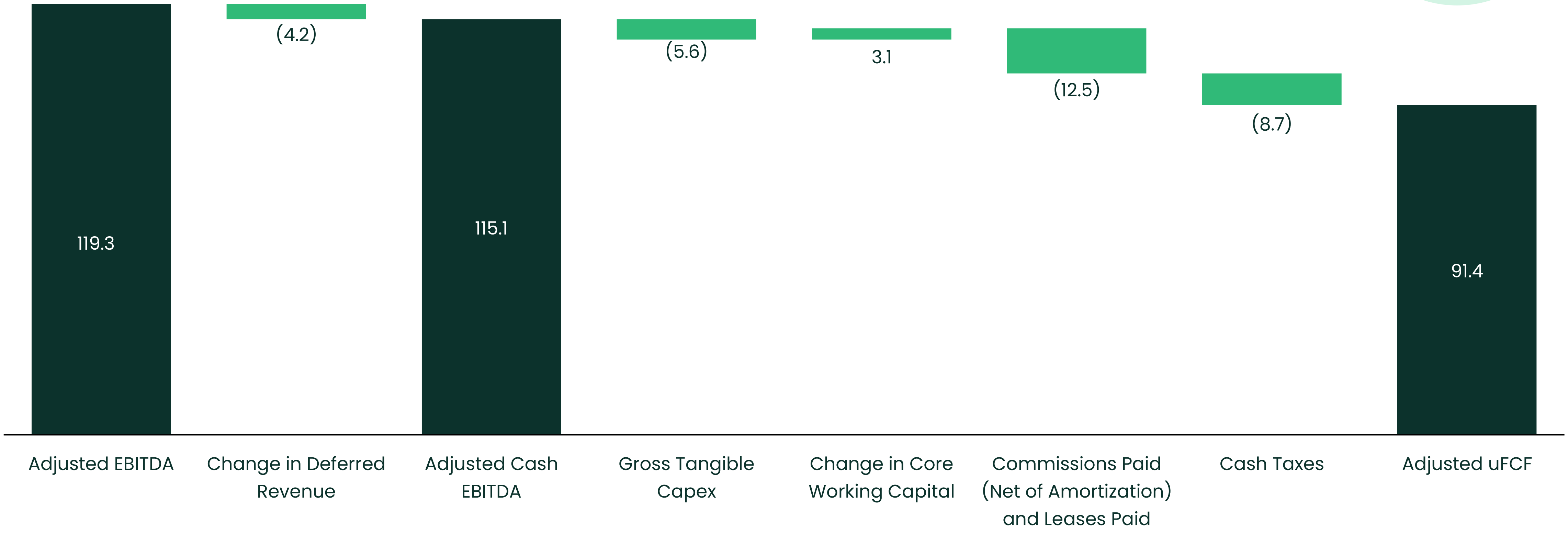
- In Q2, Adjusted EBITDA margin of 32% was **down 4 ppt**, driven by an increase in R&D spending to drive product development and differences in timing of spend versus the prior year
- In H1, Adjusted EBITDA margin of 36% was **up 1 ppt**, reflecting growth in Adjusted Revenue and a continued disciplined approach to investments

SUSE

Note: All figures are expressed in $m unless otherwise specified. APM metrics definitions on pages 20 & 21

Robust profitability and cash conversion in H1 FY23

77%
Cash Conversion in H1 FY23



Note: All figures are expressed in $m unless otherwise specified. APM metrics definitions on pages 20 & 21

Guidance reiterated

FY23	Guidance in actual currency Assuming end Q2 rates in H2	Estimated full year FX Impact	Medium-term guidance
CORE ADJUSTED REVENUE	Low-single digits % growth	-	Growth in excess of 10% p.a.
EMERGING ADJUSTED REVENUE	Around 10% growth	-	Growth in excess of 30% p.a.
TOTAL ADJUSTED REVENUE	Mid-single digits % growth	-	Growth of mid-to-high teens percent p.a.
ADJUSTED EBITDA MARGIN	Mid-thirties %	Slight headwind	In excess of 40%
ADJUSTED uFCF CONVERSION	In excess of 50%	-	In excess of 80%

