

# Strong Revenue Growth Continues in First Quarter of 2022

- SUSE continued to deliver on its strategy in the first quarter of FY 2022, reporting 16% growth in Adjusted Revenue (17% at constant FX) and a 34% Adj EBITDA Margin
- SUSE reaffirms its guidance for the full year
- Group ARR of \$574 million, a 17% increase on the prior year (19% at constant FX)
- ACV grew 5% in Q1, reflecting the impact of several multi-year deals signed in the prior period. Core ACV grew by 8% to \$119.9 million. Emerging ACV declined by 9% to \$23.9 million as a legacy SUSE contract was not renewed; excluding this, growth was 14%
- Adjusted Cash EBITDA was \$93.1 million for Q1, as long-term contracts delivered over \$40 million change in deferred revenue
- Adj unlevered Free Cash Flow was \$44.6 million, a cash conversion rate of 85%
- Strong growth has continued in the Cloud route to market, and growth levers continue to deliver as SUSE benefits from the global trend toward cloud transformation
- The integration of NeuVector is proceeding well; previews of the source code have been published faster than anticipated
- Headcount grew by almost 200 in Q1, with approximately 140 new staff in sales and customer service

	3 Months ended 31 Jan 2022 Actual FX USD \$M	3 Months ended 31 Jan 2021 Actual FX USD \$M	Year on Year Movement % Actual FX	Year on Year Movement % CCY FX
<b>ACV</b>	143.8	137.6	5%	8%
<b>ARR</b>	574.0	491.7	17%	19%
<b>Adj Revenue</b>	155.0	134.1	16%	17%
<b>Adj EBITDA</b>	52.3	60.7	-14%	-15%
<i>Adj EBITDA Margin</i>	34%	45%		
<b>Adj cash EBITDA</b>	93.1	107.1	-13%	
<i>% Margin</i>	60%	80%		
<b>Adj uFCF</b>	44.6	38.8	15%	
Cash Conversion	85%	64%		

*Note: This table contains Alternative Performance Measures as defined in Appendix 4 of this document. The presentation is based on pro forma numbers including Rancher on a coterminous basis in 2021 as if acquired on November 1, 2020. NeuVector is included from November 1, 2021, in all APMs and no prior year numbers are included, being immaterial to the group.*

*Constant Currency movement has been provided for ACV, ARR, Adjusted Revenue and Adjusted EBITDA. The definition of constant currency is included within Appendix 4.*

*Statutory data for the financial period is included in Appendix 1.*

**Luxembourg – March 17, 2022** – SUSE S.A. (the “Company” or “SUSE”), an independent leader in open source software specializing in Enterprise Linux operating systems, Enterprise Container Management and Edge software solutions, today announced its results for the first quarter of financial year 2022, which ended January 31, 2022.

“In the first quarter, SUSE once again delivered strong revenue growth and high profitability as we continue to implement our proven business strategy,” said Melissa Di Donato, CEO of SUSE. “Customers depend upon our innovative, interoperable solutions and ability to help them adapt to evolving market conditions while reaping the benefits of developments in technology. We continue to expand our workforce and are well positioned to drive value for all our stakeholders in the months and years ahead.”

“Today we are reaffirming our guidance for the current year and for the medium term,” said Andy Myers, CFO of SUSE. “With another quarter of strong financial performance completed, we are continuing to invest in the business, increasing our capacity to innovate, sell and serve our customers as we facilitate their transition to the cloud. With established scale, a successful business model and high-quality enterprise customers buying mission-critical applications, we are confident in our ability to continue to deliver high profitability and cash flow.”

## Summary KPIs and Adjusted Profit and Loss Account for Q1 2022

	3 Months ended 31 Jan 2022 Actual FX USD \$M	3 Months ended 31 Jan 2021 Actual FX USD \$M	Year on Year Movement % Actual FX	Year on Year Movement % CCY FX
<b>ACV by Solution</b>				
Core	119.9	111.3	8%	11%
Emerging	23.9	26.3	-9%	-8%
<b>Total ACV</b>	<b>143.8</b>	<b>137.6</b>	<b>5%</b>	<b>8%</b>
<b>ARR - Total (as at October '21)</b>	<b>574.0</b>	<b>491.7</b>	<b>17%</b>	<b>19%</b>
<b>NRR - Total as % (as at October '21)</b>	<b>110.0%</b>	<b>110.3%</b>	<b>0%</b>	
<b>Adjusted Revenue by solution</b>				
Core	130.2	118.6	10%	11%
Emerging	24.8	15.5	60%	61%
<b>Adjusted Revenue</b>	<b>155.0</b>	<b>134.1</b>	<b>16%</b>	<b>17%</b>
Cost of Sales	11.8	8.1	46%	49%
<b>Adjusted Gross Profit</b>	<b>143.2</b>	<b>126.0</b>	<b>14%</b>	<b>14%</b>
<b>% Adjusted Gross Profit Margin</b>	<b>92%</b>	<b>94%</b>		
Sales, Marketing & Operations	43.0	31.5	37%	40%
Research & Development	27.0	22.0	23%	26%
General & Administrative	20.9	11.8	77%	85%
<b>Total Opex</b>	<b>90.9</b>	<b>65.3</b>	<b>39%</b>	<b>43%</b>
<b>Adjusted EBITDA</b>	<b>52.3</b>	<b>60.7</b>	<b>-14%</b>	<b>-15%</b>
<i>Adj EBITDA Margin %</i>	34%	45%		
Depreciation & Amortization	5.0	5.2	-4%	
<b>Adjusted EBIT</b>	<b>47.3</b>	<b>55.5</b>	<b>-15%</b>	
Net Finance Costs	11.6	6.6	76%	
<b>Adjusted Profit before Tax</b>	<b>35.7</b>	<b>48.9</b>	<b>-27%</b>	
Notional Tax	10.1	Not Reported		
<b>Adjusted Earnings</b>	<b>25.6</b>	Not Reported		
Number of Shares (million)	169.0	Not Meaningful		
<b>Adjusted Earnings Per Share (USD/Per Share)</b>	<b>0.2</b>	Not Meaningful		

Note: ARR and NRR are reported one quarter in arrears in USD millions at actual FX rates. Operating expenses exclude non-recurring items, as shown in the IFRS operating loss to Adjusted EBITDA reconciliation in Appendix 2. The presentation is based on pro forma numbers including Rancher on a coterminous basis in 2021 as if acquired on November 1, 2020. NeuVector is included from November 1, 2021, in all APMs and no prior year numbers are included, being immaterial to the group.

