Half-year Financial Report 2023

IONOS GROUP SE

HALF-YEAR FINANCIAL REPORT 2023

SELECTED KEY FIGURES

	June 30, 2023	June 30, 2022	Change
NET INCOME (in €k)			
Revenue	708,644	629,804	12.5 %
EBITDA	204,015	170,045	20.0 %
Adjusted EBITDA	200,849	181,402	10.7 %
EBIT	150,383	113,245	32.8 %
Adjusted EBT [(1)]	107,074	68,500	56.3 %
Adjusted EPS (in €) [(2)]	0.68	0.39	74.4 %
BALANCE SHEET (in €k)			
Current assets	213,152	185,359	15.0 %
Non-current assets	1,348,985	1,342,469	0.5 %
Equity	-70,958	-176,556	
Equity ratio	-4.5 %	-11.6 %	+7.1 %-P
Balance sheet total	1,562,137	1,527,828	2.2 %
CASH FLOW (in €k) [(3)]			
Operative cash flow	157,688	145,476	8.4 %
Cash flow from operating activities	129,790	140,828	-7.8 %
Cash flow from investing activities	-49,608	-50,608	-2.0 %
Free cash flow [(4)]	92,214	86,885	6.1 %
EMPLOYEES			
Headcount as of June 30	4,330	4,159	4.1 %
thereof domestic	2,336	2,278	2.5 %
thereof foreign	1,994	1,881	6.0 %
SHARE (in €)			
Share price as of June 30 (Xetra)	13.02	n/a	
CUSTOMER BASE (in Mio.)	6.10	5.94	0.16
thereof domestic	3.16	3.09	0.07
thereof foreign	2.94	2.85	0.09

(1) EBT excluding non-cash valuation effects from the contingent purchase price liability (H1 2023: +€ 30,695k; H1 2022: +€ 7,201k)

(2) EPS excluding non-cash valuation effects from the contingent purchase price liability (H1 2023: +€ 0.26; H1 2022: +€ 0.06). For reasons of comparability, EPS was calculated for H1 2022, as for H1 2023, on the basis of the weighted average number of shares outstanding of 116,084k. This average reflects the capital increase from € 360,001 to € 140,000,000 from company funds on February 1, 2023.

(3) The presentation of cash flows was changed in H1 2023. Interest payments are now reclassified from cash flows from operating activities to cash flows from financing activities. The changes are explained in more detail in Note 2 Significant accounting, measurement and consolidation principles in the interim consolidated financial statements as of June 30, 2023.

(4) Free cash flow is defined as net cash provided by operating activities less capital expenditure on intangible assets and property, plant and equipment, plus cash inflows from disposals of intangible assets and property, plant and equipment; reported including the redempetion of lease liabilities reported in cash flow from financing activities.

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Dear shareholders, employees and business partners,

IONOS Group SE continued its successful growth course in the first half of 2023. This is reflected in the positive development of revenues and earnings in the first half of 2023 as well as in the increase in the number of customers by 105,000 to 6.1 million.

Revenues increased by 12.5% to € 708,644k in the first half of 2023. In addition to the continued high growth of the aftermarket business, the increase in revenue is mainly attributable to the positive development of new customer business and the successful cross-selling and upselling of our existing customers.

Adjusted EBITDA increased by 10.7 percent to € 200,849k. Accordingly, the adjusted EBITDA margin of 28.3% in H1 2023 was only slightly below the prior-year period (H1 2022: 28.8%). The margin dilution due to the higher sales contribution from the lower-margin aftermarket business was almost offset by a higher-value product mix and the disproportionately low development of marketing expenses.

Adjusted EPS (excluding the positive earnings effect from the valuation of a contingent purchase price liability and based on the weighted average number of shares outstanding of 116,084k in the first half of 2023) was €0.68 in H1 2023, compared to €0.39 in the prior-year period.

Following the conclusion of the 1st half, we confirm our forecast for 2023 and expect an unchanged increase in Group sales for the full year to around € 1.4 billion (previous year: € 1.293 million).

In the second half of the year, especially in the fourth quarter, the planning of IONOS foresees higher marketing spend to further increase brand awareness, including new TV campaigns in the Group's key target markets, parts of which were planned earlier in H1 2023.

In terms of adjusted EBITDA margin, we continue to expect a level of at least 27% in fiscal 2023 (previous year: 26.7%) and thus an increase in adjusted EBITDA of at least 10% year-on-year.

In July, we published our Climate Strategy 2030. IONOS has long been committed to environmental sustainability. The new strategy is the first time we have published a long-term plan for data center and office building sustainability. This includes detailed targets in reducing emissions from our data centers and office buildings, a long-term commitment to source 100 percent of our electricity from renewable sources, and reducing emissions in our value chain.

We are well positioned for the next steps in our corporate development and are optimistic about the remainder of the fiscal year. In view of the successful first half of the year, we would like to extend our special thanks to all employees for their dedicated efforts and to our shareholders and business partners for the trust they have placed in IONOS Group SE.