Note: All figures are expressed in $m unless otherwise specified. APM metrics definitions on pages 20 & 21

Dirk-Peter
Van Leeuwen

CHIEF EXECUTIVE
OFFICER

2 CEO INITIAL PERSPECTIVES

SUSE

Initial perspectives

First 60 days

6	55+	50+
OFFICES VISITED & TOWN HALLS HELD	CUSTOMERS & PARTNERS MET	EMPLOYEE 1:1s

Product portfolio uniquely positioned to evolve with changing customer needs

Strong company culture, industry-leading talent mix

Significant opportunity for accelerated growth, building on existing relationships

SUSE

Addressing immediate opportunities

Sell **solutions** instead of **individual products**

WHERE TO CHANGE

Achieve customer intimacy

Empower regional leadership

Unleash and incentivize reps to sell the full portfolio

ACTIONS TAKEN

Building the team

- Simplifying and strengthening leadership to drive performance improvements

Setting up for success

- New sales structure covering four regions
- Supported by specialists as needed

Stages towards accelerated growth

SWIFT ACTIONS TAKEN
Since May 2023

- Simplifying and strengthening leadership
- Establishing regional sales structure to deliver immediate potential

BY YEAR END
H2 FY23

- Evolve organizational structure to ensure it is industry standard
- Prepare for profitable growth

FUTURE PRIORITIES
FY24 onwards

- Execute long-term vision in collaboration with customers, partners, employees, and contributors
- Deliver on long-term potential

Q2 FY23 RESULTS CALL | JULY 6, 2023

3 QUESTIONS & ANSWERS

SUSE

SUSE

We adapt, you succeed

Q2 FY23 RESULTS CALL | JULY 6, 2023

APPENDIX

SUSE

Alternative Performance Measures (APMs) – 1 of 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. Diluted Adjusted Earnings Per Share takes into account potential dilution from outstanding share grants and options.
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).

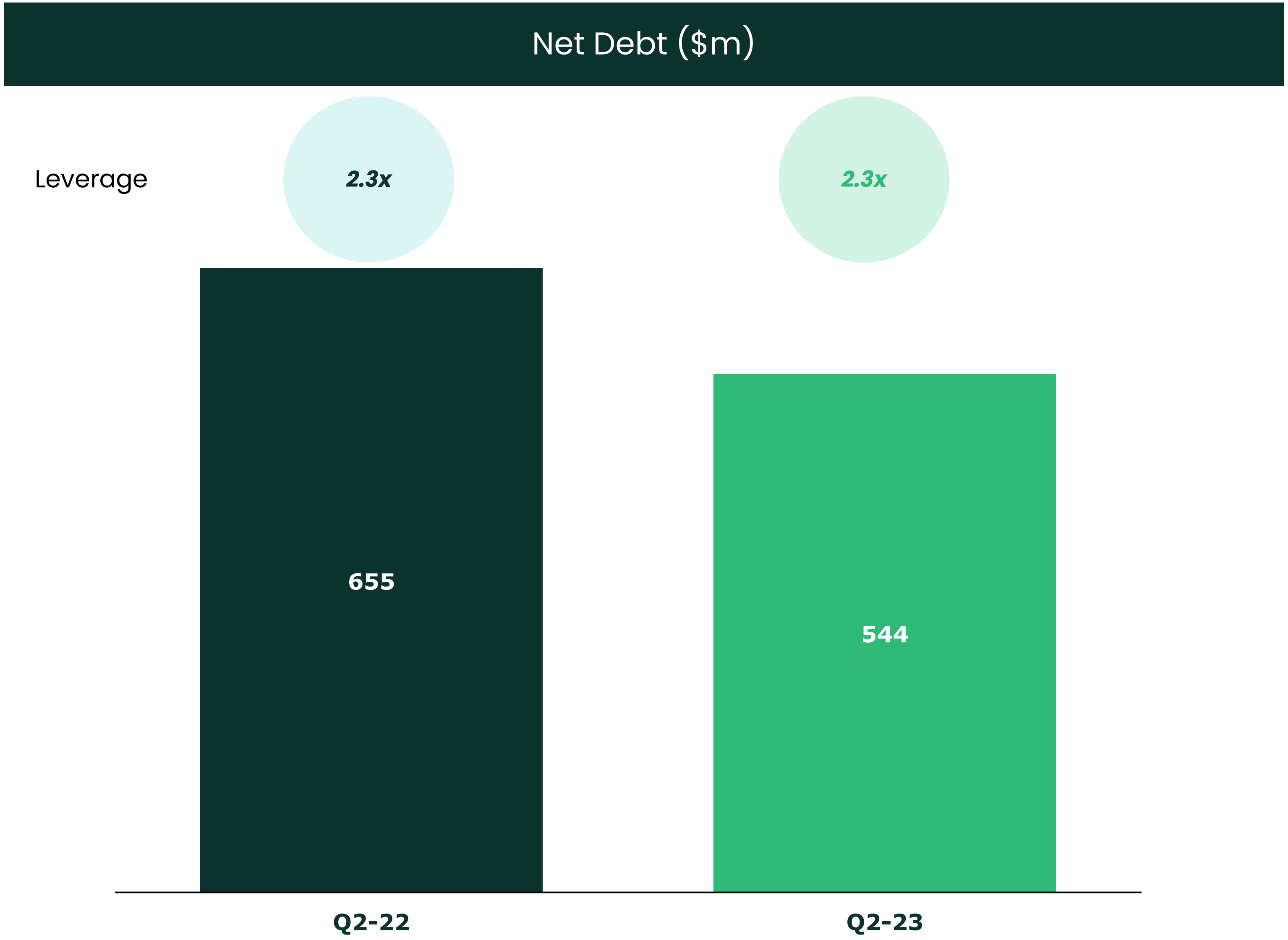
Alternative Performance Measures (APMs) – 2 of 2