*Constant Currency movement has been provided for ACV, ARR, Adjusted Revenue, Cost of Sales, Adjusted Gross Profit, Opex and Adjusted EBITDA. The definition of Constant Currency is included within Appendix 4.*

*Adj Earnings Per Share is calculated on the basis of the weighted average number of ordinary shares in issue during the period. The number of ordinary shares in issue at as at January 31, 2022 was 169,027,117.*

## Financial and Business Review

The information in this section is based on the presentation of Alternative Performance Measures as defined in Appendix 4 and has not been audited. Historical data is also based on pro forma figures including Rancher prior to its acquisition by SUSE in November 2020. The Q1 numbers for 2021 include three months for Rancher on a pro forma basis. NeuVector is included in Q1 2022; prior year numbers have not been restated on a pro forma basis for NeuVector.

A reconciliation to the IFRS financials is included in Appendix 2. and summary financial statements containing statutory data for the three months ended January 31, 2022, are included in Appendix 1. Results are shown using actual exchange rates.

### **Business Update**

SUSE has continued to perform well in Q1 2022. Notwithstanding some difficult conditions in global markets, including the recent conflict in Ukraine and the COVID-19 pandemic, SUSE remains dedicated to delivering on its balanced, high growth strategy, delivering innovative, open source, interoperable, mission-critical software to its global customer base. As SUSE is already operating at scale, in growing markets, with enterprise customers on multi-year contracts, we remain confident that we can deliver long term sustainable growth, with high profit margins and cash conversion.

We continue to benefit from the mega trends driving the growth of our markets, including digitization and the movement to the cloud, while applying many growth levers and investing in product development, acquisitions and expanding headcount to drive future growth.

The purchase of NeuVector completed at the end of Q4 and the integration, which started during Q1, is making good progress and we expect to release the integrated Rancher-NeuVector product in May 2022. In January 2022 a preview of the source code was published on the NeuVector github page and Docker Hub, so interested parties can view the source and try the product itself. With this publication, NeuVector is the industry's first end-to-end open source container security platform, the only solution that delivers enterprise-grade zero trust security for containerized workloads.

Following the end of Q1, the events in Russia and Ukraine have been unfolding. SUSE has very limited direct exposure to Russia and Ukraine, with no direct legal presence in Russia and less than \$5 million of annual revenue sold via third-party distributors. SUSE is responding to sanctions and as a result, we have ceased product updates and upgrades to existing sanctioned entities. Further, we have suspended entering into new sales in Russia. We will respond to additional sanctions that may be implemented.

## **Market and Revenues**

Reported ACV for Q1 was \$143.8 million, representing growth of 5% from the prior year, which was 8% on a constant currency basis.

In Q1 2021, a number of large, multi-year contracts were signed which have contributed to revenues in Q1 2022, but they do not recur in ACV. This has contributed to a lower rate of ACV growth in the quarter, as anticipated and indicated in our Q4 disclosures.

Core ACV for Q1 was \$119.9 million, growth of 8% at actual FX rates and 11% on constant FX.

Emerging ACV for the quarter, was \$23.9 million, a year-on-year decline of 9%. The Emerging business includes some legacy products which are being phased out following the Rancher acquisition and one large legacy contract was not renewed in Q1. Excluding the effect of this legacy business, Emerging ACV grew 14%. This is lower than the anticipated rate of growth for the full year due to the impact of the multi-year contracts signed in the prior year, as well as a relatively high comparable ACV due to the inclusion of Rancher on a proforma basis. Q1 2021 for SUSE included two months of Rancher's Q4 (Rancher operated on a December fiscal year end), which was the largest quarter for Rancher, as is typical for many software companies. In Q1 2022 there was no equivalent Rancher year end sales peak, as this happened in SUSE's Q4.

There were no unusually large contracts in the quarter which would add to the quarterly variability of reported ACV, and the LTM ACV continues to show steady progress, having grown 18% from Q1 2021 to Q1 2022.

Adjusted Revenue growth for the quarter was 16% at actual FX rates and 17% on constant FX, in line with our guidance for the year. Total Adjusted Revenue for the quarter was \$155.0 million, of which \$130.2 million was in Core and \$24.8 million was in Emerging – representing annual growth rates of 10% and 60%, respectively.

### ACV – By Route to Market

	<b>3 Months ended 31 Jan 2022 Actual FX USD \$M</b>	<b>3 Months ended 31 Jan 2021 Actual FX USD \$M</b>	<b>Year on Year Movement % Actual FX</b>
End User	122.5	116.4	5%
IHV/Embedded	21.3	21.2	0%
<b>Total</b>	<b>143.8</b>	<b>137.6</b>	<b>5%</b>

End User growth of 5% was primarily driven by growth in the Cloud channel, which exceeded 25%. IHV/Embedded sales continue to be impacted by hardware shortages due to supply chain issues.

Average contract lengths on a LTM basis increased by one month to 20 months. End User saw longer contract lengths, on average, in all regions.

### ACV – By Region

	<b>3 Months ended 31 Jan 2022 Actual FX USD \$M</b>	<b>3 Months ended 31 Jan 2021 Actual FX USD \$M</b>	<b>Year on Year Movement % Actual FX</b>
Europe, Middle East and Africa	67.7	77.8	-13%
North America	55.8	40.3	38%
Asia Pacific and Japan	9.5	10.1	-6%
Greater China	6.6	6.8	-3%
Latin America	4.2	2.6	62%
<b>Total</b>	<b>143.8</b>	<b>137.6</b>	<b>5%</b>

EMEA ACV growth was negatively impacted by the legacy contract in Emerging that did not renew in Q1, combined with a lower renewal pool due to the prior year multi-year contracts.

Very strong growth was seen in North America where there was a larger renewal pool and SUSE Rancher Government Services continued to grow from its relatively small base.

