A Global Leader in Open Source Software

Company Overview
May 2021
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The Economy Runs On SUSE

We enable enterprises to digitally transform and innovate from the core to the cloud to the edge and beyond.

9 / 10
Largest Retailers

13 / 15
Largest Pharma Firms

14 / 15
Largest Aerospace Firms

10 / 10
Largest Auto OEMs

5 / 5
Largest Technology Firms

13 / 15
Largest Manufacturers

4 / 5
Largest Healthcare Firms

13 / 15
Largest Finance Firms

Source: Company information.
Note: Largest firms by revenue.
SUSE at a Glance

Our Customers Trust Us to Run and Deploy their Most Mission-Critical Workloads

Community-Led R&D
Open Source Communities
SUSE Enterprise Grade Open Source...
...Powering Mission-Critical Workloads...
...For Blue-Chip Customer Base

Global presence with ~1,900 employees around the world creating enterprise grade releases of open source innovation

Note: Financials based on audited SUSE financial statements for Oct-19 and Oct-20; FYE refers to SUSE Fiscal Year ending October 2020.

1) Reflects 12 months of contribution from SUSE based on Oct-YE and IFRS accounting standards and 12 months of contribution from Rancher based on Dec-YE and US GAAP accounting standards. Statutory revenue for SUSE (excl. Rancher) shown before the impact of the deferred revenue haircut relating to the Micro Focus carve out; total revenue including the haircut for FY Oct-20 was $447.4m.

2) Reflects 12 months of contribution from SUSE based on Oct-YE and 12 months of contribution from Rancher based on Dec-YE.

3) Including Rancher.

4) Excl. Rancher.

5) Adjusted Cash EBITDA as per audited accounts and is defined as Adjusted EBITDA (earnings before interest, tax, depreciation and amortization, adjusted for non-recurring ‘one time’ expenses) plus Change in Deferred Revenue. Shown after the impact of IFRS 15 and IFRS 16 and excludes the impact of the deferred revenue haircut. Adj. Cash EBITDA margin defined as Adj. Cash EBITDA on Revenue.

SUSE SLES

Open Source

Communities

- Linux
- docker
- Rancher
- Kubernetes

Security And Vulnerability Monitoring
High Availability
Customer Support For Mission-Critical Workload

Mission-Critical Applications & Data
Container Management Platform
Operating System
Infrastructure

Cloud
Hybrid Cloud
On-Premise

SAP S/4HANA on SUSE SLES

CUSTOMER EXAMPLES

R&D Resources

- Software Companies
- Freelancers
- Hobbyists

Source: Company Information.
Strongly Positioned To Power Mission-Critical Digital Transformation

1. **A Global Leader in Open Source Software**: Unique Independent Open Source Software Provider with Nearly 100% Revenue Derived from Software Subscriptions

2. **Taking Share in Expanding TAM\(^{(1)}\)**: SUSE is a Leader in a $18bn TAM, Growing 17% p.a. on Average, with an Even Faster Growing SAM at 24%\(^{(1)}\)

3. **Differentiated Offering Powering Mission-Critical Workloads**: Seamless Interoperability Avoiding Vendor Lock-In and Enforcing the Open Source Ethos

4. **Multi-Channel Go-To-Market Platform for Blue-Chip Customer Base**: Land and Expand Opportunity, Fuelled by Community Led Adoption and Partnerships

5. **Strong Financial Profile**: Characterized by Recurring Revenues at Scale, High Predictability, Accelerated Growth, Strong Profitability and Cash Generation

6. **Proven Platform for Growth Investments**: Highly Accretive Organic and Inorganic Growth Levers for Further Growth Acceleration

7. **World-Class and Highly Experienced Management Team**: Demonstrated Track Record of Success and Innovation

Source: Company information.

\(^{(1)}\) 2020-2024 SUSE SAM CAGR; TAM = Total addressable market defined as the total market demand for a product or service, SAM = Serviceable addressable market defined as the segment of the TAM targeted by SUSE’s products and services.
1. A Global Independent Leader in Open Source Software

Source: Capital IQ, Orbis, COSS Media.