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:

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).

Stable Leverage



$544m Net Debt at Q2 FY23, a reduction of $110.7 million versus the prior year, driven by our strong cash flow

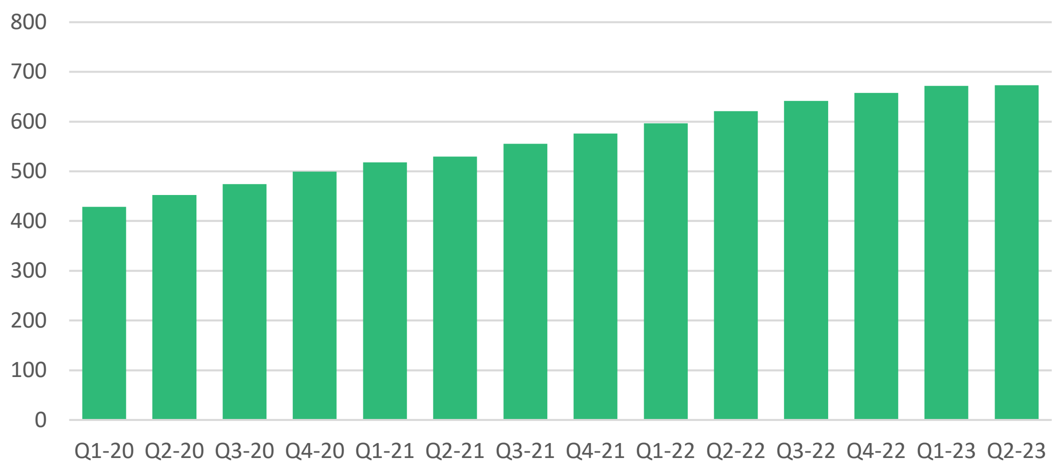
Leverage ratio of 2.3x, flat versus the prior year and well within our commitment to keep leverage below 3.5x

Note: All figures are expressed in $m unless otherwise specified. APM metrics definitions on pages 20 & 21