Asia Pacific and Japan declined slightly year on year, reflecting the timing of renewals and following a very strong 87% growth in Q4. China declined 3% where the market continues to be challenging.

Latin America also delivered strong growth of 62%, in line with prior year growth, as the new sales organization continues to gain traction.

### **Annual Recurring Revenue and Net Retention Rate**

As stated at the time of the 2021 Full Year results, SUSE is now moving to one global SUSE figure for ARR and NRR as the customer base is now fully merged and many customers are now purchasing both SUSE and Rancher products.

ARR is reported three months in arrears as a significant portion of the revenues are invoiced retrospectively. The ARR at the end of October 2021 was \$574 million, a 17% increase on the prior year or 19% on a constant currency basis, and an increase of 2.5% from the previous quarter.

NRR was 110%, broadly the same as last year and the previous quarter, demonstrating a consistent ability to build on and expand existing customer relationships.

### **Costs**

Adjusted gross profit margin slightly reduced from 94% last year to 92% in Q1 2022. This is due to the growth in SUSE Rancher Government Services consulting, which deploys a third-party delivery model.

A key factor driving the growth in operating costs, up 39% to \$90.9 million in the quarter, was the increase in headcount as SUSE invests in additional resource to drive growth in product innovation, customer support and sales.

The additions to the sales force are a key driver of our expected future growth and support the ongoing drive towards commercial excellence, in line with the new sales organizations set up at the end of the last financial year. Imran Khan has now joined as the new Chief Customer Officer, responsible for Customer Renewals, Customer Services and Customer Support, and Adam Spearing has also joined in the role of Chief Revenue Officer. As the new organizations take shape and the new sales staff move toward full productivity, we expect this will fully support our growth objectives.

Headcount grew by 197 to 2,242 in Q1. The majority of the net new hires were in sales and customer care, totaling 138, with 39 in R&D and the balance in General and Administration. At the end of Q1, headcount was 17% higher than at the same time in the prior year.

The recruitment environment remains highly competitive. SUSE is able to both retain and recruit staff due to the attractive open source culture of the company as well as its reputation and size, working with leading companies and organizations around the world. The rate of salary inflation is increasing but remains reasonable, and it has been anticipated and accounted for in our guidance. Some early compensation increases have been made to support retention.

Sales, Marketing & Operations costs increased 37%. Key drivers were recruitment, an increase in marketing spend, and a gradual return to travel. In Q1 2021 there was also an abnormal IFRS 15 commission accrual deferral adjustment resulting from the acquisition of Rancher.

Research & Development costs increased 23%, primarily due to recruitment to support innovation.

General and administration costs increased by 77%, \$9.1 million, to \$20.9 million. \$3.8 million of the cost increase is from FX movements; normalizing for this, the true cost increase is 45%. The remainder of the increase reflects investment to support the business, headcount and third-party costs, some of which is related to the IPO which took place in Q2 last year.

### **Profitability**

	<b>3 Months ended 31 Jan 2022 Actual FX USD \$M</b>	<b>3 Months ended 31 Jan 2021 Actual FX USD \$M</b>	<b>Year on Year Movement % Actual FX</b>
<b>Adj EBITDA</b>	<b>52.3</b>	<b>60.7</b>	<b>-14%</b>
<i>Adj EBITDA Margin</i>	<i>34%</i>	<i>45%</i>	
Change in deferred revenue	40.8	46.4	
<b>Adj Cash EBITDA</b>	<b>93.1</b>	<b>107.1</b>	<b>-13%</b>
<i>% Margin</i>	<i>60%</i>	<i>80%</i>	

The Adjusted EBITDA of \$52.3 million was 14% below the prior year, giving a margin of 34%, compared to 45% in the prior year. The prior year margin was exceptionally high in Q1, compared to the annual result of 37%, due to one-off cost credits from IFRS15 deferrals (the Rancher catchup), as well as lower travel and marketing costs due to the pandemic.

Adjusted Cash EBITDA was \$93.1 million, down 13% from prior year, but still representing a margin of 60%. The change in deferred revenue was a strong \$40.8 million. Although less than the prior year, which benefited from several large multi-year deals, it demonstrates strong sales performance and longer average contract durations.



## Cash Flow

	<b>3 Months ended 31 Jan 2022 Actual FX USD \$M</b>	<b>3 Months ended 31 Jan 2021 Actual FX USD \$M</b>	<b>Year on Year Movement % Actual FX</b>
<b>Adjusted Cash EBITDA</b>	<b>93.1</b>	<b>107.1</b>	<b>-13%</b>
Gross Capital Expenditure	(2.0)	(0.4)	<b>400%</b>
Change in core working capital	(34.5)	(51.7)	<b>-33%</b>
IFRS 15	(5.1)	(10.0)	<b>-49%</b>
IFRS 16	(1.9)	(2.0)	<b>-5%</b>
Cash Taxes	(5.0)	(2.4)	<b>108%</b>
Rancher pro-forma uFCF	-	(1.8)	<b>-100%</b>
<b>Adjusted uFCF</b>	<b>44.6</b>	<b>38.8</b>	<b>15%</b>
<i>Adj uFCF Conv from Adj EBITDA</i>	85%	64%	

Adjusted Unlevered Free Cash Flow for the quarter was \$44.6 million, compared to \$38.8 million in the prior year. This is largely due to lower trade receivables due to the collection of receipts following the year end, and to lower billings versus the prior year. Gross capex increased, due to investment in a data center move. Cash taxes increased, due to payments of Corporation tax in the period.

Cash conversion was 85% for the quarter, below the full year guidance as we expect this to increase during the year. The key drivers are the reduced Adjusted Cash EBITDA and working capital movements.

## Leverage

	<b>As at</b>	<b>As At</b>	<b>Year on</b>
	<b>31 Jan 2022</b>	<b>31 Jan 2021</b>	<b>Year</b>
	<b>USD \$M</b>	<b>USD \$M</b>	<b>Movement %</b>
	<b>2021</b>	<b>2020</b>	<b>Actual FX</b>
			<b>%</b>
Net Debt	689.1	1,259.2	45%
Adjusted Cash EBITDA - Pro-forma - LTM Q1	264.2	230.5	15%
Leverage	2.6	5.5	53%

Total Net Debt at the quarter end was \$689 million, significantly below the prior year figure which was before the IPO. Compared to the year end, Net Debt reduced by \$31 million or 4.4%.

