

Annual Financial Statements 2022

Group Management Report
Consolidated Financial Statements acc. to IFRS

Translation from the German language

MANAGEMENT REPORT FOR FISCAL YEAR 2022

IONOS GROUP SE

(FORMERLY IONOS TOPCO SE), MONTABAUR

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General

Due to rounding differences, figures in tables and cross-references may differ slightly from the actual figures (units of currency, percentages, etc.)

For reasons of better readability, the female form is not used in this report. IONOS Group SE points out that the use of the masculine form is explicitly to be understood as gender independent.

Note on auditable and non-auditable management report information

In the management report, a distinction is made between auditable and non-auditable information in the management report. "Information that cannot be audited" is information that cannot be assessed by the auditor due to the nature of the information or due to the lack of suitable criteria.

When preparing the management report, IONOS Group SE identified the following chapters and information as "unaudited management report information":

The information contained in Chapter 4 "Final declaration of the dependency report" is "unaudited management report information".

In the case of the legal transactions and measures listed in the report on relationships with affiliated companies, IONOS Group SE has taken the circumstances known to us at the time the legal transactions were carried out or the measures were taken or omitted, for each legal transaction received an appropriate consideration and has not been disadvantaged by the fact that measures were taken or omitted.

MANAGEMENT REPORT FOR FISCAL YEAR 2022

1. Company profile

1.1 Business model

Company structure

IONOS Group SE (formerly IONOS TopCo SE; hereinafter referred to as “IONOS Group SE” or the “Company”), having its head office in Montabaur, Germany, is a direct 75.10% subsidiary of the listed United Internet AG and the ultimate parent company of the IONOS Group (hereinafter referred to as the “IONOS Group” or the “Group”), which is home to business with the United Internet AG Group’s Business Applications segment.

The remaining 24.90% of the shares are held by WP XII Venture Holdings II SCSp, Luxembourg, Luxembourg, a subsidiary of private equity funds advised by Warburg Pincus LLC, Luxembourg, Luxembourg (“Warburg Pincus”). WP Lux has held an interest since the 1st quarter of 2017. Until the 2nd quarter of 2021, the shares amounted to 33.33%.

The shares of IONOS Group SE have been listed on the Frankfurt Stock Exchange since February 8, 2023. In the context of this share placement, United Internet AG and WP XII Venture Holdings II SCSp, having its registered office in Luxembourg, sold 15% of their shares (free float).

Following the initial public offering (IPO) of IONOS Group SE on February 8, 2023, United Internet held 63.8% and Warburg Pincus 21.2% of the shares in IONOS Group SE (before exercising the greenshoe option). A further 15.0% was in free float.

Business operations

IONOS Group SE is a pure holding company. Operating activities are carried on by the companies IONOS SE, Montabaur, and STRATO AG, Berlin, held by the intermediate holding company IONOS Holding SE, Montabaur, and their subsidiaries.

These include the subsidiaries of STRATO AG – Cronon GmbH, Berlin, and STRATO Customer Service GmbH, Berlin, – as well as the foreign subsidiaries of IONOS SE such as IONOS Inc., Chesterbrook, Pennsylvania/USA, IONOS Cloud Ltd., Gloucester/UK, IONOS S.à r.l., Sarreguemines/France, IONOS Cloud S.L.U., Madrid/Spain, Arsys Internet S.L.U., Logroño/Spain, Fasthosts Internet Ltd., Gloucester/UK, home.pl S.A., Szczecin/Poland, and World4You Internet Services GmbH, Linz/Austria, as well as the domestic subsidiaries of IONOS SE such as InterNetX GmbH, Regensburg, Sedo GmbH, Cologne, united-domains AG, Starnberg, and we22 GmbH (formerly we22 Aktiengesellschaft), Cologne (since February 2021).

Management

The Management Board of IONOS Group SE comprised two members as of December 31, 2022:

- Achim Weiss (Chief Executive Officer, Professional Business Hosting, Chairman of the Management Board)
- Britta Schmidt (Chief Financial Officer; since November 1, 2022)

Resigned from the Management Board in fiscal year 2022:

- Hüseyin Dogan (Chief Operations Officer / Customer Care Officer)

The Supervisory Board of the Company comprised six members as of December 31, 2022:

- Max Fowinkel (chair)
- Issam Abedin (deputy chair)
- Markus Langer
- Markus Kadelke
- Lutz Laffers
- Lysander Ammann

Since January 26, 2023, the Supervisory Board of the Company has had the following six members:

- Ralph Dommermuth (chair)
- René Obermann (deputy chair)
- Dr. Claudia Borgas-Herold
- Martin Mildner
- Vanessa Stütze
- Kurt Dobitsch

Main locations and employees

The Company had two employees in fiscal year 2022 and no employees in previous year.

Locations of the Company:

- Berlin, Germany
- Karlsruhe, Germany
- Montabaur, Germany

1.2 Objectives and strategies

IONOS Group SE is a pure holding company. The corporate purpose of the Company is the acquisition, holding and management of investments in companies operating in the hosting business and the assumption of all manner of advisory and other services around the use of telecommunications products and value-added data services, especially via the internet or similar media, as well as the production of and trading in all manner of information technology products for its own and third-party account. The Company's purpose also includes the provision of internet support and other internet services.

The Group companies are mainly active in the European and North American markets for hosting and cloud applications.

The Group companies provide home users, freelancers and small and medium-sized enterprises with a comprehensive range of sophisticated online applications, including subscription-based applications such as domains, websites, web hosting, servers, cloud solutions, e-shops, business and marketing tools, group work, online storage and office applications.

In fiscal year 2022, IONOS Group SE advanced preparations for the IPO planned for the first quarter of 2023. Since February 8, 2023, the Company's shares have been listed on the Frankfurt Stock Exchange.

1.3 Control systems

The IONOS Group's internal control systems help management monitor and steer the Group companies and thus also IONOS Group SE. The systems consist of plan figures, actual figures and forecasts based on the Group's annually revised strategic planning. Particular attention is paid to market developments, technological developments and trends, as well as their impact on the Group's own products and services and the Group's financial possibilities. The corporate control system's aim is the continuous and sustainable development of the Group.

The IONOS Group's reporting system comprises the monthly profit calculations and quarterly IFRS-compliant reports for all consolidated subsidiaries. It presents the asset, financial and earnings position of the Group and all divisions. The Financial reporting also includes other detailed information which is required for the assessment and control of the operating business.

Quarterly reports on significant risks for the Group represent a further component of the control systems.

The abovementioned reports are discussed at meetings of the Management Board and Supervisory Board and provide the fundamental basis for assessments and decisions.

The key financial control parameters for the Company management at the level of the IONOS Group are sales and adjusted EBITDA. In addition, the Group is steered using non-financial indicators such as the number of paying customers and growth of the paying customer base.

As a holding company, IONOS Group SE as an individual company focuses on the operational values in the group. No separate performance indicators were defined for the individual financial statements under commercial law.

2. Economic report

2.1 General economic and sector conditions

General economic development

The International Monetary Fund (IMF) revised its forecast for 2022 downwards several times during the year as a result of the war in Ukraine and high inflation. In its latest World Economic Outlook (Update January 2023), the IMF reported growth of 3.4% for the global economy in 2022, based on preliminary calculations. Growth was thus significantly below the prior-year level (6.2%) and also 1.0 percentage points lower than the IMF's original outlook in January 2022 (4.4%).

Growth in the IONOS Group's North American target countries also fell well short of the prior year and lagged behind the IMF's original expectations (with the exception of Mexico). The IMF anticipates growth of 2.0% for the USA (prior year: 5.9%) and thus 2.0 percentage points less than in its January outlook. The forecast of 3.5% for Canada (prior year: 5.0%) is 0.6 percentage points less than originally expected. And for Mexico, the IMF forecasts an increase in economic output of 3.1% (prior year: 4.7%) and thus 0.3 percentage points more than at the beginning of the year.

The picture is similar in the IONOS Group's important eurozone region. The IMF now expects growth of 3.5% (prior year: 5.3%) and thus 0.4 percentage points less than it forecast in January. Growth of 2.6% was calculated for France (prior year: 6.8%), 3.9% for Italy (prior year: 6.7%) and 5.2% for Spain (prior year: 5.5%). This corresponds to a decrease of 0.9 percentage points for France and 0.6 percentage points for Spain, but an increase of 0.1 percentage points for Italy compared to the January outlook.

For the UK, the IMF now expects growth of 4.1% (prior year: 7.6%) and thus 0.6 percentage points less than at the beginning of the year.

Economic development in Germany, the IONOS Group's most important market by far, also fell well short of the prior year and lagged behind the IMF's original expectation.

The IMF has calculated that economic output increased by 1.9% (prior year: 2.6%) and thus 1.9 percentage points less than expected at the beginning of the year.

The IMF's calculations for Germany are in line with the preliminary figures of the country's Federal Statistical Office (Destatis), which – at its "GDP 2022" press conference on January 13, 2023 – announced a 1.9% increase in (price-adjusted) gross domestic product (GDP) for 2022. This is down 0.7 percentage points on 2021 (2.6%). According to the Federal Statistical Office, the macroeconomic situation in Germany in 2022 was shaped by the consequences of the war in Ukraine, with the surge in energy prices having a major impact. This was exacerbated by material and supply shortages, huge increases in food prices, for example, as well as the shortage of skilled workers and the ongoing coronavirus pandemic, although this subsided in the course of the year. Against this background, the Federal Statistical Office sees the German economy as having held up well overall in 2022.