Montabaur, August 3, 2023

Achim Weiß

INTERIM GROUP MANAGEMENT REPORT FOR THE FIRST HALF OF 2023

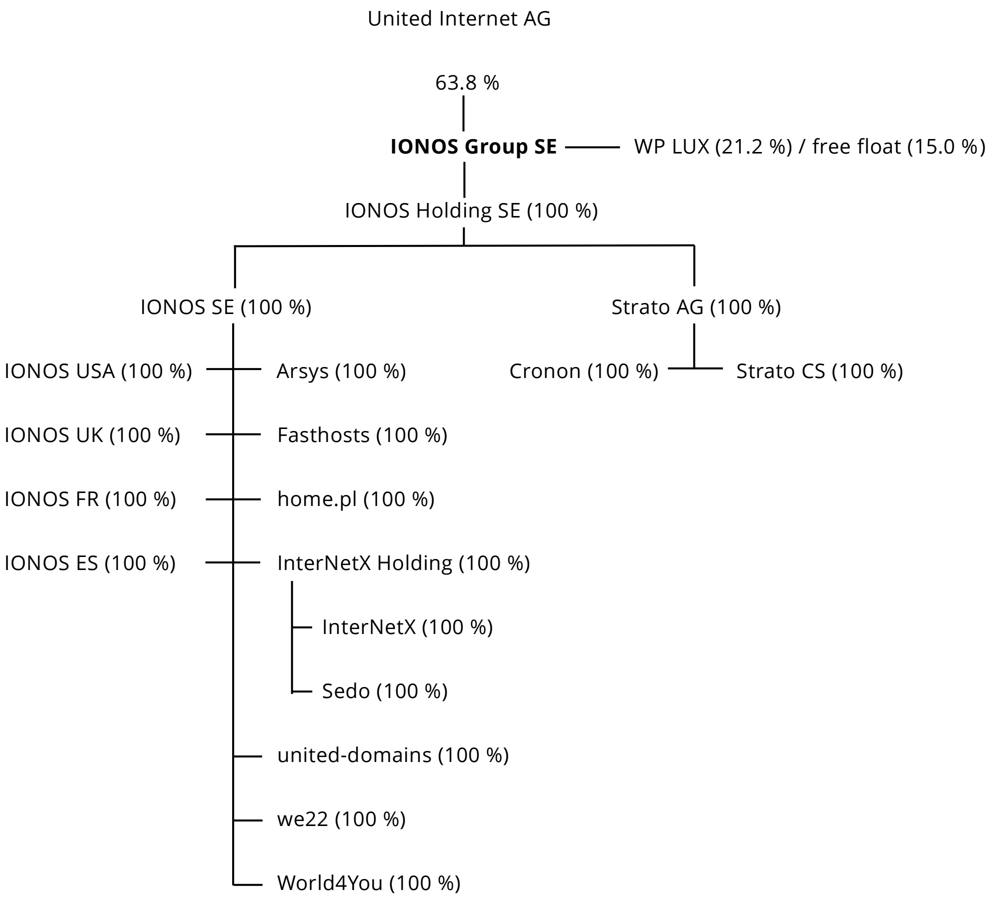
Principles of the Group

Group structure, strategy, and control

The shares of IONOS Group SE have been listed on the regulated market of the Frankfurt Stock Exchange since February 8, 2023. As of June 30, 2023, United Internet AG holds 63.8% and WP XII Venture Holdings II SCSp, Luxembourg / Luxembourg 21.2% of the shares in IONOS Group SE. A further 15.0% are in free float.

IONOS Group SE is a pure holding company. The operating business is conducted via the companies IONOS SE, Montabaur, and STRATO AG, Berlin, and their subsidiaries, which are held by the intermediate holding company IONOS Holding SE.

A simplified presentation (as of June 30, 2023) of the Group structure, including significant operating subsidiaries of the Group, is as follows:



Business model

IONOS Group is an internationally operating digitalization partner and reliable cloud enabler for small and medium-sized enterprises ("SMEs"), but also for individual users (e.g. freelancers) and larger corporate customers. For this purpose, a comprehensive product portfolio is offered in the area of Webpresence & Productivity as well as Cloud Solutions. This portfolio is supported by first-class customer care and state-of-the-art infrastructure. The Group is therefore mainly active in the market for web hosting and cloud applications.

In Webpresence & Productivity, IONOS Group offers professional design solutions for Internet presence, such as domain registration, web hosting, website building. This is supported by additional productivity products (e.g. ecommerce applications, email and office applications, dedicated servers) as well as additional services such as search engine optimization, business applications and storage and backup solutions.

The Cloud Solutions offering includes both public cloud and private cloud solutions with a broad range of services in Infrastructure-as-a-Service ("IaaS") services, Platform-as-a-Service ("PaaS") and Software-as-a-Service ("SaaS"). The IONOS Cloud Solutions product range also includes a "Compute Engine" solution (a flexible IaaS solution for cloud computing applications), storage and backup, network services, managed services, databases and private cloud infrastructure solutions).

The products and solutions are developed in the company's own development centers or in cooperation with partner companies and are operated on more than 100,000 servers in 31 data centers, 11 of which are the company's own data centers.

In addition to the main international brand IONOS, the product portfolio is marketed to specific target groups via differently positioned brands such as STRATO, arsys, fasthosts, home.pl, and World4You. We also work with several domain expert brands such as United Domains, InterNetX, and sedo, which offers professional services for active domain management in the aftermarket business, and the we22 brand, which specializes in website builders.