As a result, the leverage ratio, calculated as the Net Debt divided by the last 12 months Adjusted Cash EBITDA, was 2.6x, the same as at the year end and well within our cap of 3.5x.

## ESG

Environmental, Social and Governance (ESG) is central to our business and our sustainable growth.

In January 2022, SUSE published its first Annual Report and Accounts as a listed company, which includes comprehensive ESG disclosure.

In Q1, SUSE defined its ESG roadmap for the year and started delivering on the same. Its key commitments for FY22 include:

1. Climate Action: Set science-based emission targets for SUSE and develop a workplan for delivering these, to limit global warming.
2. Information Security: Strengthen our information security management by implementing processes and protections in accordance with ISO 27000 series.
3. Disclosure: Continue to publish our FY22 Annual Report in line with GRI Standards and EU's directives for corporate sustainability reporting.
4. External Assessment: Evaluate our material ESG impact with the help of an independent rating agency.

We have kicked off the project to set science-based targets for SUSE and will extend our commitment to the Science-Based Targets initiative (SBTi) in the months ahead.

We continue to be transparent in our ESG efforts and were recently listed on the Deutsche Boerse ESG Visibility Hub, providing further transparency of our ESG performance and impact. We were one of the first 15 companies to do so.

## **Outlook**

SUSE is pleased to reaffirm its guidance for the full year 2022 and the medium term.

We expect to see ACV Core continue to grow at a rate of mid- to high-teens percent per year, while ACV Emerging is expected to continue to grow in excess of 60% in FY 2022 and in excess of 50% per year in the medium term.

We expect Adjusted Revenue to grow at mid-to-high teens percent in 2022, thereafter with growth around 20% per year in the medium term.

The Adjusted EBITDA margin is expected to be in the mid-thirties percent in FY2022, allowing for some dilution from NeuVector, but it will then grow in the medium term toward 40%.

Adjusted Unlevered Free Cash Flow conversion is expected to be stable to slightly increasing from the FY2021 level, measured as a percentage of Adjusted EBITDA.

## Additional Information

### About SUSE

SUSE is a global leader in innovative, reliable and secure enterprise-grade open source solutions, relied upon by more than 60% of the Fortune 500 to power their mission-critical workloads. We specialize in Business-critical Linux, Enterprise Container Management and Edge solutions, and collaborate with partners and communities to empower our customers to innovate everywhere – from the data center, to the Cloud, to the Edge and beyond. SUSE puts the “open” back in open source, giving customers the agility to tackle innovation challenges today and the freedom to evolve their strategy and solutions tomorrow. The company is headquartered in Luxembourg and employs more than 2,000 people globally. SUSE is listed in the regulated market (Prime Standard) of the Frankfurt Stock Exchange.

For more information, visit [www.suse.com](http://www.suse.com).

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### Webcast Details

Melissa Di Donato (CEO) and Andy Myers (CFO) will host an analyst and investor conference call at 2:00 PM CET / 1:00 PM GMT on March 17, 2022, to discuss the results.

The audio webcast can be followed via <https://www.webcast-egs.com/suse20220317>. A replay will be available on the Investor Relations website. The accompanying presentation also can be downloaded from the Investor Relations website.

### Important Notice

Certain statements in this communication 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 communication.

## Financial Calendar

<u>Date</u>	<u>Event</u>
24 March 2022	Annual General Meeting
7 July 2022	Release of Q2 results and H1 Financial Report
22 September 2022	Release of Q3 results
19 January 2023	Release of Q4 results and FY22 Annual Report

## APPENDIX 1 Statutory Financials

### IFRS Income Statement

	3 Months ended 31 Jan 2022 USD \$M	3 Months ended 31 Jan 2021 USD \$M	Year on Year Movement %
Revenue	153.5	126.4	21%
Cost of sales	(11.8)	(9.3)	27%
<b>Gross profit</b>	<b>141.7</b>	<b>117.1</b>	21%
Operating expenses	(106.3)	(99.6)	7%
Amortization of intangible assets	(36.3)	(35.4)	3%
Depreciation - PPE	(0.9)	(1.2)	-25%
Depreciation - Right of Use Assets	(1.6)	(1.7)	-6%
<b>Operating loss</b>	<b>(3.4)</b>	<b>(20.8)</b>	-84%
Net finance costs	(11.6)	(6.6)	76%
Share of losses on associate	(0.9)	(0.5)	80%
<b>Loss before tax</b>	<b>(15.9)</b>	<b>(27.9)</b>	-43%
Taxation	3.1	4.9	-37%
<b>Loss for the period</b>	<b>(12.8)</b>	<b>(23.0)</b>	-44%