Changes in growth forecasts made during 2022 for the IONOS Group's key target countries and regions:

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	January forecast 2022	April forecast 2022	June forecast 2022	October forecast 2022	Actual 2022	Change on January forecast
World	4.4%	3.6%	3.2%	3.2%	3.4%	-1.0 percentage points
USA	4.0%	3.7%	2.3%	1.6%	2.0%	-2.0 percentage points
Canada	4.1%	3.9%	3.4%	3.3%	3.5%	-0.6 percentage points
Mexico	2.8%	2.0%	2.4%	2.1%	3.1%	+0.3 percentage points
Eurozone	3.9%	2.8%	2.6%	3.1%	3.5%	-0.4 percentage points
France	3.5%	2.9%	2.3%	2.5%	2.6%	-0.9 percentage points
Spain	5.8%	4.8%	4.0%	4.3%	5.2%	-0.6 percentage points
Italy	3.8%	2.3%	3.0%	3.2%	3.9%	+0.1 percentage points
UK	4.7%	3.7%	3.2%	3.6%	4.1%	-0.6 percentage points
Germany	3.8%	2.1%	1.2%	1.5%	1.9%	-1.9 percentage points

Source: International Monetary Fund, World Economic Outlook (Update), January 2023

Multi-period overview: GDP trend in the IONOS Group's key target countries and regions

	2018	2019	2020	2021	2022	YoY change
World	3.6%	2.8%	-3.1%	6.2%	3.4%	-2.8 percentage points
USA	2.9%	2.2%	-3.4%	5.9%	2.0%	-3.9 percentage points
Canada	1.9%	1.9%	-5.2%	5.0%	3.5%	-1.5 percentage points
Mexico	2.1%	-0.1%	-8.2%	4.7%	3.1%	-1.6 percentage points
Eurozone	1.9%	1.3%	-6.4%	5.3%	3.5%	-1.8 percentage points
France	1.7%	1.5%	-8.0%	6.8%	2.6%	-4.2 percentage points
Spain	2.4%	2.0%	-10.8%	5.5%	5.2%	-0.3 percentage points
Italy	0.8%	0.3%	-8.9%	6.7%	3.9%	-2.8 percentage points
UK	1.3%	1.4%	-9.4%	7.6%	4.1%	-3.5 percentage points
Germany	1.5%	0.6%	-4.6%	2.6%	1.9%	-0.7 percentage points

Source: International Monetary Fund, World Economic Outlook (Update), January 2023

Multi-period overview: development of price-adjusted GDP in Germany

	2018	2019	2020	2021	2022	YoY change
GDP	1.0%	1.1%	-3.7%	2.6%	1.9%	-0.7 percentage points

Source: Destatis, January 2023

Development of the sector / core markets

At its annual press conference on January 10, 2023, the industry association Bitkom assumed growth of 4.0% (prior year: 5.9%) to € 196.1 billion for the German ICT market in 2022. At the beginning of 2022, the association had anticipated revenue growth of 3.6% for 2022. The digital industry thus proved to be very robust in a macroeconomic environment marked by war, disrupted supply chains and inflation.

The increase in the overall ICT market resulted in particular from strong growth in information technology revenue. According to Bitkom's 2022 forecast, revenue in this largest submarket rose by 6.6% (prior year: 9.1%) to € 118.9 billion – after growth of 5.9% had been expected at the beginning of the year. All segments of this submarket made good progress, especially the software and IT hardware segments – of particular importance for IONOS Group SE's cloud business (Infrastructure-as-a-Service/IaaS and Software-as-a-Service/SaaS). Software grew

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by 9.4% (prior year: 11.3%), IT hardware by 5.4% (prior year: 11.8%) and IT services by 5.5% (prior year: 5.3%).

The most important market for the IONOS Group is the global cloud computing market.

Global cloud computing market

There was further dynamic growth in the cloud computing market in 2022. In its “Public Cloud Services, Worldwide, 2020-2026, 3Q22 Update” study (October 2022), Gartner Inc. forecasts global growth in public cloud services of 18.8% from USD 412.63 billion to USD 490.33 billion in 2022.

Over recent years, cloud technology has evolved from a useful and competitive business tool to a key enterprise enabler.

The coronavirus pandemic, macroeconomic conditions and high inflationary pressure have been significantly accelerating the digitalization process across numerous sectors since 2020. Most companies now regard new technologies as essential tools for coping with crises. Within just a short period of time, for example, thousands of employees working from home were connected, new digital channels for sales and support were opened and a large number of systems and data were moved to the cloud.

As a result, the migration of data, applications and infrastructure to the cloud has become an integral part of most digital transformation strategies, with the aim of creating more agile and adaptable operations.

IaaS, in particular, is growing rapidly as organizations fast-track their IT modernization initiatives to mitigate risk and optimize costs. Moving operations to the cloud reduces current capital expenditures by spreading investments over the life of a cloud subscription – a key advantage in an environment where liquidity can be critical to maintaining operations.

Key market figures: cloud computing worldwide

in USD billion	2022	2021	Change
Global revenue from public cloud services	490.33	412.63	+18.8%
thereof Application Infrastructure Services (PaaS)	110.68	89.91	+23.1%
thereof Application Services (SaaS)	167.11	146.33	+14.2%
thereof Business Process Services (BPaaS)	60.13	54.95	+9.4%
thereof Desktop-as-a-Service (DaaS)	2.54	2.06	+23.3%
thereof Management and Security Services	34.14	28.49	+19.8%
thereof System Infrastructure Services (IaaS)	115.74	90.89	+27.3%

Source: Gartner, Public Cloud Services, Worldwide, 2020-2026, 3Q22 Update, October 2022

2.2 Position of the Company

Earnings position

IONOS Group SE is a holding company and generated revenue for the first time in fiscal year 2022. **Total revenue** came to € 885k in fiscal year 2022 (prior year: € 0k) and mostly stems from affiliated companies. Revenue from affiliated companies in the amount of € 885k (prior year: € 0k) originates from internal cost allocations. Primarily, costs for the members of the Management Board are allocated to IONOS Holding SE.

Other operating income in fiscal year 2022 amounted to € 218k (prior year: € 4k) and mainly comprised income relating to other periods of € 123k (prior year: € 0k), income from the reversal of provisions of € 44k (prior year: € 4k) and income from internal cost allocations of € 34k (prior year: € 0k).

Personnel expenses of IONOS Group SE amounted to € 525k in fiscal year 2022 (prior year: € 0k). The ratio of personnel expenses to revenue was 59.3% (prior year: 0.0%). Personnel expenses relate to the remuneration of the current board members and a former board member of IONOS Group SE.

The Company's **other operating expenses** came to € 9,556k in the fiscal year (prior year: € 2,929k) and mainly relate to consulting fees of € 7,613k (prior year: € 2,351k) incurred in preparation for the IPO, expenses for purchased services of € 313k (prior year: € 458k) relating to intragroup cost allocations, as well as € 1,413k for financial statement and audit costs (prior year: € 120k).

The **operating result** of IONOS Group SE amounted to € -8,978k as of the reporting date (prior year: € -2,925k) and was significantly influenced by the change in other operating expenses.

The Company's **interest income** of € 37k (prior year: € 37k) relates exclusively to the interest earned on the loan to IONOS Holding SE.

The **interest expenses** of IONOS Group SE of € 40k (prior year: < € 0.1k) mainly include expenses from the cash pooling system in place with IONOS Holding SE.

The Company's **net loss** amounted to € 8,980k in the fiscal year (prior year: € 2,888k).

Asset position

The **total assets** of IONOS Group SE increased from € 521,929k in the prior year to € 525,089k in fiscal year 2022. The main effects are explained below.

Assets

The Company's **non-current financial assets** decreased from € 521,860k in the prior year to € 520,160k as of December 31, 2022 and thus made up 99.06% (prior year: 99.99%) of total assets. The decrease is exclusively due to a partial repayment of the loan extended to IONOS Holding SE.

The **current assets** of IONOS Group SE increased from € 69k to € 4,929k as of the reporting date.

The Company's **receivables and other assets** rose from € 2k to € 4,929k. The reason for this is the increase in receivables from affiliated companies by EUR 4,740 thousand. Receivables from affiliated companies mainly include receivables from sales tax in the amount of EUR 4,774 thousand. The company has been the parent company for sales tax purposes of the IONOS Group since January 1, 2022.

Cash in hand and bank balances of IONOS Group SE decreased from € 67k to € 0k. IONOS Group SE has taken part in the cash pool system of IONOS Holding SE since 2022.

Equity and liabilities

The **equity** of IONOS Group SE fell from € 519,479k to € 510,498k in fiscal year 2022 on the basis of the net loss for the year. The **equity ratio** stood at 97.22% as of December 31, 2022 (prior year: 99.53%).

The **provisions** of IONOS Group SE relate to tax provisions and other provisions and increased from € 2,419k to € 4,871k.

The **tax provisions** of € 1,330k (prior year: € 0k) relate exclusively to the VAT-related risk that input tax on consulting fees relating to the IPO is not deductible in the input tax return.

Other provisions mainly comprise personnel provisions of € 413k (prior year: € 0k), consulting provisions of € 2,805k (prior year: € 2,343k) as well as financial statement and audit costs of € 323k (prior year: € 76k). The provision for consulting fees was recognized primarily in the run-up to the planned IPO.

The Company's **liabilities** increased from € 31k in the prior year to € 9,719k.

Trade payables rose from € 6k in the prior year to € 204k, mainly due to liabilities to legal advisors relating to the IPO.

Liabilities to affiliated companies rose from € 25k to € 5,875k and mainly consisted of liabilities from participation in the cash pooling system of IONOS Holding SE in the amount of € 5,837k (prior year: € 0k).

Other liabilities primarily comprise VAT liabilities of € 3,593k (prior year: € 0k). IONOS Group SE has been the tax group parent of the IONOS Group for VAT purposes since 2022.

Financial position

IONOS Group SE has been part of the group cash pooling system of United Internet AG via IONOS Holding SE since June 2022.

In addition, the Company has concluded a long-term agreement on a loan to IONOS Holding SE. Repayments were made on loan as needed during the year until IONOS Group SE was integrated into the cash pooling system of IONOS Holding SE. IONOS Holding participates in the cash pooling system of United Internet AG; the latter's financing is secured by long-term credit facilities. As of the reporting date, the loan amounted to € 364,100k (prior year: € 365,800k). An adjustment of the repayment modalities is not planned.

Due to the participation in the cash pool, cash and cash equivalents decreased by € 67k to € 0k compared to the prior-year reporting date.

Thanks to the partial repayments of the loan by IONOS Holding SE and the inclusion in the cash pooling system of IONOS Holding SE, IONOS Group SE is able to meet its payment obligations at all times.

Management Board's overall assessment

Thanks to the Company's good financial position and high equity ratio, as of the reporting date for the 2022 financial statements and at the time of preparing this management report, the Management Board believes that IONOS Group SE is very well placed for its further development.

3. Risk, opportunity and forecast report

The risk and opportunity policy of IONOS Group SE is based on the objective of maintaining and sustainably enhancing the Company's value by utilizing opportunities while at the same time recognizing and managing risks from an early stage in their development.

Having a risk and opportunity management system which is lived in practice ensures that the Company can continue its business activities in a controlled company environment. The risk and opportunity management system regulates the responsible handling of uncertainties which are always associated with economic activity.