Products and innovations: Focus

As an Internet service provider, the IONOS Group does not conduct any traditional research and development (R&D) comparable to that of a manufacturing company. Even in the context of the industry, research and development expenses play a rather subordinate role. Against this background, the IONOS Group does not report any key R&D figures.

Nevertheless, the IONOS Group stands for innovative, web-based products and applications. The ability to further develop, combine, adapt and launch innovative products and services in large markets forms the basis for the Group's success.

In addition to continuous optimization and ensuring the reliable operation of all services offered, the programmers, product managers and technical administrators at the domestic and foreign locations worked on the following projects in particular in the first half of 2023:

- Extension of "Database-as-a-Service" with MongoDB as a document-based NoSQL database
- Replace HDD storage with SSD products for higher storage performance, efficiency and packing density
- Extension of Virtual Network Services with Managed NAT Gateway, Managed Network Load
- Balancer and Managed Application Load Balancer
- Launch of IPv6 in the native network stack
- Launch of the open source solution "Managed Stackable" (by IONOS and Stackable) as the first managed big data product

- Launch of STRATO Virtual Dedicated Server based on IONOS Cloud Compute
- Launch of STRATO V-Server based on IONOS Cloud (CoreVPS/Cubes)
- STRATO Hyper-V Plattform Update to Windows Server 2019
- Launch HiDrive4You: new STRATO Cloud storage tariff

General economic, sector and legal conditions

Macroeconomic development

Despite high inflation and the consequences of the Ukraine war, the International Monetary Fund (IMF) is cautiously optimistic in its updated economic outlook (World Economic Outlook, July 2023 update) and has raised its forecasts for the vast majority of countries during the year, but at the same time its expectations remain well below the growth rates of the previous year.

Specifically, the IMF currently expects the global economy to grow by 3.0% in 2023 (previous year: 3.5%), 0.1 percentage points more than at the beginning of the year (January 2023 forecast).

For the North American target countries of the IONOS Group, the fund has also raised its forecasts for 2023 on a year-on-year basis. For example, growth of 1.8% (previous year: 2.1%) is expected for the USA, 0.4 percentage points more than in the January forecast. The forecast for Canada is for an increase of 1.7% (previous year: 3.4%), 0.2 percentage points more than originally expected. The IMF also expects economic output in Mexico to increase by 2.6% (previous year: 3.0%), 0.9 percentage points more than at the beginning of the year.

A similar picture emerges when looking at the euro zone, which is important for the IONOS Group. The IMF has also revised its forecast for the euro zone upwards and expects economic output to increase by 0.9% (previous year: 3.5%), 0.2 percentage points more than in January. The forecasts for France were raised to an increase of 0.8% (previous year: 2.5%), for Italy to 1.1% (previous year: 3.7%) and also for Spain to 2.5% (previous year: 5.5%). This is 0.1 percentage points more for France, 0.5 percentage points more for Italy and 1.4 percentage points more for Spain than expected in the January forecast.

The IMF now expects the UK to grow by 0.4% (previous year: 4.1%), 1.0 percentage points more than at the beginning of the year.

By contrast, the IMF revised its economic forecast for the core sales market of Germany (share of sales in 2022: around 89%) downward by -0.4 percentage points during the year and expects economic output to decline by -0.3% in 2023 (previous year: +1.8%).

Changes in growth forecasts 2023 for key target countries and regions of the IONOS Group:

	Actual 2022	January forecast 2023	April forecast 2023	July forecast 2023	Change on Januray forecast
World	3.5 %	2.9 %	2.8 %	3.0 %	+0.1 %-points
USA	2.1 %	1.4 %	1.6 %	1.8 %	+0.4 %-points
Canada	3.4 %	1.5 %	1.5 %	1.7 %	+0.2 %-points
Mexico	3.0 %	1.7 %	1.8 %	2.6 %	+0.9 %-points
Eurozone	3.5 %	0.7 %	0.8 %	0.9 %	+0.2 %-points
France	2.5 %	0.7 %	0.7 %	0.8 %	+0.1 %-points
Spain	5.5 %	1.1 %	1.5 %	2.5 %	+1.4 %-points
Italy	3.7 %	0.6 %	0.7 %	1.1 %	+0.5 %-points
UK	4.1 %	-0.6 %	-0.3 %	0.4 %	+1.0 %-points
Germany	1.8 %	0.1 %	-0.1 %	-0.3 %	-0.4 %-points

Development of the industry / core market

At its 2023 half-year press conference, the Bitkom trade association confirmed that the German ITC industry (ITC = information and communications technology) is enjoying stable growth in a difficult macroeconomic environment.

The IT and telecommunications companies themselves also assess their business situation as good overall, as surveys by Bitkom and the ifo Institute show. The Digital Index, compiled jointly by the two organizations, stood at 12.1 points in June and thus stands out clearly from the overall economy, which according to ifo is once again in the red at -6.6 points.

At the same time, the association has lowered its growth forecast for the full year 2023 from 3.8% to 2.1% and now expects total sales of € 213.2 billion. Forecasts for United Internet's key submarkets of Information Technology and Telecommunications have also been reduced from 6.3% to 3.0% and from 0.9% to 0.4% respectively.