1) Supports competitive OS landscapes; gives customers the opportunity to introduce capabilities they need vs. rip and replace everything with the suite of a particular vendor.

2) Software Revenue as a % of total Revenue; SUSE Revenue is nearly 100% derived from software products and support unlike firms with high services component.
2. Structural Megatrends Accelerating Adoption of Paid Linux and Containers…

TAM(1) of $18bn to grow 17% p.a. with a SAM(1) growing 24%

STRUCTURAL MEGATRENDS:
• Accelerating digitalization
• Proliferation of cloud
• Upsurge in big data / analytics
• Rise of IoT

TAM CAGR ’20–’24 (%)
SAM CAGR ’20–’24 (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>TAM ($bn)</th>
<th>Bridge to TAM ($bn)</th>
<th>Increasing demand for Paid Linux</th>
<th>Increasing demand for Containers</th>
<th>Increasing demand for Paid Linux and Containers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>8</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>10</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SAM (1) = Total addressable market as the total market demand for a product or service. SAM = Serviceable addressable market as the segment of the TAM targeted by SUSE’s products and services.


1) TAM = Total addressable market as the total market demand for a product or service. SAM = Serviceable addressable market as the segment of the TAM targeted by SUSE’s products and services.
2) Software defined storage TAM 2020/2024: $4bn/$6.2bn & Container Storage SAM 2020/2024: $80m/$400m.
3) Edge SAM adjusted for company specific data points.
2. ...Enabling SUSE to Take Further Market Share

### Market Share (1)

<table>
<thead>
<tr>
<th>Component</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid Linux</td>
<td>~13%</td>
</tr>
<tr>
<td>SUSE (excl. Rancher)</td>
<td>~78%</td>
</tr>
<tr>
<td>CMP</td>
<td>~5%</td>
</tr>
<tr>
<td>Competitor #1</td>
<td>20-25%</td>
</tr>
<tr>
<td>Competitor #2</td>
<td>10-15%</td>
</tr>
</tbody>
</table>

### Subscription Growth

<table>
<thead>
<tr>
<th>Component</th>
<th>FYE 2020 vs. Paid Linux SAM CAGR 2020-24</th>
<th>CMP SAM (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUSE (excl. Rancher)</td>
<td>~14%</td>
<td>~50%</td>
</tr>
<tr>
<td>Paid Linux SAM (4)</td>
<td>~12%</td>
<td></td>
</tr>
<tr>
<td>Rancher ACV Growth FYE 2020 vs. CMP SAM CAGR 2020-24</td>
<td>~84% (3)</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Company information.

1) Estimated market share excl. revenue not directly related to Paid Linux and CMP respectively.
2) SUSE ex Rancher, based on LTM Oct-20 metrics compared to LTM Oct-19 metrics as per SUSE audited financial statements prepared under IFRS for Oct-19 and Oct-2020.
3) Based on Rancher audited financial statements, Dec-YE.
4) Estimated SAM (Serviceable available market) 2020-2024E CAGR.
Differentiated Offering Powering Mission-Critical Workloads

<table>
<thead>
<tr>
<th></th>
<th>SUSE</th>
<th>Free Open Source (DIY)</th>
<th>Diversified Vendors</th>
<th>Cloud Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Truly Open, Multi-Cloud</td>
<td>☺</td>
<td>☺</td>
<td>☻</td>
<td>☻</td>
</tr>
<tr>
<td>Mission-Critical Enterprise Workloads</td>
<td>☺</td>
<td>☻</td>
<td>☽</td>
<td>☻</td>
</tr>
<tr>
<td>Infrastructure Agnostic</td>
<td>☺</td>
<td>☻</td>
<td>☽</td>
<td>☻</td>
</tr>
<tr>
<td>Independent Provider</td>
<td>☺</td>
<td>☻</td>
<td>☻</td>
<td>☻</td>
</tr>
<tr>
<td>High Availability</td>
<td>☺</td>
<td>☻</td>
<td>☽</td>
<td>☽</td>
</tr>
</tbody>
</table>

Industry-leading interoperable IT Infrastructure solutions

Source: Company analysis.
Globally Scaled, Multi-Channel Go-to-Market Platform

100m+ Downloads\(^1\), Used by Thousands of Organizations

~30K Active SUSE Community Members\(^2\)

Diversified and efficient channel split with increasing cloud penetration

Land and expand opportunity

Source: Company information.