3.1 Risk report

Risk management

The design, organization and brief of the IONOS Group's risk management system are centrally coordinated by the parent company United Internet AG and documented in a risk management strategy which is valid for and available to all members of the Group and in the risk management manual. These requirements are regularly adapted to changing legal conditions and are continuously enhanced.

Operational risk management, for which the Chief Financial Officer of the IONOS Group is responsible, pursues the goal of managing the risks of the entire IONOS Group and also deals with specific risk issues of the IONOS Group.

In order to facilitate the exchange and comparison of risk information, regular Risk Manager Meetings are held between the various risk managers and with the Company-wide, cross-functional managers.

The Corporate Audit department of United Internet AG regularly audits the functioning and effectiveness of the risk management system. The system complies with statutory requirements for risk early recognition systems as well as the German Corporate Governance Code. Its design is based on the specifications of the international standard ISO 31000:2018.

Methods and objectives of risk management

The risk management system comprises those measures which enable the Company to identify, classify according to monetary effects and scenarios, steer and monitor from an early stage all possible risks to the attainment of its corporate objectives with the aid of assessments and early warning systems. The aim of the risk management system is to provide maximum transparency for management regarding the actual risk situation, its changes and the available options for action so that a conscious decision can be taken to accept or avoid such risks.

The current status of the main risks is communicated to the Management Board and Supervisory Board four times per year. Identified important risks with an immediate impact or significant changes in the risk situation trigger an internal ad hoc reporting obligation. The respective risk is then communicated immediately to the CFOs of IONOS Group SE and United Internet AG, who in turn report it to the Supervisory Board where necessary. In this way, significant risks can be addressed as quickly as possible.

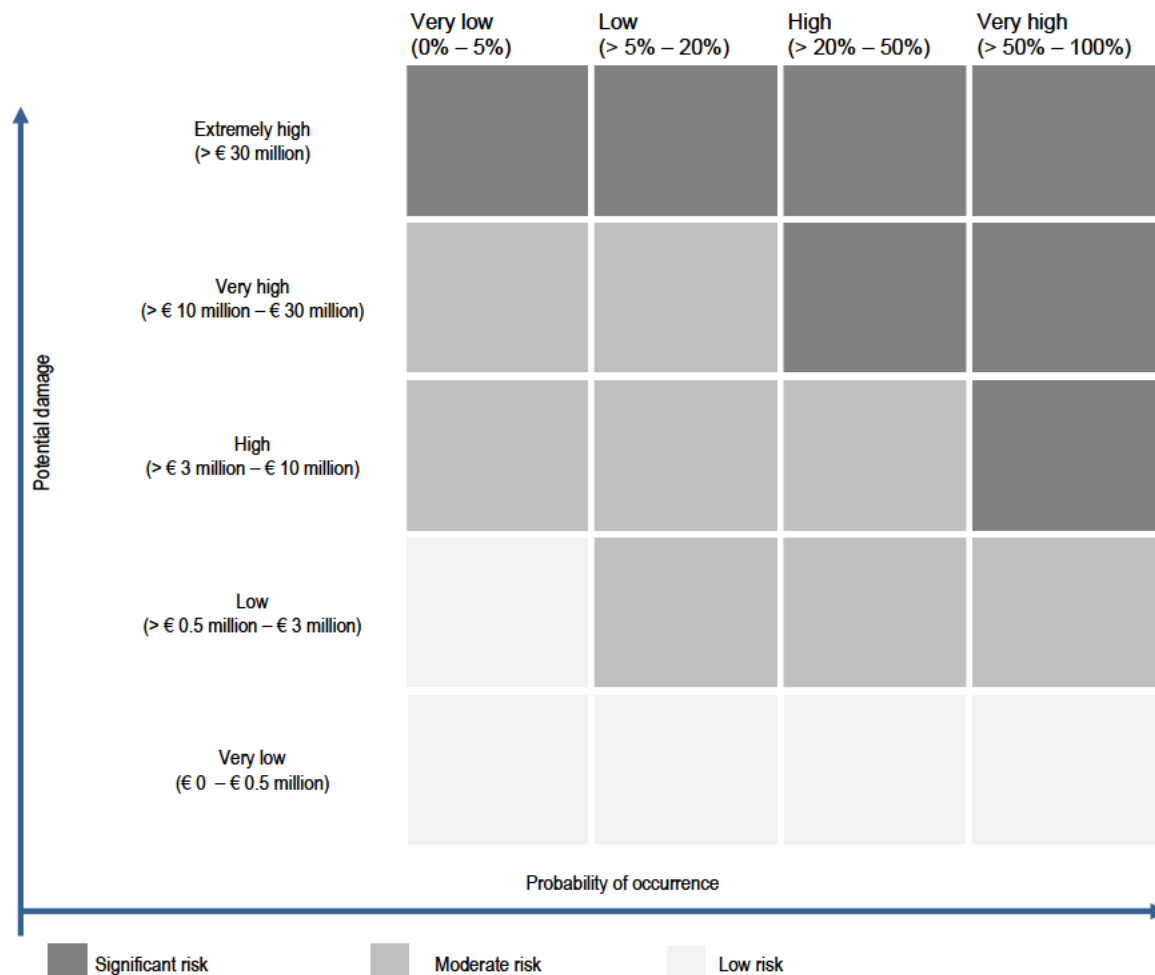
Risks are assessed in terms of their net impact, i.e., effects from mitigating measures are only considered in the risk assessment after implementation.

Risks for the Company

The assessment of the overall risk situation is the result of a consolidated examination of all known material risks.

Of the total risks identified for the IONOS Group, the following sections describe the main risk categories from the Group's point of view. The risks to the Group may also affect the asset, financial and earnings position of IONOS Group SE through the performance of its subsidiaries.

Assessing the materiality of risks starts with the dimensions of "probability of occurrence" and "potential damage." Based on the combination of probability of occurrence and potential damage, the risks are assigned as follows to one of three risk categories: "significant," "moderate" and "low" risks.



Specific assessments of the Company's Management Board regarding the risk situation as well as the probability of occurrence, potential damage and resulting categorization of the risks described below are provided at the end of this risk report.

Strategy

Shareholdings and investments

The acquisition and holding of shares in other companies and the making of strategic investments represent a key success factor for IONOS Group SE.

In addition to improved access to existing and new growth markets, as well as to new technologies and know-how, investments also serve to exploit synergy and growth potential. However, these opportunities involve risks. For example, there is a risk that the targeted potential cannot be exploited as planned or that acquired shareholdings will not develop as expected (write-downs/impairments, disposal losses, absence of dividends or reduction of hidden reserves).

All investments are therefore subject to a continuous monitoring process by Investment Management and are supported promptly if required. The value of investments is continuously monitored by management and the Controlling division.

IONOS Group SE is not aware of any significant risks in this field at present.

Business development and innovations

A further key success factor for the IONOS Group is the development of new and constantly improved products and services in order to enhance revenue and earnings, attract new customers and expand existing customer relationships. There is always a risk, however, that new developments might be launched too late on the market or not be accepted by the target group as expected.

The IONOS Group counters such risks by constantly and closely observing market, product and competition trends as well as by undertaking product development which constantly responds to customer feedback.

Cooperation and outsourcing

The IONOS Group works with specialized cooperation and outsourcing partners in certain operating areas. The focus here is on objectives such as focusing on the actual core business, reducing costs or leveraging the expertise of partners. These opportunities also involve risks in the form of dependencies on external service providers as well as contractual and default risks.

In order to reduce these risks, detailed market analyses and due diligence reviews are carried out before major contracts are concluded with external service providers, and close and cooperative relationships are maintained with the cooperation and outsourcing partners after the contracts have been concluded.

Organizational structure and decision-making

The choice of the appropriate organizational structure is essential for the efficiency and success of the Company. In addition to the organizational structure, business success depends to a large extent on making the right decisions. The basis for such decisions can be negatively influenced by various factors, such as limited flexibility offered by existing business processes and structures, or misunderstandings caused by ambiguities in the definition of key figures. If efficiency is jeopardized by one or several factors, this represents a strategic risk for the IONOS Group which should be avoided wherever it makes economic sense.

Due to the high degree of agility within the organization, the IONOS Group considers itself to be generally well positioned in this respect and undertakes several measures to standardize and optimize processes, structures and key figures.

Thanks to the improvements in organizational structures, the organizational structure and decision-making risk was reduced from moderate to low.

The IONOS Group is not aware of any significant risks in this field at present.

Personnel development and retention

Highly skilled and well-trained employees form the basis for the economic success of the IONOS Group. In addition to the successful recruitment of qualified personnel (see also the “personnel recruitment” risk), personnel development and the long-term retention of top performers within the Company are strategically important. If the Company fails to develop and retain executives and employees with specialist or technological knowledge, there is a risk that the IONOS Group may not be able to effectively conduct its business and achieve its growth targets. The concentrated accumulation of strategic knowledge and skills (head monopoly) can have a considerable impact on the performance of the Group if the corresponding employee is no longer available.

The IONOS Group counteracts this risk by continuously nurturing employee and management skills. For example, it offers targeted measures for professional development, mentoring and coaching programs as well as special offers for high potentials geared to talent development and leadership skills.

Market

Sales market and competition

The markets in which the IONOS Group operates are characterized by strong and sustained competition. Depending on the strategy of the parties involved in the market, different effects may occur which may involve adjustments to the Company’s own business models or pricing policy. The entry of new competitors might also jeopardize market shares, growth targets or margins. In addition, the IONOS Group itself occasionally enters new, additional markets with large competitors. Such an entrepreneurial decision is always associated with new risks.

The IONOS Group attempts to minimize these risks by means of detailed planning based on internal experience and external market studies as well as by constantly monitoring the market and the competition.

Procurement market

A gap in the procurement or delivery of resources required for business operations may also lead to bottlenecks or outages at the IONOS Group. This applies both to the purchase of hardware and the purchase of wholesale services. Increases in the price of purchased products and services represent a risk for the targeted margins. Planned positive effects from contractually fixed price adjustment rounds can become a risk for the achievement of the Company's periodic targets due to time delays.

The IONOS Group counters these risks by cooperating with several long-term service providers and suppliers, contractual obligations, and – where it makes economic sense – by expanding its own value chain. Preventive measures such as rapid stockpiling cannot fully eliminate the effects of significant and unpredictable developments on the procurement market, such as the Ukraine war, but they can mitigate them.