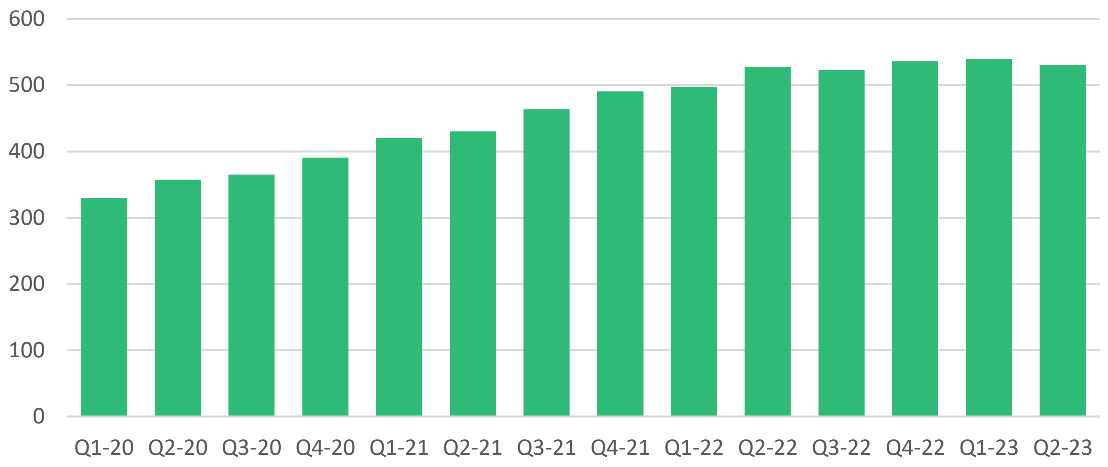
LTM Metrics

Q2 FY23 ARR growth and NRR have both been negatively impacted by 2 ppt by the suspension of sales to Russian customers, legacy product run-off, and exchange rate movements.

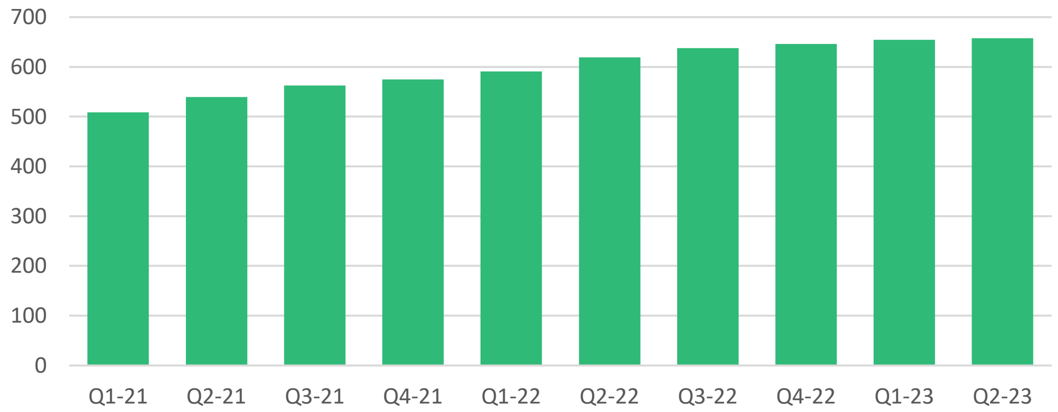
LTM Revenue ($m)



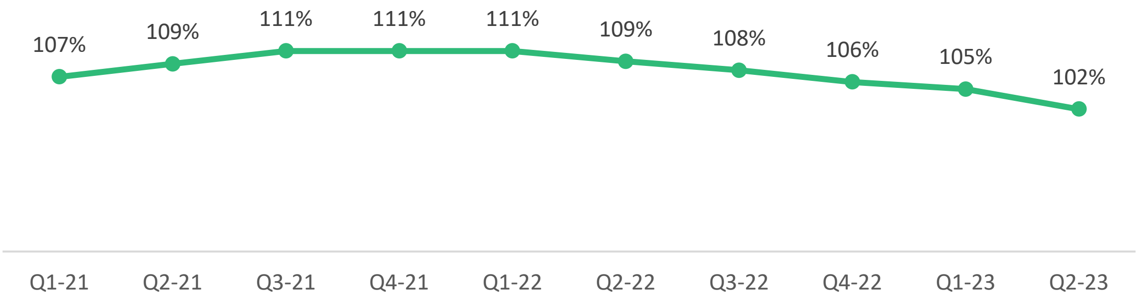
LTM ACV ($m)



ARR Three months in arrears ($m)



NRR Three months in arrears



SUSE

Note: FY20 financial figures only include Rancher actual contribution on a coterminous basis starting from November 2019.