1) SUSE Rancher software downloads as of 2020.
2) Community members who have provided continued and substantial contributions to the openSUSE project and are given voting rights and the ability to run for the openSUSE board.
3) Annual contract value (excl. Rancher) = Value of the first 12 months of the contract (total contract value if contract is shorter than 12 months).
4) FY19 total different than 100% due to rounding.
Enabling Digital Transformation For Blue Chip Enterprises Globally

4.

Source: Company information.
Note: Largest firms by revenue.
5. Key Financial Highlights

**Revenue at Scale**
$503m SUSE FY20\(^{(1)}\)

**High Revenue Visibility**
~98% SUSE FY-20 Subscription Revenue\(^{(1)}\)

**Strong Customer Economics**
109% SUSE (excl. Rancher) / 125% Rancher
3M Jan-21 Net Retention Rate

**Strong & Accelerating Growth**
19% YoY SUSE FY20 ACV\(^{(2)}\)
27% YoY SUSE 3M Jan-21 ACV

**Superior Cash EBITDA\(^{(3)}\)**
40% Adj. Cash EBITDA Margin FY20 SUSE (excl. Rancher)

**Robust uFCF conversion**
76% SUSE (excl. Rancher) FY20 Cash Conversion\(^{(4)}\)

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**Note:** SUSE (excl. Rancher) FY Oct-30 financials based on audited financial statements prepared under IFRS with an October fiscal year end. SUSE (excl. Rancher) FY Oct-19 audited financials adjusted on an illustrative basis to compute a like-for-like comparison had SUSE been a standalone entity for a full 12-month period to 31 October 2019. Rancher financials based on audited Rancher financial statements prepared under US GAAP with a December fiscal year end.

1) Reflects 12 months of contribution from SUSE based on Oct-YE and IFRS accounting standards and 12 months of contribution from Rancher based on Dec-YE and US GAAP accounting standards. Statutory revenue for SUSE shown before the impact of the deferred revenue haircut relating to the Micro Focus carve out, total revenue including the haircut for FY Oct-20 was $484.4m.

2) Illustrative growth rate based on FY19 ACV of $334m and FY20 ACV of $399m, reflecting 12 months non-coterminous financials for Rancher and 12 months financials for SUSE (excl. Rancher).

3) Shown after the impact of IFRS 15 and IFRS 16 and excludes the impact of the deferred revenue haircut.

4) Cash Conversion defined as Adjusted uFCF divided by Adjusted EBITDA. Adjusted uFCF defined as Adjusted Cash EBITDA minus capex, other working capital items, IFRS 15 and 16 impact and cash taxes.
5. Strong Growth at Scale

Scaled Platform with Proven Track Record of Growth

<table>
<thead>
<tr>
<th>ACV ($m)</th>
<th>3 Months Ending January 2020 &amp; January 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19 – FY20</td>
<td>334</td>
</tr>
<tr>
<td>FY20</td>
<td>399</td>
</tr>
<tr>
<td>3M Jan-20 (1)</td>
<td>109</td>
</tr>
<tr>
<td>3M Jan-21 (3)</td>
<td>138</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue ($m)</th>
<th>3 Months Ending January 2020 &amp; January 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19 – FY20</td>
<td>428</td>
</tr>
<tr>
<td>FY20</td>
<td>503</td>
</tr>
<tr>
<td>3M Jan-20 (1)</td>
<td>115</td>
</tr>
<tr>
<td>3M Jan-21 (3)</td>
<td>134</td>
</tr>
</tbody>
</table>

Source: Company information.