Cloud computing market worldwide

The cloud computing market has continued to develop dynamically in 2023. In recent years, cloud technology has evolved from a useful and competitive business tool to one of the key foundations of enterprises.

The Corona pandemic in particular, as well as macroeconomic conditions and high inflationary pressure, have significantly accelerated digitalization in many areas since 2020. Most companies now see new technologies as essential tools for managing crises. In a very short time, for example, thousands of home-office employees have been networked, new digital channels for sales and support have been opened, and many systems and data have been moved to the cloud.

As a result, the migration of data, applications and infrastructures to the cloud is part of most digital transformation strategies, with the aim of creating more agile and adaptable operations.

IaaS in particular is currently growing strongly as enterprises accelerate their IT modernization initiatives to minimize risks and optimize costs. Moving operations to the cloud reduces current capital expenditures by spreading them over the life of a cloud subscription - a key advantage in an environment where liquidity can be critical to maintaining operations.

Legal conditions / Significant events

The legal framework for the business activities of IONOS Group remained essentially constant in H1 2023 compared to H1 2022 and therefore had no significant impact on the business development.

There were no significant events in the 1st half of 2023 that had a material impact on business performance.

Business development

Development of customer base in H1 2023

in million	June 30, 2023	December 31, 2022	Change
Total customers	**6.10**	**6.00**	**0.1**
thereof domestic	3.16	3.12	0.04
thereof foreign	2.94	2.88	0.06

The number of paying customers increased by 105,000 in the first half of 2023, with growth resulting from 42,000 customers in Germany and 63,000 customers abroad, supported in particular by our current TV campaigns at IONOS, but also by the efficient use of performance marketing measures. This brought the total number of customers to 6.10 million.

Quarterly development: change compared with prior-year quarter

in €k	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q2 2022	Change
Revenue	323,835	339,322	353,794	354,850	318,391	11.5 %
EBITDA	88,813	61,495	92,752	111,263	83,969	32.5 %
Adjusted EBITDA	94,352	69,892	86,205	114,644	89,605	27.9 %
EBIT	60,763	34,013	65,871	84,512	55,358	52.7 %

Multi-period overview: Development of sales and key earnings figures

in €k	H1 2020	H1 2021	H1 2022	H1 2023	Change
Revenue	490,356	533,159	629,804	708,644	12.5 %
EBITDA	172,439	168,503	170,045	204,015	20.0 %
EBITDA margin	35.2 %	31.6 %	27.0 %	28.8 %	+1.8 %-P
Adjusted EBITDA	177,967	181,791	181,402	200,849	10.7 %
Adjusted EBITDA margin	36.3 %	34.1 %	28.8 %	28.3 %	-0.5 %-P
EBIT	117,196	113,563	113,245	150,383	32.8 %
EBIT margin	23.9 %	21.3 %	18.0 %	21.2 %	+3.2 %-P

Quarterly development: Adjusted EBITDA

in €k	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q2 2022
EBITDA	88,813	61,495	92,752	111,263	83,969
Adjustement for LTIP (1)	1,208	1,371	1,537	1,216	684
Adjustment for stand-alone activities (2)	3,508	2,172	2,518	2,057	3,471
Adjustment for IPO costs (3)	824	5,646	-11,287	-388	1,481
Adjustments for consulting fees incurred for one-off projects (4)	0	1,118	0	0	0
Adjustment for the sale of shares (5)	0	-1,910	0	0	0
Adjustment for severance payments (6)	0	0	685	496	0
Total adjustments	5,540	8,397	-6,547	3,381	5,636
Adjusted EBITDA	94,352	69,892	86,205	114,644	89,605

(1) Includes costs for employee stock ownership programs.

(2) Includes costs of preparing the spin-off from the United Internet Group and the establishment of IONOS Group SE as an independent group (primarily costs of the billing carve-out project (separation from billing systems of 1&1 Telecommunication SE).

(3) Includes external costs incurred in connection with the IPO. In the first half year of 2023, this includes income from the recharging of costs incurred in connection with the IPO to the shareholders United Internet AG and Warburg Pincus.

(4) Includes consulting fees incurred for one-off projects for e.g. reorganization measures.

(5) Includes gain on sale of the 49% equity instrument in Intellectual Property Management Company Inc, USA.

(6) Includes expenses related to reorganization and restructuring measures which primarily consist of severance payments and other personnel-related costs.

Multi-period overview: Adjusted EBITDA

in €k	H1 2020	H1 2021	H1 2022	H1 2023
EBITDA	172,439	168,503	170,045	204,015
Adjustement for LTIP (1)	4,380	6,786	1,632	2,753
Adjustment for stand-alone activities (2)	1,148	5,179	7,368	4,575
Adjustment for IPO costs (3)	0	0	2,357	-11,675
Adjustments for consulting fees incurred for one-off projects(4)	0	1,323	0	0
Adjustment for severance payments (5)	0	0	0	1,181
Total adjustments	5,528	13,288	11,357	-3,166
Adjusted EBITDA	177,967	181,791	181,402	200,849

(1) Includes costs for employee stock ownership programs.

(2) Includes costs of preparing the spin-off from the United Internet Group and the establishment of IONOS Group SE as an independent group (primarily costs of the billing carve-out project (separation from billing systems of 1&1 Telecommunication SE).