Financial market

The IONOS Group's activities are fundamentally exposed to risks on the financial market. In particular, these include risks from changes in exchange rates.

The currency risk for the IONOS Group mainly results from operations (if revenue and/or expenses are in a currency other than the Group's functional currency) and its net investments in foreign subsidiaries.

Personnel recruitment

It is essential for the IONOS Group that human resources are effectively controlled so that the Company can secure its short- and long-term staffing needs and the requisite expertise. If the IONOS Group is not able to attract managers and employees with specialist and technological knowledge, it will not be able to effectively conduct its business and achieve its growth targets.

As an employer, the IONOS Group believes it is well placed to hire highly skilled specialists and managers with the potential to drive its business success in the future. As in previous years, this was confirmed by the Top Employers Institute, which awarded us the accolade "Top Employer 2023."

Provision of services

Work processes

In view of the ever-increasing complexity and interoperability of the products offered, there are steadily growing demands placed on the development of internal work processes. This also involves an ever-higher degree of coordination. The particular challenge is, besides upholding quality standards, adapting to fast-changing market events – and doing so on numerous different domestic and foreign markets.

The Group counters these risks by continuously developing and enhancing its internal processes, pooling and retaining its experts and key personnel and continuously optimizing its organizational structures.

Information security

The IONOS Group generates its earnings largely in the internet environment. In order to provide products and services, the Company uses information and telecommunication technologies (data centers, transmission systems, connection nodes, etc.) in its business processes which are closely linked to the internet and whose availability may be endangered by threats from the internet.

In order to constantly increase the speed of our response to such risks, the existing monitoring and alarm system, together with the necessary processes and documentation, is continuously optimized.

There is also the risk of hacker attacks with the aim of stealing or deleting customer data or using services fraudulently. In fiscal year 2022, the attackers and their attack methods once again became more professional. According to the German Federal Office for Information Security (BSI), the number of new malicious program variants increased by around 116.6 million in the period June 1, 2021 to May 31, 2022.

The IONOS Group counters this risk with the aid of virus scanners, firewalling concepts, self-initiated tests and various technical monitoring mechanisms.

The threat potential of the internet is one of the largest threat groups for the IONOS Group with regard to its effects, which are all monitored by numerous technical and organizational measures. Of particular relevance in this respect are the operation and continuous improvement of the security management system and the steady enhancement of system resilience.

Capacity bottlenecks

Due to temporary or permanent shortages of technical resources, e.g., due to the temporary overloading of systems or a lack of resources to operate data centers, the planned delivery of services could be jeopardized, threatening a corresponding loss of revenue. Risks from the procurement of resources, such as products or services on the market, are not taken into account here. These risks are part of the "procurement market" risk.

In order to counter these risks, several internal stores are maintained. In addition, the Company is in close contact with energy suppliers in order to coordinate emergency plans for the data centers. In the case of outages, these can be compensated for at short notice by implementing the aforementioned measures.

Projects

The classic project objectives of quality, time and budget are defined before or at the start of a project and are thus the subject of entrepreneurial planning. If potential risks already become apparent in the course of a project's implementation, these are recorded as risks. Moreover, projects may also involve risks that do not affect the project itself but arise after the project has been completed (e.g., security vulnerabilities in new software code).

In addition to maintaining the current professional project management, the Company reduces the aforementioned risks by holding regular specialist project management training courses, in order to improve such aspects as security or data privacy requirements. The project objectives of quality, time and budget are also closely monitored by management and the Controlling division.

Technical plant operation

The IONOS Group's products and related business processes are based on a complex technical infrastructure and a number of success-critical software systems (servers, customer relationship databases and statistics systems, etc.). Constantly adapting this infrastructure to changing customer needs leads to greater complexity and regular changes. In addition to major events, like the migration of databases, this may lead to various disruptions or defects. Should this affect our performance systems, for example, the Group may (temporarily) be unable to provide its customers with the promised service or only be able to provide a reduced service.

The Group addresses these risks by making targeted adjustments to the architecture, introducing quality assurance measures, and establishing spatially separated (geo-redundant) core functionalities.

In order to counter this risk, the Company uses a wide variety of software- and hardware-based safeguards to protect the infrastructure and its availability. For instance, activities or business transactions involving risks are not carried out by single employees but on the basis of the principle of dual control. Manual and technical access restrictions also ensure that employees may only operate within their particular area of responsibility. As an additional precautionary measure against data loss, all data are regularly backed up and stored in separate, i.e., geo-redundant, data centers.

Compliance

Data privacy

The IONOS Group stores the data of its customers on servers according to international security standards (ISO 27001) at its own and at rented data centers. The handling of these data is subject to extensive legal regulations.

It can never be fully ruled out that data privacy regulations may be contravened, e.g., by human error or technical weaknesses. In such cases, the IONOS Group faces fines and the loss of customer confidence.

The Company is aware of this great responsibility and attaches a high degree of importance and care to data privacy. By using state-of-the-art technologies, continuously monitoring all data privacy and other legal regulations, providing extensive staff training on data protection regulations and involving data protection aspects and requirements as early as possible in product development, the Company continuously invests in improving the standard of its data privacy.

By taking responsive action, such as expanding the data privacy organization or data privacy processes, the level of data protection risk was lowered from significant to moderate.

Misconduct and irregularities

Non-compliance or non-observance of social norms, trends and mindsets can lead to misconduct and bad decisions and thus to a loss of revenue. As an internationally operating company, the IONOS Group also faces the challenge of countering such negative factors through adequate management in the area of internal processes and procedures. Not every decision or business practice that is unobjectionable from a legal point of view is also acceptable in the respective cultural, ethical or social context.

Translation from the German language

The Company counters the risks arising from misconduct and breaches of rules with its “culture of togetherness,” the provision of a Code of Conduct, country-specific management and compliance as an integral part of corporate culture.

The current fiscal year saw an increase in misconduct and irregularities risks from low to moderate. This increase is explained by greater risk awareness, which has led to the identification of more risks in this field. In addition, tighter legal requirements, for example as introduced by the German IT Security Act 2.0, have also led to higher internal standards.

Legislation and regulation

Changes in existing legislation, the enactment of new laws and changes in government regulation issues may have unexpected negative effects on the business models pursued by the IONOS Group and their further development. Price increases could have a negative impact on the profitability of tariffs. In the same way, there is also the possibility that a lack of regulation may lead to a deterioration of market conditions for the IONOS Group.

The IONOS Group endeavors to counter this tendency toward increasing regulation risk by cooperating actively with various partners.

Compared to December 31, 2021, the legislation and regulation risk rose from moderate to significant following a general increase in legal requirements, for example the German Act on Corporate Due Diligence in Supply Chains or the German IT Security Act 2.0. Apart from leading to additional expenses, new laws also come with the risk of fines.

Litigation

The IONOS Group is currently involved in various legal disputes and arbitration proceedings arising from its normal business activities. The outcome is by definition uncertain and thus represents a risk. Provided the amount of the obligation can be reliably estimated, provisions are recognized for such risks from litigation, where required.

Tax risks

As an internationally operating group, the IONOS Group is subject to the tax laws applicable in the respective countries. Risks may arise from changes in tax laws or case law as well as from differences in the interpretation of existing regulations.

Finance

Financing

The Group's liabilities stem directly from its business activities and from its long-term loan of € 1,245,000k from the parent United Internet AG as of December 31, 2022. The IONOS Group is not aware of any significant risks in this field at present.

In addition, derivative financial instruments exist in the IONOS Group mainly in the form of contingent purchase price liabilities (€38,219k as of 31 December 2022). These are measured at fair value through profit or loss. Option price models are primarily used for the valuation of derivatives.

Fraud and credit default

In order to meet the requirements of dynamic customer growth and provide services as quickly as possible, the IONOS Group has largely automated its order and provision processes – as have many other companies in such mass market businesses. The nature of such automated processes creates opportunities for attacks by fraudsters. Due to the strong appeal of the products and services offered, not only the number of customers is increasing but also the risk of a larger number of non-payers and fraudsters.

The Group attempts to prevent such fraud attacks – or at least to recognize and end them at an early stage – by permanently expanding its fraud management capabilities, working closely with partners, and taking account of such risks in the design of its products.

Liquidity

The general liquidity risk of the IONOS Group consists of the possibility that the Company may not be able to meet its financial obligations, such as the repayment of financial liabilities. The Company's objective is to continuously cover its financial needs and secure flexibility, for example by using overdraft facilities and loans.

Group-wide cash requirements and surpluses are managed centrally by the cash management system. By netting these cash requirements and surpluses within the Group, the amount of external bank transactions can be minimized. This is managed, e.g., by using cash pooling processes. The Group has established standardized processes and systems to manage its bank accounts and internal netting accounts as well as for the execution of automated payment transactions.

Acts of God

External events such as natural disasters (earthquakes, floods, tsunamis, etc.), personnel crises (pandemics, strikes, etc.), infrastructure crises (power outages, road damage, etc.) or violent incidents (rampage, terrorist attacks, war, etc.) may affect the Group's operations.

The IONOS Group counters these risks as far as possible with a variety of measures, such as enforcing building access restrictions, operating geo-redundant data centers, taking hygiene precautions and developing contingency plans.

Management Board's overall assessment of the risk position

The assessment of the overall risk situation is the outcome of a consolidated analysis of all significant risk categories and individual risks.

From the current perspective, the biggest challenges are information security, legislation and regulation, technical plant operation and acts of God.

The continuous expansion of its risk management system enables the IONOS Group to keep risks to a minimum, where it makes economic sense, by implementing specific measures.

The overall risk situation of the IONOS Group and thus also of IONOS Group SE is essentially unchanged on the prior year.

The existing opportunities for IONOS Group SE were not taken into consideration in the assessment of the overall risk situation.

There were no risks which directly jeopardized the continued existence of IONOS Group SE in fiscal year 2022, nor as of the preparation date of this management report, neither from individual risk positions nor from the overall risk situation.