**SUSE S.A. and its subsidiaries (“the SUSE Group”)**

**Interim Condensed Consolidated Statement of Comprehensive Income (unaudited)**

For the three months ended 31 January 2022

	Three months ended 31 January 2022			Three months ended 31 January 2021		
	Headline US\$'000	Separately reported items US\$'000	Total US\$'000	Headline US\$'000	Separately reported items US\$'000	Total US\$'000
<b>Income statement:</b>						
<b>Revenue</b>	<b>153,549</b>	-	153,549	<b>126,418</b>	-	<b>126,418</b>
Cost of sales	(11,771)	-	(11,771)	(9,254)	-	(9,254)
<b>Gross profit</b>	<b>141,778</b>	-	<b>141,778</b>	<b>117,164</b>	-	<b>117,164</b>
Selling and distribution costs	(43,577)	-	(43,577)	(31,074)	-	(31,074)
Research and development costs	(28,102)	-	(28,102)	(19,881)	-	(19,881)
Administrative expenses	(34,825)	(25)	(34,850)	(44,415)	(4,617)	(49,032)
Reversal of / (impairment loss) on trade receivables	183	-	183	300	-	300
<b>Operating profit/(loss) before depreciation and amortization</b>	<b>35,457</b>	<b>(25)</b>	<b>35,432</b>	<b>22,094</b>	<b>(4,617)</b>	<b>17,477</b>
Amortization of intangible assets	(36,260)	-	(36,260)	(35,421)	-	(35,421)
Depreciation – Property, plant and equipment	(912)	-	(912)	(1,150)	-	(1,150)
Depreciation/impairment – Right of use assets	(1,639)	-	(1,639)	(1,686)	-	(1,686)
<b>Operating loss</b>	<b>(3,354)</b>	<b>(25)</b>	<b>(3,379)</b>	<b>(16,163)</b>	<b>(4,617)</b>	<b>(20,780)</b>
Finance costs	(11,635)	-	(11,635)	(6,597)	-	(6,597)
Finance income	12	-	12	2	-	2
<b>Net finance costs</b>	<b>(11,623)</b>	-	<b>(11,623)</b>	<b>(6,595)</b>	-	<b>(6,595)</b>
Share of losses of associate	(880)	-	(880)	(562)	-	(562)
<b>Loss before tax</b>	<b>(15,857)</b>	<b>(25)</b>	<b>(15,882)</b>	<b>(23,320)</b>	<b>(4,617)</b>	<b>(27,937)</b>
Taxation	3,055	-	3,055	4,382	529	4,911
<b>Loss for the period</b>	<b>(12,802)</b>	<b>(25)</b>	<b>(12,827)</b>	<b>(18,938)</b>	<b>(4,088)</b>	<b>(23,026)</b>
<i>Attributable to:</i>						
Equity shareholders of the parent	(12,802)	(25)	(12,827)	18,938	(4,088)	(23,026)
Non-controlling interests	-	-	-	-	-	-
<b>Loss for the period</b>	<b>(12,802)</b>	<b>(25)</b>	<b>(12,827)</b>	<b>(18,938)</b>	<b>(4,088)</b>	<b>(23,026)</b>
<b>Basic and diluted loss per share (USD/share)</b>			<b>(0.1)</b>			<b>(16.4)</b>

**SUSE S.A. and its subsidiaries (“the SUSE Group”)**
**Interim Condensed Consolidated Statement of Comprehensive Income (unaudited)**

For the three months ended 31 January 2022

	Three months ended 31 January 2022			Three months ended 31 January 2021		
	Headline US\$'000	Separately reported items US\$'000	Total US\$'000	Headline US\$'000	Separately reported items US\$'000	Total US\$'000
<b>Loss for the period</b>	<b>(12,802)</b>	<b>(25)</b>	<b>(12,827)</b>	<b>(18,938)</b>	<b>(4,088)</b>	<b>(23,026)</b>
<b>Other comprehensive income:</b>						
<i>Items not to be reclassified to income statement:</i>						
Remeasurement of defined benefit pension schemes	-	-	-	(109)	-	(109)
Related tax impact	-	-	-	-	-	-
<i>Items that may be reclassified to income statement:</i>						
Currency translation differences	13,593	-	13,593	(26,610)	-	(26,610)
Cash flow hedge – changes in fair value	(53)	-	(53)	(233)	-	(233)
Cash flow hedge – reclassified to income statement	2,294	-	2,294	2,214	-	2,214
Related tax impact	(522)	-	(522)	(451)	-	(451)
<b>Other comprehensive income/(loss) for the period</b>	<b>15,312</b>	<b>-</b>	<b>15,312</b>	<b>(25,189)</b>	<b>-</b>	<b>(25,189)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>2,510</b>	<b>(25)</b>	<b>2,485</b>	<b>(44,127)</b>	<b>(4,088)</b>	<b>(48,215)</b>
<i>Attributable to:</i>						
Equity shareholders of the parent	2,510	(25)	2,485	(44,127)	(4,088)	(48,215)
Non-controlling interests	-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>	<b>2,510</b>	<b>(25)</b>	<b>2,485</b>	<b>(44,127)</b>	<b>(4,088)</b>	<b>(48,215)</b>



**SUSE S.A. and its subsidiaries (“the SUSE Group”)**
**Interim Condensed Consolidated Statement of Financial Position (unaudited)**
**As at 31 January 2022**

	<b>As at 31 January 2022 US\$'000</b>	<b>As at 31 October 2021 US\$'000</b>
<b>Non-current assets</b>		
Goodwill	2,685,220	2,685,751
Intangible assets	500,500	537,056
Property, plant and equipment	9,217	8,157
Right of use assets	12,853	14,415
Investment in associate	13,161	14,041
Derivative asset	12	6
Long-term pension assets	645	648
Other receivables	8,226	7,899
Deferred tax assets	194,044	190,010
Contract related assets	63,674	55,510
	<b>3,487,551</b>	<b>3,513,493</b>
<b>Current assets</b>		
Trade and other receivables	141,148	138,038
Current tax receivables	1,663	1,663
Cash and cash equivalents	77,243	61,061
Contract related assets	25,929	28,865
	<b>245,983</b>	<b>229,627</b>
<b>Total assets</b>	<b>3,733,535</b>	<b>3,743,120</b>
<b>Current liabilities</b>		
Trade and other payables	89,415	129,372
Borrowings	3,600	3,600
Lease liabilities	5,133	6,012
Provisions	3,677	4,866
Share-based payments	271	284
Current tax liabilities	8,618	11,510
Deferred income – contract liabilities	356,282	329,611
	<b>466,996</b>	<b>485,255</b>
<b>Non-current liabilities</b>		
Borrowings	730,104	742,148
Lease liabilities	9,857	10,708
Provisions	1,056	1,024
Non-current tax liabilities	7,439	7,439
Deferred tax liabilities	106,524	107,073
Retirement benefit obligations	6,239	6,552
Deferred income – contract liabilities	193,833	178,175
Derivative liabilities	2,778	5,182
Other payables	10,335	13,554
	<b>1,068,165</b>	<b>1,071,855</b>
<b>Total liabilities</b>	<b>1,535,161</b>	<b>1,557,110</b>
<b>Equity</b>		
Share capital	16,903	16,903
Share premium	2,523,011	2,523,011
Retained losses	(369,219)	(355,870)
Other reserves	31,048	21,169
Cash flow hedging reserve	(2,096)	(4,337)
Foreign currency translation reserve	(1,273)	(14,866)
<b>Total equity</b>	<b>2,198,374</b>	<b>2,186,010</b>