Note: All figures are expressed in $m unless otherwise specified. SUSE FY Financials refer to October YE and reflect IFRS accounting principles. Rancher FY financials refer to December YE and reflect US GAAP accounting principles.

1) Revenue excluding the deferred revenue impact.
2) Reflects 12 months of contribution from SUSE based on Oct-YE and 12 months of contribution from Rancher based on Dec-YE.
3) Reflecting 3 months to January for SUSE (excl. Rancher) and 3 months to January for Rancher.
Proven Platform for Driving Long-Term Profitable Growth Potential

Combination of Strong Organic Growth...

Taking Share in the Established and Growing Paid Linux OS Market...

Paid Linux
~12%
SAM 20'~24' CAGR(1)

SUSE Core
~14%
FY 2020 ACV Growth

...with Growth Further Accelerated by Innovation and Expansion from Emerging Businesses...

Container Management & Storage
~52%
SAM 20'~24' CAGR(1)

SUSE Emerging
~69%
FY 2020 ACV Growth

Edge
~24%
SAM 20'~24' CAGR(1)

...and a Unique Platform for Acquisitions

... and Expanding Solutions Suite and Fueling Growth Even Further with M&A

SUSE ready to consider both “tuck-in” and more significant “accretive” transactions in relevant fields

- Edge Computing
- DevOps Platform
- Cloud & Management Platform
- Observability & DevSec Ops


1) Estimated SAM (Serviceable available market) 2020-2024E CAGR.
World-Class and Highly Experienced Management Team

Melissa Di Donato  
CEO

Andy Myers  
CFO

Sheng Liang  
President, Engineering & Innovation

Thomas Di Giacomo  
Chief Technology Officer

Paul Devlin  
Chief Customer Officer

Ivo Totev  
Chief Product & Marketing Officer

Steve Gilliver  
Chief Human Resources and Transformation Officer
A Global Leader in Open Source Software

Taking Share in **Expanding TAM**

Powering **Mission Critical Workloads**

Multi-Channel **Go-To-Market Platform for Blue-Chip Customer Base**

**Growth and Profitability at Scale**

Proven Platform for **Growth Investments**

World-Class and **Highly Experienced Management Team**
SUSE is at the Heart of Modern Enterprises

Modern IT Stack
- Mission-Critical Applications & Data
- Container Management Platform
- Operating System
- Infrastructure

Where SUSE Plays
- Telecommunications
- Car Manufacturers
- Healthcare Operators
- Financial Services

Key Partners

Source: Company information.
SUSE Unique Computing Platform

Applications & Data

- **Container Management Platform**
  - Rancher Desktop
  - Container Management
  - LONGHORN Container Storage
  - RKE Data Center & Cloud
  - K3S Embedded & Edge

- **SUSE Linux Enterprise**
  - SUSE Manager
  - SUSE High Performance, Availability and Live Patching
  - SLE Desktop & POS
  - SLES 15
  - SLE Micro

- **SUSE Edge Offering**
  - Industry leading platform to manage all Containers/Kubernetes distributions
  - Deploys applications anywhere from data center to cloud, edge and beyond
  - Centralized visibility and control
  - Container storage capabilities

- **Operating System**
  - SLE Desktop & POS
  - SLES 15
  - SLE Micro

- **Infrastructure**
  - Laptop & Desktop Developers
  - Data Center & Cloud
  - Embedded & Edge

Source: Company information.
State-of-the-Art Global Customer Organization

Unparalleled Reach…

847 GCO Colleagues

32 Countries

…and High Stamina People

Obsessed with Customer Success

Fully Incentivized on Growth and Customers

High Emotional Intelligence

Highly Experienced

Result-Driven Mindset

Source: Company information.
Note: FTE figures as of Jan-21.
1) Including account executives, sales management and SAP specialist sales.
2) Including 60 FTEs for central sales operation function.
Delivering Best Coverage of the SUSE Customer Base…

SUSE Mainly Relies on Channel Sales with Select Dedicated Account Management for Larger Customers