(3) Includes external costs incurred in connection with the IPO. In the first half year of 2023, this includes income from the recharging of costs incurred in connection with the IPO to the shareholders United Internet AG and Warburg Pincus.

(4) Includes consulting fees incurred for one-off projects for e.g. reorganization measures.

(5) Includes expenses related to reorganization and restructuring measures which primarily consist of severance payments and other personnel-related costs.

In the 1st half of 2023, **sales** increased by +12.5% from €629,804k in the previous year to €708,644k. In addition to the further expansion of the aftermarket business, the increase in revenues is mainly due to the continued positive development of new customer business and higher revenues from cross-selling and upselling to existing customers, in particular with email, domain online marketing and website builder products, but also with our cloud/VPS server offerings. Sedo's aftermarket business (domain trading platform and domain parking) contributed 7.4 percentage points to the overall revenue growth of +12.5%.

In total, sales from contracts with customers are divided into product revenues from the Web Presence & Productivity business field amounting to € 614,160k (1st half-year 2022: € 542,409k; +13.2%) and from the Cloud Solutions business field amounting to € 71,950k (1st half-year 2022: € 64,015k; +12.4%). Sales also include sales with related parties, i.e. with Group companies of the United Internet Group. These sales showed a slight decline (1st half-year 2023: € 22,534k; 1st half-year 2022: € 23,380k; - 3.6%), which is mainly due to lower electricity costs in purchasing and the associated lower cost pass-through to other companies of the United Internet Group.

EBITDA developed very positively in H1 2023 with an increase of € 33,970k to € 204,015k (+20.0%). With a slightly lower gross margin (from 47.2% in H1 2022 to 46.9% in H1 2023), the Group's gross profit increased by +€ 35,218k (+11.9%) to € 332,251k. EBITDA was boosted in particular by the costs of purchasing services for marketing/advertising, which were € 1,104k or 2.2% lower than in the previous year, and the non-recurring effect from the recharging of costs incurred in previous and the current financial year in connection with the initial public offering (IPO) of IONOS Group SE (net effect: +€ 11,675k). These two effects were able to more than compensate for the higher share of the lower-margin aftermarket business in H1 2023, with the result that the **EBITDA margin** increased from 27.0% in the first half of the previous year to 28.8%. In the 2nd half of 2023, marketing activities are to be stepped up to further increase brand awareness.

Adjusted EBITDA increased by 10.7% from € 181,402k to € 200,849k in the first half of 2023. The slightly lower level of growth in relation to EBITDA compared with the previous year is exclusively attributable to the adjustment of income from the recharging of costs incurred in the past and current financial year in connection with the IPO of IONOS Group SE. The adjusted EBITDA margin of 28.3% in the first half of the year is only slightly below the corresponding prior-year margin of 28.8%.

EBIT increased by 32.8% from € 113,245k to € 150,383k and thus developed very positively as a result of the effects described above. Due to a decrease in depreciation and amortization of € 3,168k compared with the previous year as a result of lower depreciation and amortization on assets capitalized in connection with company acquisitions, the increase in EBIT was higher than that of EBITDA.

The **EBIT margin** of 21.2% in H1 2023 is above the corresponding prior-year margin of 18.0%.

Share and dividend

In the first half of 2023, the price of the IONOS share decreased by 26% from € 18.50 as of February 8, 2023 to € 13.02 as of June 30, 2023, and thus underperformed the DAX benchmark index, which increased by 5% in the same period.

The first public Annual General Meeting of IONOS Group SE was held in Frankfurt on May 15, 2023. All items on the agenda were adopted with a large majority.

Especially as a new participant in the capital market, active, continuous and transparent corporate communication with all capital market participants is important for IONOS. The company aims to provide all target groups with information in a timely manner and on an equal footing. To this end, the Executive Board and Investor Relations were in regular contact with institutional and private investors in the first half of 2023.

The current analyst recommendations can be found on the website www.ionos-group.com in the Investor Relations / Share section under Analyst Coverage.

Personnel Report

As of June 30, 2023, the IONOS Group employed 4,330 people. In the course of the positive development of the company, the number of employees increased by 171 employees or 4.1% compared to the previous year (4,159 employees).

The number of employees in Germany increased by 58 employees or 2.5% from 2,278 in the previous year to 2,336 as of June 30, 2023. In the foreign companies, the number of employees increased by 113 employees or 6.0% from 1,881 in the previous year to 1,994.

	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	Change
Employees, total	3,484	3,935	4,159	4,330	4.1 %
thereof domestic	1,848	2,156	2,278	2,336	2.5 %
thereof abroad	1,636	1,779	1,881	1,994	6.0 %

Personnel expenses increased by 14.0% from € 117,236k in the previous year to € 133,681k in the 1st half of 2023. At 18.9%, the personnel expense ratio in the 1st half of 2023 is only marginally higher than in the corresponding prior-year period.

	H1 2020	H1 2021	H1 2022	H1 2023	Change
Personnel expenses (€k)	96,114	112,015	117,236	133,681	14.0 %
Personnel expense ratio	19.6 %	21.0 %	18.6 %	18.9 %	+0.3 %-P

Position of the Group

There were no acquisition and divestment effects on Group sales and EBITDA in the 1st half of 2023.