Translation from the German language

Probability of occurrence, potential damage, and classification of risks:

	Probability of occurrence	Potential damage	Risk classification	Change over previous year
Risks in the field of "Strategy"				
Shareholdings and investments	Currently no significant risks		Low	→
Business development and innovations	Low	Low	Moderate	→
Cooperation and outsourcing	Low	Very High	Moderate	→
Organizational structure and decision-making	Currently no significant risks		Low	↘
Personnel development and retention	High	High	Moderate	→
Risks in the field of "Market"				
Sales market and competition	Low	Very high	Moderate	→
Procurement market	High	High	Moderate	→
Financial market	Very high	Low	Moderate	→
Personnel recruitment	High	Low	Moderate	→
Risks in the field of "Service Provision"				
Work processes	Low	High	Moderate	→
Information security	Very low	Extremely high	Significant	→
Capacity bottlenecks	Low	Low	Moderate	→
Projects	Very high	Low	Moderate	→
Technical plant operation	Very low	Extremely high	Significant	→
Risks in the field of "Compliance"				
Data privacy	Low	Very high	Moderate	↘
Misconduct and irregularities	Low	Very high	Moderate	↗
Legislation and regulation	Low	Extremely high	Significant	↗
Litigation	High	Low	Moderate	→
Tax risks	High	Low	Moderate	→
Risks in the field of "Finance"				
Financing	Very low	High	Moderate	→
Fraud and credit default	High	High	Moderate	→
Liquidity	High	High	Moderate	→
Risks in the field of "Acts of God"				
Acts of God	Very low	Extremely high	Significant	→

↘ Improved

→ Unchanged

↗ Worsened

3.2 Opportunity report

Opportunity management

Opportunity management is based on strategic planning and the resulting measures for the development of products and their positioning for various target groups, markets and countries during the product lifecycle.

The Management Board, as well as the operative management level of the respective business areas, have the direct responsibility for the early and ongoing identification, assessment and management of opportunities.

The management team of the IONOS Group makes extensive use of detailed evaluations, models and scenarios on current and future trends regarding sectors, technologies, products, markets/market potential and competitors in the Group's fields of activity. The potential opportunities identified during these strategic analyses are then examined with regard to the critical success factors and existing external conditions and possibilities of the IONOS Group

Translation from the German language

in planning discussions between the Management Board, Supervisory Board and operational managers before being implemented in the form of specific measures, targets and milestones.

The progress and success of these measures is continuously monitored by operational management as well as the members of the Management Board and managing directors of the respective companies.

Opportunities for the IONOS Group

The IONOS Group's stable and largely non-cyclical business model ensures predictable revenues and cash flows, thus providing the financial flexibility to grasp opportunities in new business fields and markets – organically or via investments and acquisitions.

Management Board's overall assessment of opportunities

In view of the fast-paced growth in the internet access and cloud computing markets, the Group's growth opportunities are obvious: Available everywhere and at all times, increasingly powerful broadband connections are facilitating new and more complex cloud applications. From today's perspective, these web-based applications for home users, freelancers and small and medium-sized enterprises will be the growth drivers for the IONOS Group in the coming years.

The business model of the subsidiaries of IONOS Group SE, which is primarily based on subscriptions – with fixed monthly amounts and contractually agreed terms – guarantees stable and plannable revenue and cash flows, protects against cyclical effects and provides the financial scope to grasp opportunities in new business fields and new markets.

IONOS Group SE passes on the majority of the expenses and income it incurs to IONOS Holding SE or its shareholders and is accordingly protected from the effects of negative economic or other financial influences. Since the company basically functions as a holding company, it does not aim to develop new business areas or to generate external sales or profits.

3.3 Forecast report

Expectations for the economy

In its global economic outlook published on January 30, 2023, the International Monetary Fund (IMF) updated its forecasts for the development of the global economies in 2023 and 2024. The IMF now expects the global economy to cope with the effects of the Russian war in Ukraine and the persistently high inflation somewhat better than initially feared. Nevertheless, in its World Economic Outlook for 2023, the IMF is predicting global growth of just 2.9% (after 3.4% in 2022) but sees the outlook as "less gloomy" than in October 2022. In this respect, the IMF does not expect the global economy to slide into recession in 2023 – a possibility that economists had not ruled out in the fall. For 2024, the IMF forecasts global economic growth of 3.1%.

However, the IMF report also lists a number of risks that would cloud the economic climate: a deterioration of the coronavirus situation in China, an escalation of the Russian war in Ukraine and a debt crisis unleashed by the central banks' strict monetary policy.

The latest IMF forecasts for the IONOS Group's target markets in North America (USA, Canada, and Mexico) are as follows: The US economy is set to grow by 1.4% in 2023 and

Translation from the German language

1.0% in 2024 (after 2.0% in 2022). Canada is predicted to grow by 1.5% in both 2023 and 2024 (after 3.5% in 2022). Mexico's economy is expected to grow by 1.7% in 2023 and 1.6% in 2024 (after 3.1% in 2022).

The IMF anticipates growth of 0.7% and 1.6% in the eurozone for 2023 and 2024 (after 3.5% in 2022).

The IMF is forecasting only minor growth for the economies of the IONOS Group's main European target countries within the EU, these being France, Spain and Italy. For France, economists are forecasting growth of 0.7% in 2023 and 1.6% in 2024 (after 2.6% in 2022). Spain is expected to grow by 1.1% and 2.4%, respectively, in 2023 and 2024 (after 5.2% in 2022), and for Italy, the IMF anticipates growth in 2023 and 2024 of 0.6% and 0.9% (after 3.9% in 2022).

For the UK, a non-EU country, the IMF anticipates a contraction in economic output of -0.6% in 2023 followed by growth of 0.9% in 2024 (after 4.1% in 2022).

For Germany, the IMF forecasts economic growth of 0.1% in 2023 and 1.4% in 2024 (after 1.9% in 2022). With expected growth of 0.1% and 1.4% for 2023 and 2024, respectively, the IMF is slightly below the German government's own forecast of 0.2% growth in price-adjusted GDP in 2023 and 1.8% in 2024, as published in its Annual Economic Report 2023 on January 25, 2023.

The German government is thus somewhat more confident in its assessment of the economic situation than it was a few months ago and is now expecting marginal growth for 2023 instead of a recession. The German government cites the resilience of the German economy, which has proven to be stable in the face of supply chain shortages, sanctions against Russia and the suspension of Russian gas supplies, as the reason for the slightly brighter outlook.

Market forecast: GDP development of the most important economies for the IONOS Group

	2024e	2023e	2022
World	3.1%	2.9%	3.4%
USA	1.0%	1.4%	2.0%
Canada	1.5%	1.5%	3.5%
Mexico	1.6%	1.7%	3.1%
Eurozone	1.6%	0.7%	3.5%
France	1.6%	0.7%	2.6%
Spain	2.4%	1.1%	5.2%
Italy	0.9%	0.6%	3.9%
UK	0.9%	-0.6%	4.1%
Germany	1.4%	0.1%	1.9%

Source: International Monetary Fund, World Economic Outlook (Update), January 2023

Sector/market expectations

Despite the challenges posed by the war, supply bottlenecks, inflation and the shortage of skilled workers, the industry association Bitkom expects the German ICT market as a whole to grow by 3.8% (prior year: 4.0%) in 2023. At € 203.4 billion, revenue is expected to top the € 200 billion mark for the first time.

As in the previous year, the IT market is expected to grow at an above-average rate in 2023 and will continue to strengthen its importance as the largest segment of the industry. According to Bitkom calculations, revenue is expected to rise by 6.3% (prior year: 6.6%) to € 126.4 billion in 2023. Driven in particular by the cloud business, software is again likely to be the fastest-growing segment with a strong increase of 9.3% (prior year: 9.4%) to € 38.8 billion. Revenues

Translation from the German language

from IT hardware are also expected to increase significantly by 5.3% (prior year: 5.4%) to € 39.7 billion. Stable growth of 4.7% (prior year: 5.5%) to € 47.8 billion is expected for the IT services business, which also includes IT consulting.

The most important market for the IONOS Group is the global cloud computing market.

Following the very strong growth in 2022 (18.8%), Gartner forecasts global growth for public cloud services of 20.7% from USD 490.33 billion to USD 591.79 billion in 2023.

Market forecast: cloud computing worldwide

in USD billion	2023e	2022	Change
Global revenue from public cloud services	591.79	490.33	+20.7%
thereof Application Infrastructure Services (PaaS)	136.41	110.68	+23.2%
thereof Application Services (SaaS)	195.21	167.11	+16.8%
thereof Business Process Services (BPaaS)	65.15	60.13	+8.3%
thereof Desktop-as-a-Service (DaaS)	3.10	2.54	+22.3%
thereof Management and Security Services	41.68	34.14	+22.1%
thereof System Infrastructure Services (IaaS)	150.25	115.74	+29.8%

Source: Gartner, Public Cloud Services, Worldwide, 2020-2026, 3Q22 Update, October 2022

Management Board's overall assessment

In light of the continued macroeconomic growth, as forecast by the IMF, in the core sales markets of the IONOS Group in general and advancing digitalization in particular, the Management Board of IONOS Group SE continues to be optimistic about the future, also in view of the stable business model built predominantly on electronic subscriptions. The subsidiaries' development during the coronavirus pandemic and the Ukraine war has shown that the Group's business model is relatively independent of the economic cycle and that even the contact restrictions prevailing during the pandemic had no direct negative impact on the performance of the Company. The increase in certain cost types as a result of a global supply shortage and rising inflation rates is having only a temporary effect and will be passed on to customers in the medium term through targeted price increases.

IONOS Group SE will continue to pursue its current business policy in the coming years. In fiscal year 2023, today's target markets will be developed further with Business Applications and Cloud products. The focus will be on marketing web hosting and website builder products as well as e-mail and e-shop products, along with the expansion of our Cloud product portfolio, targeting both SMEs and the public sector. This, in conjunction with the further development of existing customer relationships by explicitly promoting the activation of certain products specifically tailored to customer profiles, will generate further growth, through both new and existing customers.

Forward-looking statements

Due to the pure holding function of the Company, neither the generation of sales nor profits is a goal of the Company. If the Company incurs costs or income as part of its ordinary business activities, these are generally passed on to the subsidiary as part of the internal cost allocation. An exception are the costs incurred in the past financial years and also in the financial year 2023 as part of the preparation of the IPO of the IONOS Group. These costs were accumulated in the IONOS Group SE by the end of the financial year 2022 and will be charged in the financial year 2023 according to the existing costs -Sharing Agreement with United Internet AG and WP XII Venture Holdings S.à r.l. passed on in full, which is expected to result in non-recurring income for IONOS Group SE in the 2023 financial year.

This management report of the Company contains forward-looking statements based on current expectations, assumptions and projections of the Management Board of the IONOS Group SE and currently available information. The forward-looking statements cannot be construed as guarantees of the future developments and results specified therein, which will depend on a variety of factors.