Enterprise Sales
- Global (>10k Employees)
- Enterprise (>2k Employees)
- Mid-Market
- Small and Medium Enterprises

Digital Sales

Channel Sales

Enterprise Sales
- Powered by 110+ Enterprise Account Executives Each Covering up to 25 Accounts
  - ~2,900 Assigned Accounts
  - Personal, Direct Approach
  - Dedicated Account Management

Digital Sales
- Powered by 30+ Digital Account Executives Each Covering a Minimum of 50 Named Accounts
  - ~2,000 Assigned Accounts
  - Focused on New Account Acquisition
  - Up-sell/ Cross-Sell in the Installed Base

Channel Sales
- Powered by
  - Non-Named Accounts by Territory
  - Dedicated Partner Network Across Geographies
  - CSPs
  - IHV
  - Fulfillment Partners
  - 126 FTEs

Source: Company information.
1) As of January 2021.
...Across Our Tailored Routes-to-Market

<table>
<thead>
<tr>
<th>Customers</th>
<th>End-User</th>
<th>Cloud</th>
<th>Independent Hardware Vendors (IHV) and Edge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct and Indirect (through SUSE sales team, resellers and system integrators)</td>
<td>59%</td>
<td>Indirect (with revenue coming through cloud service providers)</td>
<td>IHVs bundling SUSE software together with their Hardware offering and shipping to end customers with software pre-loaded</td>
</tr>
<tr>
<td>Subscription</td>
<td>Pay-as-you-go Subscription (with monthly usage report) or Reserve Instances Subscription (with locked-in base-load demand for 2-3 years) MSPs: one-year subscription</td>
<td>21%</td>
<td>Edge(2), customers source SUSE software to manage and run devices at the edge</td>
</tr>
<tr>
<td>Full upfront payments, recognized ratably over contract term</td>
<td>Pay-as-you-go: immediately recognized Reserve Instances: annual payments in advance, recognized ratably MSPs: Full upfront payments, recognized ratably over contract term</td>
<td></td>
<td>Subscription (with monthly and quarterly reporting and invoicing)</td>
</tr>
<tr>
<td>Revenue Recognition</td>
<td>SUSE invoices IHVs for subscriptions shipped by IHV in arrears, with subscription durations of 1-5 years, which normally includes a back-dated element of consumed subscriptions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Company information.

1) % of FY2020 Annual contract value.
2) Edge expected to move to monthly/quarterly reporting and invoicing compared to annual today.
Accelerating Growth in our Core Business

Outperformance driven by targeted and well-advanced initiatives

Favorable Market Backdrop

- SUSE Market Share\(^1\)
  - ~13%
- 12% SAM CAGR 20–24E
- Paid Linux SAM

Drivers of Outperformance

- Underserved Markets
- Commercial Excellence
  - Digital Hub in Amsterdam
  - Pricing Management
- Go-To-Market Across APAC and Japan
- Launch of Federal in US
- Renewed Direct Sales Approach in LatAm
- Accelerators
  - Operation 400
  - Bundle Linux With Rancher
  - SAP Endorsed Apps
  - Strengthened Partnership with CSPs and MSPs

SUSE Momentum

- Medium Term Outlook: Mid-to-high teens growth
- Today
  - 14% Core FY20 ACV Growth\(^2\)

Source: Company information.

1) Market share as of 2020; estimated by excluding revenue that is not directly related to paid Linux, such as CMPs and SDS, etc.
2) Based on forecasts as provided by SUSE management.
Sustaining Growth in our Emerging Business

Emerging business benefitting from additional drivers around Edge and Rancher synergies

Favorable Market Backdrop

Drivers of Outperformance

SUSE Market Share

~5%

Strength in Automotive, Healthcare and 5G

Expansion into A&D, Telecoms, Transportation & Other Industries

Pricing Optimization

Leveraging SUSE's Distribution Channels & Existing Customer Base

Rancher Synergies

Geographic Expansion

69% Emerging FY20 ACV Growth

Source: Company information.