Group's earnings position

Multi-period overview: Development of key cost items

in €k	H1 2020	H1 2021	H1 2022	H1 2023	Change
Cost of sales	221,539	252,487	332,771	376,393	13.1 %
Gross margin	54.8 %	52.6 %	47.2 %	46.9 %	-0.3 %-P
Selling expenses	119,913	124,966	137,731	143,691	4.3 %
Selling expenses ratio	24.5 %	23.4 %	21.9 %	20.3 %	-1.6 %-P
Administrative expenses	33,084	35,820	39,528	45,854	16.0 %
Administrative expenses ratio	6.7 %	6.7 %	6.3 %	6.5 %	+0.2 %-P

For information on the development of sales, please refer to the comments on business performance.

Cost of sales increased by 13.1% to € 376,393k in the 1st half of 2023 compared to the 1st half of the previous year, with an increase in sales of +12.5%. The reason for this development is the disproportionate increase in Sedo's lower-margin aftermarket business, which reduces the gross margin from 47.2% to 46.9%. However, due to slight changes in the product mix as well as the decline in energy costs in H1 2023, the margin-reducing effect of the aftermarket business weakened in Q2 2023.

Selling expenses increased by +4.3% (+€ 5,960k) in the first half of the year compared with the previous year and thus less than proportionately to sales growth. There was mainly an increase in personnel expenses (+€ 5,879k; +11.0% compared to the previous year). Purchased marketing services were down € 1,104k or -2.2% on the previous year. However, an increase in marketing activities is planned in the 2nd half of 2023 to further increase brand awareness. As a result of the development described above, the cost of sales ratio decreased by 1.6 percentage points in the 1st half of the year.

Administrative expenses increased by +16.0% (+€ 6,326k) in the 1st half of the year compared to the previous year. This was due in particular to higher personnel expenses (+€ 6,030k; +51.0%), partly as a result of the in-sourcing of services previously provided externally, and higher one-off expenses for reorganization measures, consisting primarily of severance payments and other personnel-related costs. When personnel expenses are combined with expenses for external work, the result is an increase of +31.8%. As a percentage of sales, the administration expense ratio increased slightly from 6.3% to 6.5%.

The net position from **other operating income and expenses** increased by € 14,97k to €12,867k (previous year: € -2,104k). This includes € 11,675k in income relating to other periods from the charging on of IPO costs from the previous year.

The **financial result** amounted to € -12,593k (first half of 2022: € -37,858k) and is characterized by a valuation adjustment of the purchase price liability in connection with the acquisition of STRATO AG (€ +30,695k; prior year: € +7,201k). In addition, repayments of the loan from United Internet AG will result in lower interest expenses (first half of 2023: € -41,380k; first half of 2022: € -43,355k).

As the measurement of the purchase price liability with income of € 30,695k in the 1st half of 2023 does not result in the recognition of a deferred tax item, the Group tax rate decreased significantly in the 1st half of 2023 (from 29.9% in the 1st half of 2022 to 20.7% in the 1st half of 2023). After **tax expenses** of € 28,556k (prior year: € 22,625k), consolidated net income amounted to €109,213k (prior year: € 53,076k).

Earnings per share (EPS) in the 1st half of 2023 amounted to €0.94 and was calculated on the basis of the weighted average number of shares outstanding of 116,084k. This average reflects the capital increase from € 360,001 to € 140,000,000 from company funds on February 1, 2023. In the previous year, EPS of € 145.79 was calculated on the basis of 360,001 shares.

Adjusted EPS is € 0.68 in the 1st half of 2023 and € 0.39 for the 1st half of the prior year. Adjusted EPS is calculated excluding the positive earnings effect from the measurement of the contingent purchase price liability. In addition, EPS for the 1st half of 2023 and 2022 is calculated on the basis of the weighted average number of shares outstanding of 116,084k (EPS effect 1st half 2023: € +0.26; prior year: € +0.06).

Group's financial position

Development of key cash flow figures[1]

in €k	H1 2023	H1 2022	Change
Operative cash flow	157,688	145,476	8.4 %
Cash flow from operating activities	129,790	140,828	-7.8 %
Cash flow from investing activities	-49,608	-50,608	-2.0 %
Free cash flow [1]	92,214	86,885	6.1 %
Cash flow from financing activities	-85,397	-102,288	-16.5 %
Cash and cash equivalents on June 30	21,610	38,993	-44.6 %

(1) The presentation of cash flows was changed in the 1st half of 2023. Interest payments are now reclassified from cash flows from operating activities to cash flows from financing activities. The changes are explained in more detail in Note 2, Significant accounting policies, in the interim consolidated financial statements as of June 30, 2023.

(2) Free Cashflow is defined as net cash provided by operating activities less capital expenditure on intangible assets and propertiy, plant and equitpment, plus cash inflows from disposals of intangible assets and property, plant and quitpment, reported including the redemption portion of lease liabilities reported in cash flow from financing activites

Multi-period overview: Development of key cash flow figures [1]

in €k	H1 2020	H1 2021	H1 2022	H1 2023
Operative cash flow	157,828	160,245	145,476	157,688
Cash flow from operating activities	123,297	141,026	140,828	129,790
Cash flow from investing activities	20,556	-44,794	-50,608	-49,608
Free cash flow [1]	86,673	96,776	86,885	92,214
Cash flow from financing activities	-155,139	-162,797	-102,288	-85,397
Cash and cash equivalents on June 30	27,903	40,205	38,993	21,610

(1) The presentation of cash flows was changed in the 1st half of 2023. Interest payments are now reclassified from cash flows from operating activities to cash flows from financing activities. The changes are explained in more detail in Note 2, Significant accounting policies, in the interim consolidated financial statements as of June 30, 2023.