They entail various risks and uncertainties and are based on assumptions that may prove to be inaccurate in the future. IONOS Group SE assumes no obligation to adjust or update the forward-looking statements made in this report.

4. Closing statement of the dependency report¹

In the case of the legal transactions and measures listed in the report on relationships with affiliated companies, IONOS Group SE has taken the circumstances known to us at the time the legal transactions were carried out or the measures were taken or omitted, for each legal transaction received an appropriate consideration and has not been disadvantaged by the fact that measures were taken or omitted.

IONOS Group SE

Montabaur, March 28, 2023

Achim Weiß

Britta Schmidt

¹ The information contained in this chapter is unaudited management report information.

IONOS Group SE (formerly: IONOS TopCo SE), Montabaur
Balance sheet as of December 31, 2022

Assets	December 31, 2022 €	December 31, 2021 €
A. Non-current assets		
I. Financial assets		
1. Shares in affiliated companies	156,060,001.00	156,060,001.00
2. Loans to affiliated companies	<u>364,100,000.00</u>	<u>365,800,000.00</u>
	520,160,001.00	521,860,001.00
B. Current assets		
I. Receivables and other assets		
1. Receivables from affiliated companies	4,742,023.81	1,625.78
2. Other assets	<u>187,030.98</u>	<u>0.00</u>
	4,929,054.79	1,625.78
II. Cash in hand and bank balances		
	0.00	66,908.76
	<u>4,929,054.79</u>	<u>68,534.54</u>
	<u><u>525,089,055.79</u></u>	<u><u>521,928,535.54</u></u>

Liabilities and equity	December 31, 2022 €	December 31, 2021 €
A. Equity		
I. Subscribed capital	360,001.00	360,001.00
II. Capital reserves	523,151,752.59	523,151,752.59
III. Accumulated loss	<u>-13,013,403.06</u>	<u>-4,032,988.66</u>
	510,498,350.53	519,478,764.93
B. Provisions		
1. Tax provisions	1,330,152.79	0.00
2. Other provisions	<u>3,541,104.53</u>	<u>2,418,701.85</u>
	4,871,257.32	2,418,701.85
C. Liabilities		
1. Trade accounts payable	204,431.17	5,615.61
2. Liabilities to affiliated companies	5,874,962.70	25,453.15
3. Other liabilities	3,640,054.07	0.00
thereof tax liabilities € 3,636,584.02 (prev. year € 0.00)		
	<u>9,719,447.94</u>	<u>31,068.76</u>
	<u><u>525,089,055.79</u></u>	<u><u>521,928,535.54</u></u>

IONOS Group SE (formerly: IONOS TopCo SE), Montabaur
Income statement for the fiscal year from January 1 to December 31, 2022

	2022 €	2021 €
1. Revenue	884,753.41	0.00
2. Other operating income thereof from foreign currency translation € 3,232.17 (prev. year € 0.00)	218,350.47	4,002.11
	1,103,103.88	4,002.11
3. Personnel expenses		
a) Wages and salaries	-523,186.15	0.00
b) social security contributions and expenses for pensions and other employee benefits	-1,677.40	0.00
4. Other operating expenses thereof expenses from foreign currency translation € -46.51 (prev. year € 0.00)	-9,555,773.80	-2,929,404.07
	-10,080,637.35	-2,929,404.07
5. Income from loans held as financial assets thereof from affiliated companies € 36,955.00 (prev. year € 37,120.35)	36,955.00	37,120.35
6. Interest and similar expenses thereof from affiliated companies € -39,821.55 (prev. year € 0.00)	-39,835.93	-32.90
	-2,880.93	37,087.45
7. Earnings after taxes	-8,980,414.40	-2,888,314.51
8. Net loss for the year	-8,980,414.40	-2,888,314.51
9. Loss carried forward from the previous year	-4,032,988.66	-1,144,674.15
10. Accumulated loss	-13,013,403.06	-4,032,988.66

**IONOS Group SE, Montabaur
(Formerly IONOS TopCo SE)
HRB 25386**

Notes to the financial statements for fiscal year 2022

1 General

The financial statements of IONOS Group SE (formerly IONOS TopCo SE; hereinafter referred to as the “Company”) for fiscal year 2022 were prepared pursuant to article 61 of Council Regulation (EC) No 2157/2001 in accordance with the legal requirements set out under section 242 et seq. and section 264 et seq. of the German Commercial Code (HGB) and in accordance with the relevant provisions of the German Stock Corporation Act (AktG).

The income statement was prepared using the nature of expense method in accordance with section 275 (2) HGB.

The Company is a small corporation within the meaning of section 267 and section 267a HGB. It makes use of the size-related exemptions for small corporations set out in section 288 (1) HGB.

The fiscal year is the calendar year.

In order to improve the clarity of presentation, we have indicated in these notes to the financial statements whether individual items are related to other items and “thereof” items.

A cash pooling agreement exists between IONOS Group SE and IONOS Holding SE since June 2022. IONOS Holding SE, in turn, is included in United Internet AG’s cash pooling.

The Company was renamed IONOS Group SE by the resolution adopted at the Extraordinary General Meeting on November 24, 2022 and expanded its corporate purpose for VAT reasons. Nevertheless, the Company continues to function as a pure holding company. IONOS Group SE, having its registered office in Montabaur, was entered in the commercial register of Montabaur Local Court on December 9, 2022 under HRB no. 25386.

On November 24, 2022, the Company concluded a domination agreement with IONOS Holding SE, Montabaur.

The shares of IONOS Group SE have been listed on the Frankfurt Stock Exchange since February 8, 2023. As part of this share placement, United Internet AG and WP XII Venture Holdings II SCSp, based in Luxembourg, sold 15% of their shares (free float).

After the initial public offering (IPO) of IONOS Group SE on February 8, 2023 (before over-allotment option / greenshoe), United Internet held 63.8% and Warburg Pincus 21.2% of the shares in IONOS Group SE. A further 15.0% was in free float.

2 Accounting policies

The following accounting policies, which remained unchanged in comparison to the prior year, were used to prepare the financial statements.

2.1 Non-current financial assets

Shares in affiliated companies are recognized at the lower of cost or net realizable value. Loans are recognized at nominal value. If permanent impairment of the financial assets is expected, write-downs to the lower net realizable value are recognized based on the modified lower of cost or market principle.

2.2 Receivables and other assets

Receivables and other assets are stated at their nominal value. Specific or general bad debt allowances provide for identifiable risks.

2.3 Cash in hand and bank balances

Cash in hand is stated at nominal value. Bank balances are stated at their nominal value.

2.4 Provisions

For uncertain liabilities and risks from potential losses, appropriate provisions are recognized at the settlement value deemed necessary according to prudent business judgment (i.e., including future cost and price increases).

Provisions with a residual term of more than one year are discounted at the average market interest rate of the last seven fiscal years for their respective residual term.

2.5 Liabilities

Liabilities are recorded at their settlement value.

2.6 Foreign currency translation

Foreign currency assets and liabilities are translated using the mean spot rate on the reporting date. If they had residual terms of more than one year, the realization principle (section 252 (1) no. 4 clause 2 HGB) and the historical cost principle (section 253 (1) sentence 1 HGB) were applied.

The “thereof” items presented in the income statement under income and expenses from foreign currency translation include both realized and unrealized exchange differences.

2.7 Current and deferred taxes

Income taxes

Current taxes are measured at the amount at which a refund from the tax authorities or a payment to the tax authorities is expected. The amount is calculated on the basis of the tax rates and tax laws applicable on the reporting date.

To determine deferred taxes arising due to temporary or quasi-permanent differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income in the statutory accounts and their tax carrying amounts or due to tax loss carryforwards, these differences are valued using the Company-specific tax rates at the time they reverse; the amounts of any resulting tax charge or benefit are not discounted.

The option to recognize net deferred tax assets in excess of deferred tax liabilities was not exercised.

VAT

In contrast to the prior year, the Company is entitled to deduct VAT on expenses and assets pursuant to section 15 the German VAT Act (UStG). IONOS Group SE is the tax group parent of the IONOS Group for VAT purposes with retroactive effect as of January 1, 2022.

3. Notes to the balance sheet

3.1 Financial assets

The Company's non-current financial assets amounted to € 520,160k as of the reporting date (prior year: € 521,860k).

As of the reporting date, IONOS Group SE holds shares in the affiliated company IONOS Holding SE in the amount of € 156,060k, as in the prior year (€ 156,060k). These shares are recognized at acquisition cost.

The loan to IONOS Holding SE came to € 364,100k as of the reporting date (prior year: € 365,800k).

Until June 2022, IONOS Holding SE made partial repayments on the loan whenever IONOS Group SE did not have sufficient liquidity. The Company has been part of the group cash pooling system of United Internet AG since June 2022. An adjustment of the repayment modalities is not planned.

Disposals in fiscal year 2022 amounted to € 1,700k (prior year: € 745k). As in the prior year, no write-downs for impairment were recognized, nor was there any accumulated impairment.

The Company has prepared its first statement of changes in non-current assets in fiscal year 2022 which is attached to the notes. In the prior year, the Company made use of the exemptions for small corporations.

3.2 Receivables and other assets

The receivables from affiliated companies of € 4,742k (prior year: € 2k) largely pertain to receivables from IONOS SE (€ 2,690k) and from STRATO AG (€ 2,052k). These receivables mainly relate to receivables from the tax group for VAT purposes.

The net amount of receivables and liabilities for each company is recognized to the extent that netting is permissible under section 387 et seq. of the German Civil Code (BGB).

Other receivables of € 187k (prior year: € 0k) exclusively include receivables from tax on investment income and solidarity surcharge.

As in the prior year, the receivables from affiliated companies and other assets are due in up to one year.

3.3 Cash in hand and bank balances

The Company has taken part in the cash pool system of IONOS Holding SE since 2022. In the prior year, it reported a bank balance of € 67k at Commerzbank AG, Frankfurt am Main.

3.4 Subscribed capital

The Company's issued capital of € 360k comprises 360,001 shares including one preferred share. United Internet AG holds 270,361 of these shares including the preferred share. The remaining shares are held by WP XII Venture Holdings II SCSp, Luxembourg, Luxembourg.

€ 360k of the issued capital is attributable to the common shares (prior year: € 360k) and € 1 to the preferred share (prior year: € 1). The shares are no-par value shares with a notional share in the issued capital of € 1.00 each.