Note: All figures are expressed in $m unless otherwise specified. APM metrics definitions on pages 20 & 21

Impact of exchange rates

Impact of foreign exchange rate changes on Q2 FY23 YoY growth (constant currency (CCY FX) versus Actual FX growth)

	Q2 FY23
ACV Core	0 ppt
ACV Emerging	0 ppt
Total ACV	0 ppt
Adjusted Revenue	0 ppt
Adjusted EBITDA	+3 ppt

Key financial metrics by currency

Q2 FY23	USD	EUR	GBP	Other
Total ACV	64%	25%	3%	8%
Adjusted Revenue	95%	4%	0%	1%
Operating Expenses	46%	25%	12%	17%

Note: All figures are expressed in $m unless otherwise specified. APM metrics definitions on pages 20 & 21

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	Q2-23
Total ACV	**137.6**	**109.0**	**119.0**	**125.0**	**490.6**	**143.8**	**139.4**	**114.4**	**138.3**	**535.9**	**147.0**	**130.6**
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	107.5
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	23.1
Adjusted Revenue	**134.1**	**136.8**	**151.0**	**154.0**	**575.9**	**155.0**	**161.3**	**171.2**	**170.3**	**657.8**	**169.0**	**162.4**
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	132.0
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	30.4
Adjusted EBITDA	**60.7**	**48.2**	**55.2**	**48.0**	**212.1**	**52.3**	**58.6**	**65.1**	**65.9**	**241.9**	**67.1**	**52.2**
% Margin	*45%*	*35%*	*37%*	*31%*	*37%*	*34%*	*36%*	*38%*	*39%*	*37%*	*40%*	*32%*
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	(6.7)
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**	**45.5**
% Margin	*80%*	*40%*	*43%*	*34%*	*48%*	*60%*	*47%*	*27%*	*47%*	*45%*	*41%*	*28%*

Q1-21 and FY-21 figures have been made pro forma for the acquisition of Rancher, as if consolidated from 1 November 2019.

Note: All figures are expressed in $m unless otherwise specified. APM metrics definitions on pages 20 & 21

Adjusted Revenue reconciliation

($m)	Q2-23	Q2-22	H1-23	H1-22
Revenue - IFRS	**161.9**	**159.8**	**330.3**	**313.3**
Deferred revenue haircut amortized	0.6	1.6	1.2	3.2
Contract asset haircut amortized	(0.1)	(0.1)	(0.1)	(0.2)
Adjusted Revenue	**162.4**	**161.3**	**331.4**	**316.3**

Note: All figures are expressed in $m unless otherwise specified. APM metrics definitions on pages 20 & 21

Adjusted EBITDA reconciliation

($m)	Q2-23	Q2-22	H1-23	H1-22
Operating Profit/Loss	**(25.3)**	**(8.0)**	**9.2**	**(11.4)**
Amortization and depreciation	37.0	39.7	73.5	78.5
Separately reported items	1.9	-	6.8	-
Deferred revenue haircut amortized	0.6	1.6	1.2	3.2
Contract asset haircut amortized	(0.1)	(0.1)	(0.1)	(0.2)
Non-recurring items	3.5	6.3	4.8	9.1
Share-based payments - charge	12.1	12.7	24.0	22.6
Share-based payments - ER taxes	-	0.5	0.6	0.9
Foreign exchange - unrealized	22.5	5.9	(0.7)	8.2
Adjusted EBITDA	**52.2**	**58.6**	**119.3**	**110.9**

SUSE

Note: All figures are expressed in $m unless otherwise specified. APM metrics definitions on pages 20 & 21