(2) Free Cashflow is defined as net cash provided by operating activities less capital expenditure on intangible assets and propertiy, plant and equitpment, plus cash inflows from disposals of intangible assets and property, plant and quitpment, reported including the redemption portion of lease liabilities reported in cash flow from financing activites

Net cash inflow from operating activities amounted to € 129,790k and decreased by € 11,038k compared to the first half of the previous year (first half of 2022: € 140,828k), mainly due to the payment of the first third of the Long Term Incentive Plan (LTIP) in the amount of € 13,630k as well as increased prepayments of income taxes, which however only represents a time lag that will be offset by the end of 2023. The LTIP program, which was launched in 2017, vested on the first day of trading of the IONOS share. The payment of the first third of the LTIP was due with the IPO. The payment of the next third will be made in 18 and 24 months after the first trading day.

In the reporting period, net **cash outflows from investing activities** amounted to € -49,608k and were slightly lower than in the first half of 2022 (€ -50,608k). At € -18,766k, cash outflows from the increase in surplus liquidity invested with United Internet AG were € 14,954k higher than in the prior year. By contrast, investments in intangible assets and property, plant and equipment are down by € 17,001k (1st half-year 2023: € -31,301k; 1st half-year 2022: € -48,302k), with investments in servers only slightly below the prior-year level (1st half-year 2023: € 23,995k; 1st half-year 2022: € 25,195k). Investments in the previous year were higher than in the current half-year period, in particular due to the construction of the data center in the UK.

Free cash flow at IONOS is defined as net cash inflows from operating activities less capital expenditure on intangible assets and property, plant and equipment, plus cash inflows from disposals of intangible assets and property, plant and equipment, including payments for lease liabilities. Free cash flow in H1 2023 was € 92,214k, compared to €86,885k in H1 2022, mainly due to lower investments in property, plant and equipment and intangible assets.

Financing activities resulted in an outflow of € 30,000k from the repayment of the long-term loan to United Internet AG in the 1st half of 2023 (1st half of 2022: € 35,000k). At € 47,947k, payments for interest on the loan to United Internet AG in the 1st half of 2023 are € 2,792k higher than in the previous year (1st half of 2022: € -45,155k). In the 1st half of 2023, interest paid includes payments of € 4,359k from a correction of the calculation of interest on the loan to United Internet AG from previous years, which had already been recognized in profit or loss in fiscal year 2022.

Cash and cash equivalents amounted to € 21,610k as of June 30, 2023 - compared with € 38,993k as of the prior-year reporting date.

Group’s asset position

At € 1,562,137k, total assets are slightly higher than total assets at December 31, 2022 (€ 1,541,505k).

Development of current assets

In €k	30.06.2023	31.12.2022	Change
Cash and cash equivalents	21,610	26,440	-18.3 %
Trade accounts receivable	71,454	66,628	7.2 %
Receivables from related parties	52,754	27,964	88.6 %
Contract assets	7,982	8,128	-1.8 %
Prepaid expenses	28,040	23,779	17.9 %
Other financial assets	16,945	12,377	36.9 %
Income tax claims	13,425	9,918	35.4 %
Other non-financial assets	942	1,128	-16.5 %
Total current assets	**213,152**	**176,362**	**20.9 %**

The increase of € 36,790k in **current assets** mainly results from the € 24,790k increase in **receivables from related parties**. This item includes cash pool receivables, which increased by € 18,766k due to the build-up of surplus liquidity invested with United Internet AG. In addition, trade receivables are € 4,826k higher than the respective balances at the end of the fiscal year, as are deferred expenses of € 4,261k and advance payments for domains (included in other financial assets) of € 3,496k.

Development of non-current assets

in €k	June 30, 2023	December 31, 2022	Change
Investments in associated companies	2,940	2,423	21.3 %
Other financial assets/Receivables from finance lease	3,949	4,081	-3.2 %
Property, plant and equipment	313,627	322,286	-2.7 %
Intangible assets	171,018	178,826	-4.4 %
Goodwill	825,730	820,844	0.6 %
Contract assets	2	1	100.0 %
Prepaid expenses	10,697	8,573	24.8 %
Deferred tax assets	21,022	28,109	-25.2 %
Total non-current assets	**1,348,985**	**1,365,143**	**-1.2 %**

Non-current assets are only slightly lower overall than at the end of fiscal year 2022. **Property, plant and equipment and intangible assets** decreased by € 16,467k, in particular as a result of depreciation and amortization (€ 53,632k) exceeding capital expenditure (€ 37,388k). **Goodwill** is higher than in the previous year due to exchange rate effects. **Deferred tax assets** are € 7,087k lower than in the previous year. This is mainly due to the recognition of additional deferred tax assets on interest carryforwards as a result of the positive tax planning in the amount of € 10,000k and the offsetting reversal of deferred tax assets in the amount of € 18,980k in the course of the partial settlement and remeasurement of the claims under the LTIP program.