We also refer to the comments on the capital increase in the supplementary report.

Issued capital is fully paid in.

3.5 Capital reserves

Capital reserves amounted to € 523,152k as of the reporting date (prior year: € 523,152k).

3.6 Accumulated loss

The net loss incurred in fiscal year 2022 amounted to € 8,980k (prior year: € 2,888k). Including the loss of € 4,033k carried forward from the prior year, the accumulated loss is € 13,013k.

3.7 Provisions

IONOS Group SE recognized tax provisions of € 1,330k as of the reporting date (prior year: € 0k). They relate exclusively to the VAT-related risk that input tax on consulting fees relating to the IPO is not deductible in the input tax return.

Other provisions break down as follows:

	Dec. 31, 2022	Dec. 31, 2021
	€k	€k
Legal and consulting fees	2,805	2,343
Bonuses	400	0
Financial statement and audit costs	323	76
Vacation entitlements	13	0
	3,541	2,419

The provision for legal and consulting fees of € 2,805k (prior year: € 2,343k) mainly relates to costs in connection with the IPO.

As in the prior year, other provisions are due in up to one year.

3.8 Liabilities

The table below shows the composition and residual terms of liabilities:

Type of liability	Due in			Due in		
	Dec. 31, 2022 Total €k	up to one year €k	more than one year €k	Dec. 31, 2021 Total €k	up to one year €k	more than one year €k
Trade accounts payable	204	204	0	6	6	0
Liabilities to affiliated companies	5,875	5,875	0	25	25	0
<i>thereof to shareholders</i>	31	31	0	0	0	0
Other liabilities	3,640	3,640	0	0	0	0

As in the prior year, there are no liabilities due in more than five years.

Trade accounts payable of € 204k (prior year: € 6k) mainly relate to liabilities from consulting fees in connection with the IPO.

Liabilities to affiliated companies of € 5,875k (prior year: € 25k) chiefly include cash pooling liabilities of € 5,837k (prior year: € 0k).

The net amount of receivables and liabilities for each company is recognized to the extent that netting is permissible as under section 387 et seq. BGB.

Other liabilities of € 3,640k (prior year: € 0k) mainly comprise VAT liabilities of € 3,593k (prior year: € 0k). IONOS Group SE is the tax group parent of the IONOS Group for VAT purposes with retroactive effect as of January 1, 2022.

No collateral was provided for the liabilities.

4. Notes to the income statement

4.1 Revenue

In fiscal year 2022, IONOS Group SE recognized revenue of € 885k (prior year: € 0k). All revenue was generated in Germany.

Revenue from affiliated companies in the amount of € 885k (prior year: € 0k) originates from internal cost allocations. Primarily, costs for the members of the Management Board are allocated to IONOS Holding SE.

The Company reported external revenue from the lease of underground parking spaces of € 44.45 (prior year: € 0).

4.2 Other operating income

Other operating income breaks down as follows:

(All amounts in €k)	Jan. 1 to Dec. 31, 2022	Jan. 1 to Dec. 31, 2021
Other operating income	218	4
thereof real estate transfer tax refund	123	0
thereof from the reversal of provisions	44	4
thereof from internal cost allocations	34	0
thereof from foreign currency translation	3	0
thereof miscellaneous	14	0

Income from the real estate transfer tax refund relates to the transfer of shares in a land-owning company. The transfer of the shares in IONOS Holding SE from United Internet AG to IONOS TopCo SE triggered real estate transfer tax for a plot of land in Hanau in 2017 pursuant to section 1 (3) no. 3 and no. 4 of the German Real Estate Transfer Tax Act (GrEStG). After the final submission of the real estate transfer tax return in 2022, the tax office refunded real estate transfer tax as the value of the land had previously been overestimated. The refund was recorded under income relating to other periods.

Income from internal cost allocations includes cost allocations without mark-ups to other Group companies.

4.4 Personnel expenses

Personnel expenses of the Company in the reporting year amount to € 525k (prior year: € 0k) and comprise expenses for wages and salaries of € 523k (prior year: € 0k) as well as social security contributions of € 2k (prior year: € 0k). Personnel expenses relate to the current members and one former member of the Management Board of IONOS Group SE.

In fiscal year 2022 and in the prior year, the Company had no employees.

4.5 Other operating expenses

Other operating expenses mainly include the following expenses:

(All amounts in €k)	Jan. 1 to Dec. 31, 2022	Jan. 1 to Dec. 31, 2021
Other operating expenses	9,556	2,929
thereof legal and consulting fees	7,613	2,351
thereof financial statement and audit costs	1,413	120
thereof internally purchased services	313	458
thereof expenses relating to other periods	56	0
thereof training and seminars	43	0
thereof externally purchased services	39	0
thereof advertising expenses	22	0
thereof from internal cost allocations	34	0
thereof miscellaneous	23	0

Internally purchased services include expenses from internal cost allocations from other Group companies.

The legal and consulting fees of € 7,613k (prior year: € 2,351k) mainly relate to the Company's IPO.

Expenses from internal cost allocations include cost allocations without mark-ups from other Group companies.

4.6 Other interest and similar income

Other interest and similar income of € 37k (prior year: € 37k) exclusively comprises interest on the loan to IONOS Holding SE.

4.7 Interest and similar expenses

Other interest and similar expenses of € 40k (prior year: € 0k) mainly include expenses from the cash pool in place with IONOS Holding SE.

4.8 Income and expenses relating to other periods

Income relating to other periods amounted to € 167k in the reporting year (prior year: € 4k) and relates to income from the reversal of provisions (€ 44k; prior year: € 4k) as well as income from the real estate transfer tax refund (€ 123k; prior year: € 0k).

Other operating expenses include expenses relating to other periods of € 56k (prior year: € 0k). Expenses relating to other periods mainly involve services from prior years.

5 Other notes

5.1 Cash pooling

IONOS Group SE has been part of the group cash pooling system of United Internet AG via IONOS Holding SE since June 2022.

There are cash pooling agreements in place between certain Group companies of United Internet AG, Montabaur, and Commerzbank AG, Frankfurt am Main, with daily transfers of the bank account balances to a liquidity account.

IONOS Holding SE does not bear any joint and several liability for the credit facility of United Internet AG or other Group companies.

5.2 Management Board

The Management Board of IONOS Group SE comprised two members as of December 31, 2022:

- Achim Weiß (Chief Executive Officer, Professional Business Hosting, Chairman of the Management Board)
- Britta Schmidt (Chief Financial Officer; since November 1, 2022)

Mr. Hüseyin Dogan (Chief Operations Officer) was member of the Management Board of the Company until October 31, 2022.

The total remuneration of the board members and a former board member amounted to € 525k in the year under review (previous year: € 0k); there was no share-based payment in 2022 or in the previous year.

5.3 Supervisory Board

As in the prior year, the Supervisory Board of IONOS Group SE comprised the following six members as of December 31, 2022:

- Max Fowinkel (chair)
Managing Director of Investment Staff-Technology Media & Telecommunications,
Berlin
- Issam Abedin (deputy chair)
Vice President, Warburg Pincus LLC, London, UK

Translation from the German language

- Markus Kadelke (member)
Lawyer, United Internet Corporate Services GmbH, Karlsruhe
- Lutz Laffers (member)
Head of Corporate Financial Affairs, United Internet Corporate Services GmbH,
Gückinggen
- Markus Langer (member)
Investment Manager, United Internet Corporate Services GmbH, Hofheim am Taunus
- Lysander Ammann (member)
Head of Corporate Controlling, United Internet Corporate Services GmbH, Hirschberg
an der Bergstraße

As in the prior year, the members of the Supervisory Board did not receive any remuneration from the Company in fiscal year 2022.

Since January 26, 2023, the Supervisory Board of the Company has had the following six members:

- Ralph Dommermuth (chair)
Entrepreneur and company founder United Internet AG, Montabaur
- René Obermann (deputy chair)
Managing Director of Warburg Pincus Germany GmbH, Berlin
- Dr. Claudia Borgas-Herold (member)
Entrepreneur, Kirchberg
- Martin Mildner (member)
CFO United Internet AG, Hamburg
- Vanessa Stützle (member)
Businesswoman, Düsseldorf
- Kurt Dobitsch (member)
Entrepreneur, Markt Schwaben

5.4 Number of employees

In fiscal year 2022 and in the prior year, the Company had no employees.

5.5 Other financial obligations

There were no other financial obligations and no purchase commitments as of the reporting date or in the prior year.

5.6 Parent company

As of the reporting date, IONOS Group SE prepares consolidated financial statements for the smallest group of companies and does not make use of the exemptions afforded by section 291 HGB as disclosure is required due to the IPO.

The consolidated financial statements for the largest group of companies are prepared by United Internet AG, Montabaur.

Both consolidated financial statements are prepared in accordance with Section 315e HGB in accordance with International Financial Reporting Standards (IFRS) adopted into European law. The consolidated financial statements are published in the Federal Gazette and are also accessible on the website of the company register as well as IONOS Group SE and United Internet AG.

5.7 Subsequent events

At the Extraordinary General Meeting on **January 26, 2023**, Max Fowinkel, Issam Abedin, Lutz Laffers, Markus Kadelke, Markus Langer and Lysander Ammann resigned from the Supervisory Board and Ralph Dommermuth, René Obermann, Dr. Claudia Borgas-Herold, Martin Mildner, Vanessa Stützle and Kurt Dobitsch were appointed as new members of the Supervisory Board.

On **January 26, 2023**, the shareholders resolved to increase the capital of IONOS Group SE by € 139,639,999 from € 360,001 to € 140,000,000 using company funds. In addition, the preferred share of IONOS Group SE was converted to a common share. The capital increase was entered in the commercial register on February 1, 2023.

On **January 26, 2023**, a new remuneration system was introduced and the service agreements of the members of the Company's Management Board and the management board of IONOS Holding SE were renewed, all subject to an IPO. The remuneration package comprises a long-term share-based payment component in the form of a Virtual Stock Appreciation Rights Plan (SAR Plan 2023), under which virtual share appreciation rights (SARs) are granted, and a replacement award for the existing LTIP.

Under the terms of the replacement of the existing LTIP, all grants made under the existing LTIP vest on the first day of trading. This includes additional LTIP awards made to Mr. Weiss, the Company's CEO, on October 1, 2022. In addition, the payment of one third of the existing LTIP award depends on three new trigger events (IPO, 18 months and 24 months after the first day of trading), provided that the service agreement with the relevant participant has not been terminated at the time each trigger event occurs. The replacement is accounted for as a modification, with the previously recognized costs rolled forward. No significant additional expenses are expected to result from the replacement.