Adjusted PBT bridge

($m)	Q2-23	Q2-22	H1-23	H1-22
Adjusted Revenue	**162.4**	**161.3**	**331.4**	**316.3**
Adjusted EBITDA	**52.2**	**58.6**	**119.3**	**110.9**
Depreciation & amortization	(5.3)	(6.2)	(10.1)	(11.2)
Net finance costs	(12.9)	(10.0)	(27.6)	(21.6)
Adjusted PBT	**34.0**	**42.4**	**81.6**	**78.1**
% Margin	*20.9%*	*26.3%*	*24.6%*	*24.7%*

SUSE

Note: All figures are expressed in $m unless otherwise specified. APM metrics definitions on pages 20 & 21

Adjusted Unlevered Free Cash Flow bridge

($m)	Q2-23	Q2-22	H1-23	H1-22
Adjusted Cash EBITDA	**45.5**	**75.9**	**115.1**	**169.0**
Gross tangible capex	(3.2)	(2.7)	(5.6)	(4.7)
Change in core working capital	(13.0)	(19.9)	3.1	(54.4)
Commissions paid (net of amortization)	(3.2)	(8.2)	(8.3)	(13.3)
Leases paid	(2.2)	(1.9)	(4.2)	(3.8)
Cash taxes	(6.0)	(5.5)	(8.7)	(10.5)
Adjusted uFCF	**17.9**	**37.7**	**91.4**	**82.3**

SUSE

Note: All figures are expressed in $m unless otherwise specified. APM metrics definitions on pages 20 & 21

Core working capital reconciliation

($m)	Q2-23	Q2-22	YoY	H1-23	H1-22	YoY
Working Capital Movements - IFRS						
Movements in trade receivables	(21.0)	(13.4)	57%	30.7	(15.1)	n.m.
Movements in other receivables	(3.1)	(2.0)	55%	(10.8)	(4.5)	140%
Movements in trade payables	5.5	(3.7)	n.m.	(1.1)	(5.2)	(79)%
Movements in other payables	7.4	(2.7)	n.m.	(16.0)	(41.8)	(62)%
Total Working Capital Movements - IFRS	**(11.2)**	**(21.8)**	**(49)%**	**2.8**	**(66.6)**	**n.m.**
Remove non-recurring items:						
Third party consulting fees	(0.3)	(0.6)	(50)%	0.2	(0.7)	n.m.
Transaction costs	0.1	2.5	(96)%	1.3	12.9	(90)%
Integration costs	(1.6)	-	n.m.	(1.2)	-	n.m.
Total Working Capital Adjustments	**(1.8)**	**1.9**	**n.m.**	**0.3**	**12.2**	**(98)%**
Change in core working capital (within uFCF)	**(13.0)**	**(19.9)**	**(35)%**	**3.1**	**(54.4)**	**n.m.**

SUSE

Note: All figures are expressed in $m unless otherwise specified. APM metrics definitions on pages 20 & 21

Share-based compensation

	Ongoing Incentive Schemes	
	Options	**RSUs**
Who?	▪ Senior Management	▪ c.1,500 employees
How Many Shares?	▪ c.300k shares (3)	▪ c.3,100k 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.3.4m RSUs / options are currently outstanding, comprising Ongoing Incentive Schemes and One-off Transitional Scheme from IPO

One-off Transitional Scheme

- c.645k shares granted with two-year vesting period – vesting in full in H2 FY23
- No further shares to be granted under this scheme

Ongoing Incentive Schemes – Options and RSUs (1)

- Ongoing non-cash P&L charge estimated at less than $12 million per quarter in H2 FY23, reducing to less than $10 million per quarter in FY24, before inflation
- Actual shares granted is dependent on the share price on the date of award
- Estimated run-rate of c.2m shares vesting per annum is based on expected quarterly charge in FY24 and end Q2 FY23 share price (EUR 17.1). Total shares vesting in FY23 is higher due to One-off Transitional Schemes and historically higher levels of Ongoing Incentive Schemes

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.

(3) Includes some former employees who retained options, with full P&L non-cash expense accelerated on termination of services

SUSE

SUSE

We adapt, you succeed