SUSE S.A. and its subsidiaries (“the SUSE Group”)

**Interim Condensed Consolidated Statement of Changes in Equity (unaudited)**

For the three months ended 31 January 2022

	Share capital US\$'000	Share premium US\$'000	Retained losses US\$'000	Other reserve US\$'000	Cash flow hedging reserve US\$'000	Foreign currency translation reserve US\$'000	Total equity US\$'000
<b>As at 1 November 2021</b>	<b>16,903</b>	<b>2,523,011</b>	<b>(355,870)</b>	<b>21,169</b>	<b>(4,337)</b>	<b>(14,866)</b>	<b>2,186,010</b>
Loss for the period	-	-	(12,827)	-	-	-	<b>(12,827)</b>
Other comprehensive income/(expense) for the period	-	-	(522)	-	2,241	13,593	<b>15,312</b>
<b>Total comprehensive income/(expense) for the period</b>	<b>-</b>	<b>-</b>	<b>(13,349)</b>	<b>-</b>	<b>2,241</b>	<b>13,593</b>	<b>2,485</b>
<i>Transactions recorded in equity:</i>							
Equity settled share-based payments	-	-	-	9,879	-	-	<b>9,879</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,879</b>	<b>-</b>	<b>-</b>	<b>9,879</b>
<b>As at 31 January 2022</b>	<b>16,903</b>	<b>2,523,011</b>	<b>(369,219)</b>	<b>31,048</b>	<b>(2,096)</b>	<b>(1,273)</b>	<b>2,198,374</b>

**SUSE S.A. and its subsidiaries (“the SUSE Group”)**
**Interim Condensed Consolidated Statement of Changes in Equity (unaudited)**

For the three months ended 31 January 2021

	Share capital US\$'000	Share premium US\$'000	Retained losses US\$'000	Other reserve US\$'000	Cash flow hedging reserve US\$'000	Foreign currency translation reserve US\$'000	Total equity US\$'000
<b>As at 1 November 2020</b>	<b>14</b>	<b>1,604,251</b>	<b>(130,824)</b>	<b>3,200</b>	<b>(12,798)</b>	<b>(16,498)</b>	<b>1,447,345</b>
Loss for the period	-	-	(23,026)	-	-	-	<b>(23,026)</b>
Other comprehensive income/(expense) for the period	-	-	(560)	-	1,981	(26,610)	<b>(25,189)</b>
<b>Total comprehensive income/(expense) for the period</b>	<b>-</b>	<b>-</b>	<b>(23,586)</b>	<b>-</b>	<b>1,981</b>	<b>(26,610)</b>	<b>(48,215)</b>
<i>Transactions recorded in equity:</i>							
Contribution of capital	-	174,036	-	-	-	-	<b>174,036</b>
Equity settled share-based payments	-	-	-	405	-	-	<b>405</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>174,036</b>	<b>-</b>	<b>405</b>	<b>-</b>	<b>-</b>	<b>174,441</b>
<b>As at 31 January 2021</b>	<b>14</b>	<b>1,778,287</b>	<b>(154,410)</b>	<b>3,605</b>	<b>(10,817)</b>	<b>(43,108)</b>	<b>1,573,571</b>

**SUSE S.A. and its subsidiaries (“the SUSE Group”)**
**Interim Condensed Consolidated Statement of Cash Flows (unaudited)**
**For the three months ended 31 January 2022**

	<b>3 Months ended 31 Jan 2022 US\$'000</b>	<b>3 Months ended 31 Jan 2021 US\$'000</b>
<b>Loss for the period</b>	<b>(12,827)</b>	<b>(23,026)</b>
Net finance costs	11,623	6,595
Taxation	(3,055)	(4,911)
Share of losses of associate	880	562
<b>Operating loss for the period</b>	<b>(3,379)</b>	<b>(20,780)</b>
<b>Addback:</b>		
Depreciation – Property, plant and equipment	912	1,150
Depreciation – Right of use assets	1,639	1,686
Amortization of intangible assets	36,260	35,421
Amortization of contract related assets	3,038	1,703
Contract liabilities – fair value haircut	1,497	3,889
Share based payments expense	9,916	25,978
Restructuring charges	-	1,481
Foreign exchange movements	3,209	731
Impairment credit on trade receivables	(183)	(300)
<b>Movements:</b>		
Movements in trade receivables	(1,716)	(24,772)
Movements in other receivables	(2,471)	3,162
Movements in trade payables	(1,499)	(610)
Movements in other payables	(39,134)	(29,343)
Movement in other pensions	(299)	245
Movements in provisions	(1,157)	(1,834)
Movements in contract related assets	(8,267)	(12,116)
Movements in contract liabilities	40,832	43,712
<b>Cash generated from operations</b>	<b>39,198</b>	<b>29,403</b>
Interest paid	(8,118)	(14,013)
Interest received	2	2
Tax paid	(5,019)	(2,415)
<b>Net cash inflow from operating activities</b>	<b>26,063</b>	<b>12,977</b>
<b>Cash flow used in investing activities</b>		
Purchase of property, plant and equipment	(2,046)	(308)
Purchase and development of intangible assets	(103)	(2,897)
Acquisition of a business, net of cash	(2,545)	(489,908)
<b>Net cash outflow from investing activities</b>	<b>(4,694)</b>	<b>(493,113)</b>
<b>Net cash inflow/(outflow) before financing activities</b>	<b>21,369</b>	<b>(480,136)</b>

**SUSE S.A. and its subsidiaries (“the SUSE Group”)**

**Interim Condensed Consolidated Statement of Cash Flows (unaudited)**

For the three months ended 31 January 2022

	<b>3 Months ended 31 Jan 2022 US\$'000</b>	<b>3 Months ended 31 Jan 2021 US\$'000</b>
<b>Cash flows from/(used in) financing activities</b>		
Proceeds from contribution of share premium	-	135,338
Proceeds from bank borrowings	-	300,000
Payment of arrangement fees	-	(4,008)
Repayment of bank borrowings	(900)	(900)
Payment of interest rate swap premia	(2,331)	(2,214)
Lease payments	(1,731)	(260)
Loan repaid by intermediary parent undertaking	-	1,500
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(4,961)</b>	<b>429,456</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>16,408</b>	<b>(50,680)</b>
Foreign exchange movements	(226)	534
Cash and cash equivalents at beginning of period	61,061	94,933
<b>Cash and cash equivalents at end of period</b>	<b>77,243</b>	<b>44,787</b>