1) Estimated market share as of 2020 and includes CMP only.
2) Reflecting CMP SAM CAGR of 53% and SDS SAM CAGR of 50%.
3) Excluding parts of infrastructure software where SUSE has limited presence.
4) Including Rancher contribution for FY20. Reflects 12 months of contribution from SUSE based on Oct YE and IFRS accounting standards and 12 months of contribution from Rancher based on Dec YE and US GAAP accounting standards.
5) Based on forecasts as provided by SUSE management.
**Deferred Revenue**

- **End of Year N-1**
- **Deferred Revenue Carried Forward**

**Deferred Revenue**

- **Carried Forward**
- **Portion to Be Recognized in Subsequent Years**

**Year N**

- **Total Invoicing Over 12 Month Period**
- **Multi-Year contracts carried forward**
- **Revenue from ACV carried forward**
- **In-year ACV recognized as revenue**

**Year N+1**

- **Beginning of Period**
- **Revenue to be recognized in Year N+1**

---

**Total ACV**

- **Revenue to be recognized in Years > Year N**
- **Revenue to be recognized in Year N**
- **Revenue to be recognized in Year N+1**

**Source:** Company information.
Strong Growth Powered by Mission-Critical Enterprise Offering Driving High Revenue Visibility…

Source: Company information.

1) Reflects 12 months of contribution from SUSE based on Oct-YE and IFRS accounting standards and 12 months of contribution from Rancher 5) based on Dec-YE and US GAAP accounting standards.
2) SUSE (excl. Rancher) only for FY20. Defined as total duration of contracts weighted by the total contract value, including all customers and routes to market.
3) Based on FY20 split of ACV >$500k.
4) NRR based on invoicing as of January 2021, to reflect the customer base as of October 2020, given backdated royalties relating to IHV and

CSP: Secured revenue refers to the sum of revenue recognized in Q1-21 and deferred revenue carried forward which will be recognized during FY21. Two-thirds coverage based on midpoint of revenue guidance.

RPO measures the unrecognized proportion of remaining performance obligations towards subscribers (e.g. the amount of revenue that has been invoiced, but not yet recognized as revenue) plus amounts for which binding irrevocable commitments have been received but have yet to be invoiced.

Mission-Critical Offering  +  Enterprise Customer Base  +  High Customer Satisfaction

~98% Subscription Revenue

19 Months Weighted Average Contract Duration

64% of ACV from Customers Spending More Than $500k

109% NRR SUSE (excl. Rancher) 12 Months Ending Oct-20

125% NRR Rancher 12 Months Ending Jan-21

c.2/3rd FY21 Revenue Secured at the end of Q1

$499m SUSE Remaining Performance Obligations as of Jan-21

Source: Company information.
... and Delivering High Margins and Attractive Cash Generation

Mission Critical

~98% Subscription Revenue\(^{(1)}\)

Open Source

Scaled GTM

94% SUSE (excl. Rancher) Gross Profit Margin FY20 + 41% SUSE (excl. Rancher) Adjusted EBITDA Margin FY20\(^{(2)}\)

Upfront Payments + Low Recurring Capex

Sustainably Low Cash Taxes

Attractive Cash Conversion

Source: Company information.

1) Reflects 12 months of contribution from SUSE based on Oct-YE and IFRS accounting standards and 12 months of contribution from Rancher based on Dec-YE and US GAAP accounting standards.

2) Adj. EBITDA margin defined as Adj. EBITDA on Revenue
SUSE ACV and Revenue Profile

<table>
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<tr>
<th>FY19 – FY20</th>
<th>ACV ($m)</th>
<th>3 Months Ending January 2020 &amp; January 2021</th>
<th>YoY Growth</th>
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<td>27%</td>
</tr>
<tr>
<td>Rancher</td>
<td>27</td>
<td>50</td>
<td>19%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY19 – FY20</th>
<th>Revenue ($m)</th>
<th>3 Months Ending January 2020 &amp; January 2021</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUSE</td>
<td>109</td>
<td>21</td>
<td>14%</td>
</tr>
<tr>
<td>Rancher</td>
<td>99</td>
<td>117</td>
<td>84%</td>
</tr>
</tbody>
</table>

Source: Company information.