On **January 17, 2023**, IONOS Group SE officially announced concrete plans for an initial public offering (IPO) of IONOS in an intention to float (ITF) together with its shareholders United Internet (75.1%) and WP XII Venture Holdings II SCSp (24.9%), a company affiliated with Warburg Pincus (together "Warburg Pincus"). The market environment permitting, the shares will be listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard) in the first quarter of 2023.

On **January 27, 2023**, United Internet and Warburg Pincus declared in an ad hoc announcement that they had defined the framework for the planned IPO of IONOS Group SE and the admission of its shares to trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard). The IONOS Group SE shares will be offered in a price range of € 18.50 to € 22.50. United Internet and Warburg Pincus are each offering 15% of their shares (i.e., a total of 21,000,000 no-par value registered shares), comprising 15,771,000 no-par value registered shares held by United Internet and 5,229,000 no-par value registered shares held by Warburg Pincus. Up to 3,150,000 additional no-par value registered shares held by United Internet and Warburg Pincus may be offered to cover a greenshoe option.

On **February 7, 2023**, United Internet and Warburg Pincus declared in an ad hoc announcement that they had set the final placement price for IONOS Group SE shares at € 18.50 per share.

Since **February 8, 2023**, IONOS Group SE shares have been listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard) under ISIN: DE000A3E00M1, WKN: A3E00M, ticker symbol: IOS. Following the IPO of IONOS Group SE, United Internet holds 63.8% and Warburg Pincus 21.2% of the shares. A further 15.0% is in free float. IONOS Group SE does not hold any treasury shares.

Apart from the above, no events having a substantial effect on the Company's asset, financial and earnings position occurred at the Company after the reporting date of December 31, 2022.

5.8 Disclosures on auditor's fees

The total auditor's fees billed for the fiscal year are not disclosed because they are included in the disclosures in the consolidated financial statements of IONOS Group SE.

IONOS Group SE

Montabaur, March 28, 2023

Achim Weiß

Britta Schmidt

IONOS Group SE, Montabaur
Development of intangible assets and property, plant and equipment 2022

	Acquisition and production cost				Dec. 31, 2022 €
	Jan. 1, 2022 €	Additions €	Disposals €	Reclassifications €	
I. Intangible assets:					
1. Internally generated property rights and similar rights and assets	0.00	0.00	0.00	0.00	0.00
2. Concessions acquired, property rights and similar rights and assets, as well as licenses to such rights and assets;	0.00	0.00	0.00	0.00	0.00
3. Goodwill;	0.00	0.00	0.00	0.00	0.00
4. Payments on account;	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00
II. Property, plant and equipment:					
1. Land, land rights and buildings, including buildings on third-party land;	0.00	0.00	0.00	0.00	0.00
2. Operating and office equipment;	0.00	0.00	0.00	0.00	0.00
3. Payments on account and assets under construction;	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00
III. Financial assets:					
1. Shares in affiliated companies;	156,060,001.00	0.00	0.00	0.00	156,060,001.00
2. Loans to affiliated companies;	365,800,000.00	0.00	1,700,000.00	0.00	364,100,000.00
3. Equity investments;	0.00	0.00	0.00	0.00	0.00
4. Loans to companies in which an equity interest is held;	0.00	0.00	0.00	0.00	0.00
5. Securities held as non-current assets;	0.00	0.00	0.00	0.00	0.00
6. Other loans;	0.00	0.00	0.00	0.00	0.00
7. Cooperative shares	0.00	0.00	0.00	0.00	0.00
	521,860,001.00	0.00	1,700,000.00	0.00	520,160,001.00
	521,860,001.00	0.00	1,700,000.00	0.00	520,160,001.00

Jan. 1, 2022	Accumulated amortization and depreciation			Dec. 31, 2022	Carrying amounts	
	Additions	Disposals	Reclassifications		Dec. 31, 2022	Dec. 31, 2021
€	€	€	€	€	€	€
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	156,060,001.00	156,060,001.00
0.00	0.00	0.00	0.00	0.00	364,100,000.00	365,800,000.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	520,160,001.00	521,860,001.00
0.00	0.00	0.00	0.00	0.00	520,160,001.00	521,860,001.00

Anlage 2 zum Anhang

Anlage 2 zum Anhang

IONOS Group SE, Montabaur

Anteilsbesitz zum 31. Dezember 2022

	Anteil am Kapital	Eigenkapital der Gesellschaft zum 31.12.2022	Jahresüberschuss / Jahresfehlbetrag GJ 2022
	in %	€	€
Unmittelbar gehaltene Anteile			
IONOS Holding SE	100,00	497.148	48.142
Mittelbar gehaltene Anteile			
1&1 Cardgate LLC, Philadelphia / USA	100,00	178	180
1&1 Internet Development SRL, Bukarest / Rumänien (6)	100,00	4.087	2.557
A1 Media USA LLC, Philadelphia / USA	100,00	269	36
Arsys Internet E.U.R.L., Perpignan / Frankreich	100,00	164	5
Arsys Internet S.L.U., Logroño / Spanien	100,00	105.535	4.595
AZ.pl Sp. z o.o., Stettin / Polen	100,00	805	741
CM4all GmbH, Köln	100,00	472	-617
Content Management Support GmbH in Liquidation, Köln (5)	100,00	26	-19
Content Management Inc., USA	100,00	136	17
Domain Robot Enterprises Inc., Vancouver / Kanada (4)	100,00	0	0
DomCollect International GmbH, Montabaur (2) (10)	100,00	25	0
Fasthosts Internet Ltd., Gloucester / Großbritannien	100,00	24.566	7.609
HBS Cloud Sp. z o.o., Stettin / Polen	100,00	11	3
home.pl S.A., Stettin / Polen	100,00	51.880	44.289
Immobilienverwaltung AB GmbH, Montabaur	100,00	454	54
InterNetX, Corp., Miami / USA (10)	100,00	110	81
InterNetX GmbH, Regensburg (2) (10)	100,00	4.469	0
InterNetX Holding GmbH, Regensburg	100,00	33.676	26.426
IONOS Cloud Holdings Ltd., Gloucester / Großbritannien	100,00	72.017	67
IONOS Cloud Inc., Newark / USA	100,00	1.110	-292
IONOS Cloud Ltd., Gloucester / Großbritannien	100,00	2.515	2.559
IONOS Cloud S.L.U., Madrid / Spanien	100,00	2.861	1.420
IONOS Datacenter SAS, Niederlauterbach / Frankreich	100,00	2.170	180
IONOS Inc., Philadelphia / USA	100,00	21.583	3.510
IONOS (Philippines), Inc., Cebu City / Philippinen (7) / vormals 1&1 IONOS (Philippines), Inc.)	100,00	877	34
IONOS S.A.R.L., Saargemünd / Frankreich	100,00	1.725	1.615
IONOS Service GmbH, Montabaur (1)	100,00	240	0
PSI-USA, Inc., Las Vegas / USA (10)	100,00	606	151
Schlund Technologies GmbH, Regensburg (2) (10)	100,00	25	0
Sedo GmbH, Köln (2) (10)	100,00	13.428	0
Sedo.com LLC, Cambridge / USA (10)	100,00	14.668	6.048
Tesys Internet S.L.U., Logroño / Spanien	100,00	2.223	262
United Domains Inc., Cambridge / USA (5)	100,00	440	0
united-domains AG, Starnberg (1)	100,00	432	0
united-domains Reselling GmbH, Starnberg (3)	100,00	25	0
we22 GmbH, Köln (vormals we22 Aktiengesellschaft)	100,00	3.598	-210
we22 Solutions GmbH, Ber in	100,00	315	-794
World4You Internet Services GmbH, Linz / Österreich	100,00	4.129	1.138
premium.pl Sp. z o.o., Stettin / Polen (9)	75,00	487	63
DomainsBot S.r.l., Rom / Italien (10) (11)	49,00	1.037	383
Intellectual Property Management Company Inc., Dover / USA (10) (12)	49,00	0	0
Stackable GmbH, Pinneberg (12)	25,10	30	-205
Worcester Six Management Company Ltd., Birmingham / Großbritannien	< 20,00	-	-

(1) Ergebnisabführung mit der IONOS SE, Montabaur

(2) Ergebnisabführung mit der InterNetX Holding GmbH, Regensburg (direkt/indirekt)

(3) Ergebnisabführung mit der unted-domains AG, Starnberg

(4) Keine operative Geschäftstätigkeit

(5) In Liquidation

(6) United Internet Corporate Services GmbH (1,00%)

(7) Hüseyin Dogan (0,008%), Britta Schmidt (0,008%), Debra Sitoy (0,008%), Gelfa M. Lobitana (0,008%), Pierre Pauline M. Yrastorza (0,008%)

(9) Przemyslaw Pawel Bojczuk (25,00%)

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles, the Financial Statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company, and the Management Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Montabaur, March 28, 2023

The Management Board

Achim Weiß

Britta Schmidt

INDEPENDENT AUDITOR'S REPORT

To IONOS Group SE, Montabaur

Audit Opinions

We have audited the annual financial statements of IONOS Group SE (formerly IONOS TopCo SE), Montabaur, which comprise the balance sheet as at 31 December 2022, and the statement of profit and loss for the financial year from 1 January to 31 December 2022 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of IONOS Group SE for the financial year from 1 January to 31 December 2022. In accordance with German legal requirements, we have not audited the content of the concluding statement pursuant to § [Article] 312 Abs. [paragraph] 3 Satz [sentence] 3 AktG [Aktiengesetz: German Stock Corporation Act] of the unaudited dependent company report („Abhängigkeitsbericht“) contained in section "4. concluding statement of the dependent company report" of the management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its financial performance for the financial year from 1 January to 31 December 2022 in compliance with German Legally Required Accounting Principles and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the above-mentioned concluding statement.

Pursuant to § 322 Abs. 3 Satz 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Other Information

The executive directors are responsible for the other information. The other information includes the concluding statement pursuant to § 312 Abs 3 Satz 3 AktG of the unaudited dependent company report („Abhängigkeitsbericht“) contained in section "4. concluding statement of the dependent company

report" of the management report as a component of the management report which has not been audited.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Düsseldorf, 28 March 2023

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