## APPENDIX 2 Reconciliation from IFRS to Adjusted Pro Forma Figures

### IFRS Revenue to Adjusted Revenue

	<b>3 Months ended</b> <b>31 Jan 2022</b> <b>Actual FX</b> <b>USD \$M</b>	<b>3 Months ended</b> <b>31 Jan 2021</b> <b>Actual FX</b> <b>USD \$M</b>	<b>Year on</b> <b>Year</b> <b>Movement %</b> <b>Actual FX</b>
Revenue - IFRS	153.5	126.4	21%
<i>Adjustments</i>			
Contract liability haircut amortized	1.5	3.9	-62%
Pro Forma Rancher	-	3.7	n.m
Other items	-	0.1	n.m
<b>Adjusted Revenue</b>	<b>155.0</b>	<b>134.1</b>	<b>16%</b>

*Note: The Pro Forma Rancher adjustment is 1 month in Q1 2021.*

### IFRS Operating Loss to Adjusted EBITDA

	<b>3 Months ended</b> <b>31 Jan 2022</b> <b>Actual FX</b> <b>USD \$M</b>	<b>3 Months ended</b> <b>31 Jan 2021</b> <b>Actual FX</b> <b>USD \$M</b>	<b>Year on</b> <b>Year</b> <b>Movement %</b> <b>Actual FX</b>
Operating loss - IFRS	(3.4)	(20.8)	-84%
<i>Adjustments</i>			
Depreciation and Amortization	38.8	38.3	1%
Separately reported items	-	4.6	-100%
Contract liability haircut amortized	1.5	3.9	-62%
Non-recurring items	2.8	7.0	-60%
Share-based payments - charge	9.9	26.0	-62%
Share-based payments - ER taxes	0.4	-	n.m
Foreign exchange - unrealized	2.3	3.5	-34%
<b>Adjusted EBITDA - Non pro forma</b>	<b>52.3</b>	<b>62.5</b>	<b>-16%</b>
Pro Forma Rancher	-	(1.8)	-100%
<b>Adjusted EBITDA - pro forma</b>	<b>52.3</b>	<b>60.7</b>	<b>-14%</b>

*Note: The Pro Forma Rancher adjustment is 1 month in Q1 2021.*

### Adjusted Deferred Revenue to IFRS Deferred Revenue

	<b>3 Months ended</b>	<b>3 Months ended</b>	
	<b>31 Jan 2022</b>	<b>31 Jan 2021</b>	<b>Year on</b>
	<b>Actual FX</b>	<b>Actual FX</b>	<b>Year</b>
	<b>USD \$M</b>	<b>USD \$M</b>	<b>Movement %</b>
<b>Movement in contract liabilities: Pro forma</b>	(40.8)	(46.4)	-12%
Pro Forma Rancher	-	2.7	-100%
<b>Movement in contract liabilities: Non Pro forma</b>	<b>(40.8)</b>	<b>(43.7)</b>	<b>-7%</b>
Adjustments:			
Contract liability haircut amortized	(1.5)	(3.9)	-62%
<b>Movement in contract liabilities - IFRS</b>	<b>(42.3)</b>	<b>(47.6)</b>	<b>-11%</b>

*Note: The Pro Forma Rancher adjustment is 1 month in Q1 2021.*



## IFRS Net Cash Inflow from Operating Activities to Adjusted uFCF

	3 Months ended 31 Jan 2022 Actual FX USD \$M	3 Months ended 31 Jan 2021 Actual FX USD \$M	Year on Year Movement % Actual FX
<b>Net cash inflow from operating activities</b>	<b>26.1</b>	<b>13.0</b>	101%
Interest paid	8.1	14.0	-42%
Tax paid	5.0	2.4	108%
<b>Cash generated from operations</b>	<b>39.2</b>	<b>29.4</b>	<b>33%</b>
Addbacks - non cash items	(56.4)	(71.7)	-21%
Movements - other working capital	44.8	51.5	-13%
Movement in other pensions	0.3	(0.2)	-250%
Movements in provisions	1.2	1.8	-33%
Movements in contract related assets	8.3	12.1	-31%
Movements in contract liabilities	(40.8)	(43.7)	-7%
Settlement of VSOP Scheme	-	-	n.m
<b>Operating loss per IFRS Statements</b>	<b>(3.4)</b>	<b>(20.8)</b>	<b>-84%</b>
Depreciation and Amortization	38.8	38.3	1%
<b>EBITDA per IFRS Statements</b>	<b>35.4</b>	<b>17.5</b>	<b>102%</b>
Separately reported items	0.0	4.6	-100%
Non-recurring items	2.8	7.0	-60%
Share-based payments - charge	9.9	26.0	-62%
Share-based payments - ER taxes	0.4	-	n.m
Deferred revenue haircut	1.5	3.9	-62%
Foreign Exchange - Unrealized	2.3	3.5	-34%
<b>Adjusted EBITDA</b>	<b>52.3</b>	<b>62.5</b>	<b>-16%</b>
Rancher pro-forma Adjustment	-	(1.8)	-100%
<b>Adjusted EBITDA (SUSE &amp; Rancher pro-forma)</b>	<b>52.3</b>	<b>60.7</b>	<b>-14%</b>
Movement in contract liabilities	40.8	46.4	-12%
<b>Adjusted Cash EBITDA (SUSE &amp; Rancher pro-forma)</b>	<b>93.1</b>	<b>107.1</b>	<b>-13%</b>
IFRS 15	(5.1)	(10.0)	-49%
IFRS 16	(1.9)	(2.0)	-5%
Change in core working capital	(34.5)	(51.7)	-33%
Gross capital expenditure	(2.0)	(0.4)	400%
Tax expense	(5.0)	(2.4)	108%
Other adjustments - Rancher pro-forma	-	(1.8)	-100%
<b>Adjusted unlevered Free Cash Flow</b>	<b>44.6</b>	<b>38.8</b>	<b>15%</b>

Note: The Pro Forma Rancher adjustment is 1 month in Q1 2021.