Note: All figures are expressed in $m unless otherwise specified. SUSE FY Financials refer to October YE and reflect IFRS accounting principles, Rancher FY financials refer to December YE and reflect US GAAP accounting principles.

1) Revenue shown before the impact of deferred revenue haircut.
2) Due to high growth nature of the Rancher business, revenue growth rate exceeded ACV due to the lag between signing new contracts and the corresponding revenue recognition.
3) Reflects 12 months of contribution from SUSE based on Oct YE and 12 months of contribution from Rancher based on Dec-YE.
4) Reflecting 3 months to January for SUSE (excl. Rancher) and 3 months to January for Rancher.
**SUSE EBITDA Profile – FY20**

*Consolidating Rancher has a limited impact on SUSE Adjusted Cash EBITDA*

<table>
<thead>
<tr>
<th>SUSE (excl. Rancher) Profitability</th>
<th>Rancher Profitability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In $m, under IFRS, Oct-20 YE</strong></td>
<td><strong>In $m, under US GAAP, Dec-20 YE</strong></td>
</tr>
<tr>
<td>FY20 Margin</td>
<td>FY20 Margin</td>
</tr>
<tr>
<td>94.1%</td>
<td>78.6%</td>
</tr>
<tr>
<td>40.8%</td>
<td>n.m.</td>
</tr>
<tr>
<td>39.5%</td>
<td>n.m.</td>
</tr>
</tbody>
</table>

**FY20 Gross Margin**

- 438.5
- 190.1
- 184.1

**Adjusted EBITDA**

- 28.9

**Adjusted Cash EBITDA**

- (22.2)
- (5.4)

**Rancher Profitability**

- Rancher productized platform delivers strong gross profit and high gross margin

Source: Company information.

Before synergies expected in excess of $10m run-rate by FY22
Rancher Integration Drives Significant Cost and Revenue Synergies

Synergies Breakdown

Revenue Synergies

Drivers

Cross-sell opportunities between SUSE and Rancher leveraging SUSE's extensive GTM channel and reach within its existing customer base

Cost Synergies

GTM Efficiency

Operating Expenses

R&D Optimization

Drivers

Greater access to SUSE training, resources, processes, and systems for Rancher sales personnel

Removal of duplicative costs, including professional services, marketing initiatives, facilities, recruiting, IT, and surplus headcount

Elimination of support for select SUSE solutions as existing customers are migrated to Rancher

Status

On Track

Delivered

Source: Company information.
## Bridge from Adjusted EBITDA to Adjusted uFCF (FY20)

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>190.1</td>
</tr>
<tr>
<td>Change in Deferred Revenue</td>
<td>(6.0)</td>
</tr>
<tr>
<td>Adjusted Cash EBITDA</td>
<td>184.1</td>
</tr>
<tr>
<td>Capex</td>
<td>(2.2)</td>
</tr>
<tr>
<td>Other Working Capital Items</td>
<td>1.5</td>
</tr>
<tr>
<td>Reversal of IFRS 15 and 16</td>
<td>(32.8)</td>
</tr>
<tr>
<td>Cash Taxes</td>
<td>(6.3)</td>
</tr>
<tr>
<td>Adjusted uFCF</td>
<td>144.4</td>
</tr>
</tbody>
</table>

Source: Company information.

Note: Cash Conversion defined as Adjusted FCF divided by Adjusted EBITDA.

1) Including $22.4m for IFRS 15 impact and $10.4m for IFRS 16 impact.
2) Adjusted uFCF defined as Adjusted Cash EBITDA minus Capex, other working capital items, IFRS 15 and 16 impact and cash taxes.

Whilst usually a net inflow, timing of a few large multi-year contract renewals resulted in a small deferred revenue outflow in FY20.