EQT Private Equity announces voluntary public purchase offer and intention to delist SUSE

SUSE®, the company behind SUSE Linux Enterprise (SLE), Rancher and NeuVector and a global leader in enterprise open source solutions, is announcing that its majority shareholder Marcel LUX III SARL (Marcel) intends to take the company private by delisting it from the Frankfurt Stock Exchange via a merger into an unlisted Luxembourg entity in the legal form of an S.A.

Marcel, a holding company that is legally controlled by fund entities of the EQT VIII fund (referred to herein, together with Marcel, as EQT Private Equity), which in turn are managed and legally controlled by affiliates of EQT AB with its registered seat in Stockholm, Sweden, holds approximately 79% of the shares in SUSE.

EQT Private Equity has announced its intention to launch a voluntary public purchase offer to the other shareholders of SUSE (Offer) to buy their shares prior to the delisting. The offer price per SUSE share to be paid by Marcel will be EUR 16.00 less the gross amount per SUSE share of an interim dividend to be paid by SUSE to all shareholders. EUR 16.00 represents a premium of approximately 67 percent on the XETRA closing share price of EUR 9.605 on 17 August 2023.

SUSE’s Management Board and Supervisory Board support the strategic opportunity from delisting of the company as it will allow SUSE to focus fully on its operational priorities and execution of its long-term strategy. To this end SUSE has entered into a Transaction Framework Agreement (TFA) with Marcel to facilitate the transaction, including through paying the interim dividend. The interim dividend will be paid to all shareholders prior to the settlement of the Offer and will allow Marcel to finance its purchase of SUSE shares under the Offer and certain transaction costs incurred by it.

The interim dividend amount (and therefore the offer price) will only be determined after the end of the acceptance period based on the acceptance ratio for the Offer.

EQT Private Equity has underscored its commitment to supporting the company strategically and financially, and to co-operate closely with SUSE’s CEO and his leadership team.

“I believe in the strategic opportunity of taking the company private – it gives us the right setting to grow the business and deliver on our strategy with the new leadership team in place,”
said Dirk-Peter van Leeuwen, CEO of SUSE. “EQT Private Equity’s and SUSE’s partnership in a private setting has been fruitful before and we are excited about the long-term potential of the company and our continued collaboration”.

The transaction timetable:

- The offer document for the Offer will be published by Marcel in due course, followed by an acceptance period of at least four weeks.
- Settlement of the Offer is expected to occur in the first half of October 2023.
- Following the settlement of the Offer, an extraordinary general meeting of SUSE to be held in the fourth calendar quarter of 2023 will resolve on SUSE’s merger with an unlisted Luxembourg entity.
- This will result in SUSE’s delisting from the Frankfurt Stock Exchange.

The transaction structure:

- SUSE has entered into a TFA with Marcel.
- Under the terms of the TFA, SUSE has committed to declare and pay an interim dividend to all shareholders irrespective of whether they accept the Offer or not.
- The interim dividend per SUSE share will be determined and is payable after the expiry of the Offer acceptance period.
- The payment of the interim dividend will be funded by SUSE through a combination of existing cash and additional borrowing.
- Any additional borrowing will be in the form of loans taken out by companies of the SUSE group to a maximum of EUR 500 million. The amount of the loans taken out will only be determined after the expiry of the Offer acceptance period.
- There is no obligation for shareholders to accept the Offer. EQT Private Equity does not intend to pursue a squeeze-out. Therefore, shareholders who wish to stay invested in SUSE in a private setting may do so.

For illustrative purposes, the table below sets out the gross interim dividend amount per share and other key parameters for different hypothetical acceptance ratios based on the current number of outstanding SUSE shares.

<table>
<thead>
<tr>
<th>Acceptance ratio</th>
<th>Aggregate number of SUSE shares for which Offer is accepted</th>
<th>Interim dividend amount per SUSE share</th>
<th>Offer price per SUSE share**</th>
<th>Cash consideration per SUSE share</th>
<th>Aggregate interim dividend amount payable by SUSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%</td>
<td>8,933,618</td>
<td>EUR 1.07</td>
<td>EUR 14.93</td>
<td>EUR 16.00</td>
<td>EUR 182,750,322</td>
</tr>
<tr>
<td>50%</td>
<td>17,867,236</td>
<td>EUR 1.95</td>
<td>EUR 14.05</td>
<td>EUR 16.00</td>
<td>EUR 333,049,651</td>
</tr>
<tr>
<td>75%</td>
<td>26,800,854</td>
<td>EUR 2.72</td>
<td>EUR 13.28</td>
<td>EUR 16.00</td>
<td>EUR 464,561,565</td>
</tr>
</tbody>
</table>
* Expressed as percentage of aggregate number of SUSE shares for which the offer has been accepted/aggregate number of SUSE shares not held by Marcel.

** The premium of the Offer Prices of EUR 14.93, EUR 14.05, EUR 13.28 and EUR 12.58, to the XETRA closing price on 17 August 2023 (which is unaffected by the relevant Interim Dividend Amount) of EUR 9.605 are 55%, 46%, 38% and 31%, respectively.

The completion of the Offer will only be subject to receipt by Marcel of an interim dividend for the SUSE shares held by it which is sufficient to fund the offer price for all tendered SUSE shares and certain transaction costs incurred by it.
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. The company behind Rancher, NeuVector and SUSE Linux Enterprise (SLE), SUSE collaborates with partners and communities to empower 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 ability to tackle innovation challenges today and the freedom to evolve their strategy and solutions tomorrow. The company employs more than 2,400 people globally and is listed on the Frankfurt Stock Exchange. For more information, visit www.suse.com.

For reference you'll find all releases here https://www.suse.com/news/

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