## APPENDIX 3 Comparable Data for Prior Periods

USD \$M		2021				2022
		Q1	Q2	Q3	Q4	Q1
ACV by Sol's	Core	111.3	94.6	101.5	98.7	119.9
	Emerging	26.3	14.4	17.5	26.3	23.9
	<b>Total</b>	<b>137.6</b>	<b>109.0</b>	<b>119.0</b>	<b>125.0</b>	<b>143.8</b>
Adj Revenue	Core	118.6	121.4	133.2	133.4	130.2
	Emerging	15.5	15.4	17.8	20.6	24.8
	<b>Total</b>	<b>134.1</b>	<b>136.8</b>	<b>151.0</b>	<b>154.0</b>	<b>155.0</b>
Cost of sales		8.1	10.5	11.6	10.8	11.8
<b>Gross Profit</b>		<b>126.0</b>	<b>126.3</b>	<b>139.4</b>	<b>143.2</b>	<b>143.2</b>
<i>% Margin</i>		94%	92%	92%	93%	92%
Sales, Marketing & Operations		31.5	35.9	39.0	45.7	43.0
Research & Development		22.0	22.4	25.4	24.8	27.0
General & Administrative		11.8	19.8	19.8	24.7	20.9
<b>Total operating expenses</b>		<b>65.3</b>	<b>78.1</b>	<b>84.2</b>	<b>95.2</b>	<b>90.9</b>
<b>Adj EBITDA</b>		<b>60.7</b>	<b>48.2</b>	<b>55.2</b>	<b>48.0</b>	<b>52.3</b>
<i>Adj EBITDA Margin</i>		45%	35%	37%	31%	34%
Change in deferred revenue		46.4	6.2	9.8	3.7	40.8
<b>Adj Cash EBITDA</b>		<b>107.1</b>	<b>54.4</b>	<b>65.0</b>	<b>51.7</b>	<b>93.1</b>
<i>% Margin</i>		80%	40%	43%	34%	60%

## APPENDIX 4 Alternative Performance Measures (APM)

This document contains certain alternative performance measures (collectively, “APMs”) including ACV, ARR, NRR, Adjusted Revenue, Adjusted Gross Profit, Adjusted Gross Profit Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Cash EBITDA, Adjusted Cash EBITDA margin, Adjusted uFCF, Cash Conversion, and Net Debt and Leverage 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. APMs such as ACV, ARR, NRR, Adjusted Revenue, Adjusted Gross Profit, Adjusted Gross Profit Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Cash EBITDA, Adjusted Cash EBITDA Margin, Adjusted uFCF, Cash Conversion, RPO and Net Debt and Leverage are not measurements of SUSE’s performance or liquidity under IFRS, Luxembourg GAAP or German GAAP and should not be considered as alternatives to results for the period or any other performance measures derived in accordance with IFRS, Luxembourg GAAP, German GAAP or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

SUSE has defined each of the following APMs as follows:

“Annual Contract Value” or “ACV”: ACV represents the first 12 months monetary 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”: ARR represents the sum of the monthly contractual value for subscriptions and recurring elements of contracts in a given period, multiplied by 12. ARR is calculated three months in arrears, given backdated royalties relating to IHV and Cloud, and hence reflects the customer base as of three months prior;

“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 up-sell, 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;

“Adjusted Revenue”: Revenue as reported in the statutory accounts of the Group, adjusted for fair value adjustments;

“Adjusted Gross Profit”: this APM represents Adjusted Revenue less operating costs adjusted for non-recurring items;

“Adjusted Gross Profit Margin” expressed as a percentage, this APM represents Adjusted Gross Profit divided by Adjusted Revenue;

“Adjusted EBITDA”: this APM represents earnings before net finance costs, share of loss of associate and tax, adjusted for depreciation and amortization, share-based payments, fair value adjustment to deferred revenue, statutory 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 Cash EBITDA”: this APM represents Adjusted EBITDA plus changes in contract liabilities in the related period and excludes the impact of contract liabilities – deferred revenue haircut;

“Adjusted Cash EBITDA Margin”: expressed as a percentage, this APM represents Adjusted Cash EBITDA divided by Adjusted Revenue;

“Adjusted Profit before Tax” is Adjusted EBITDA (post IFRS 15 and 16), less D&A (excluding intangible amortization for Customer relationships, intellectual property and non-complete agreements) less net financial expense;

“Adjusted Profit after Tax” is Adjusted Profit before Tax less notional tax;

“Adjusted Earnings Per Share” represents Adjusted Profit after Tax less notional tax divided by the weighted average number of shares during the period;

“Adjusted Unlevered Free Cash Flow” or “Adjusted uFCF”: this APM represents Adjusted Cash EBITDA less capital expenditure related cash outflow, working capital movements (excluding deferred revenue, which is factored into Adjusted Cash EBITDA, and non-recurring items), cash taxes and the reversal of non-cash accounting adjustments relating to IFRS 15 and IFRS 16;

“Cash Conversion”: expressed as a percentage, this APM represents Adjusted uFCF divided by Adjusted EBITDA;

“Constant Currency”: Constant Currency for ACV and costs, is calculated by re-stating the prior year period results to reflect exchange rates prevailing during the reported period. Constant currency for Adjusted revenue, is calculated by re-stating the in-period revenue generated in the prior period from the prior period ACV to reflect exchange rates prevailing during the reported period. No such restatement is needed for revenues in prior periods unwinding from deferred revenue, as these revenues are locked into US denominated values when the associated ACV was generated;

“Contractual Liabilities and Remaining Performance Obligations” or “RPO”: RPO represents 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;

“Leverage”: Expressed as a multiple, Leverage is Net Debt divided by Adjusted Cash EBITDA, and

“Net Debt”: This APM represents the sum of current and non-current interest bearing borrowings (net of un-amortized capitalized arrangement fees, gains or losses on loan modifications), current and non-current lease liabilities, less cash and cash equivalents.