Development of current liabilities

in €k	June 30, 2023	December 31, 2022	Change
Trade accounts payable	75,512	80,324	-6.0 %
Liabilities to related parties	1,737	6,570	-73.6 %
Income tax liabilities	16,016	19,471	-17.7 %
Contract liabilities	79,398	74,375	6.8 %
Other provisions	70	594	-88.2 %
Other financial liabilities	61,999	97,657	-36.5 %
Other non-financial liabilities	25,731	20,267	27.0 %
Total current liabilities	**260,463**	**299,258**	**-13.0 %**

Current liabilities decreased overall by € 38,795k compared with the end of the 2022 financial year. **Other financial liabilities** decreased by € 35,658k, mainly due to the lower subsequent measurement of a purchase price liability in connection with the acquisition of STRATO AG. The € 5,464k increase in **other non-financial liabilities** resulted from higher VAT and payroll and church tax liabilities.

Development of non-current liabilities

in €k	June 30, 2023	December 31, 2022	Change
Liabilities to related parties	1,215,000	1,245,000	-2.4 %
Deferred tax liabilities	38,983	38,470	1.3 %
Contract liabilities	1,824	1,099	66.0 %
Other provisions	3,522	4,203	-16.2 %
Other financial liabilities	113,303	115,655	-2.0 %
Total non-current liabilities	**1,372,632**	**1,404,427**	**-2.3 %**

The main reason for the decrease in **non-current liabilities** is the repayment of the vendor loan to United Internet AG in the amount of € 30,000k.

Development of equity

in €k	June 30, 2023	December 31, 2022	Change
Issued capital	140,000	360	38788.9 %
Reserves	-191,606	-136,644	40.2 %
Currency translation adjustment	-19,486	-26,019	-25.1 %
Equity attributable to shareholders of the parent company	-71,092	-162,303	-56.2 %
Non-controlling interests	134	123	8.9 %
Total equity	**-70,958**	**-162,180**	**-56.2 %**

The **Company's capital** was increased by €139,640k from € 360k to € 140,000k from company funds (other reserves). Other significant changes in **other reserves** in the 1st half of 2023 were the addition of the consolidated profit for the 1st half of 2023 in the amount of € 109,202k and the valuation of the employee stock option programs in the amount of € 3,903k. The payment of the employee stock option program LTIP in the amount of € 13,630k and the reversal of deferred tax assets on the employee stock option program LTIP in the amount of € 14,798k recognized directly in equity reduced other reserves. Overall, equity in the Group increased by € 91,222k from € -162,180k as of December 31, 2022 to € -70,958k as of June 30, 2023.

Net debt (i.e., the balance of liabilities to related parties, receivables from related parties and cash and cash equivalents) decreased by € 54,793k from € 1,197,166k as of December 31, 2022 to € 1,142,373k as of June 30, 2023.

Multi-period overview: Development of key balance sheet items

in €k	December 31, 2020	December 31, 2021	December 31, 2022	June 30, 2023
Balance sheet total	1,488,536	1,471,668	1,541,505	1,562,137
Cash and cash equivalents	105,805	49,520	26,440	21,610
Trade accounts receivable	35,572	49,526	66,628	71,454
Property, plant and equipment	219,908	271,782	322,286	313,627
Intangible assets	220,960	201,437	178,826	171,018
Goodwill	806,893	825,261	820,844	825,730
Liabilities to related parties	1,466,000	1,315,000	1,245,000	1,215,000
Issued capital	360	360	360	140,000
Equity	-326,166	-231,708	-162,180	-70,958
Equity ratio	-21.9 %	-15.7 %	-10.5 %	-4.5 %

Management Board’s overall assessment

IONOS Group SE looks back on a very successful H1 2023, which is reflected both in a positive development of revenues, but also in a significant increase of the paying customer base by 105,000 customers in H1 2023. This also underlines the success of our branding campaign launched in fiscal year 2021 and further intensified in 2022 and 2023, with which IONOS Group continues to tap into today's target markets with Web Presence & Productivity products, but also with cloud solutions. With this customer growth, revenue growth of 12.5% to € 708,644k and an increase in EBITDA of +20.0% to € 204,015k, IONOS performed very positively in H1 2023. However, EBITDA in the 1st half of the year was influenced by a special effect due to the recharging of IPO expenses from the previous year to the shareholders United Internet and Warburg Pincus in the amount of € 11,675k.

Adjusted EBITDA increased by € 19,447k to € 200,849k in the first half of the year, mainly due to a significant increase in gross profit (+€ 35,218k) of around +11.9% to € 332,251k. This contrasts with an increase in selling and administrative expenses, excluding depreciation and amortization, of € -8,436k and € -6,809k, respectively, which is primarily attributable to a higher level of personnel expenses in connection with new hires and salary adjustments. The cost of purchasing services for marketing/advertising in the 1st half of 2023 remained roughly at the level of the previous year (€ +1,104k). The slightly disproportionately low increase in adjusted EBITDA relative to sales is attributable in particular to the higher share of the Group's total sales accounted for by the lower-margin aftermarket business.

Based on the effects described above, the adjusted EBITDA margin decreased moderately from 28.8% in H1 2022 to 28.3% in H1 2023, as expected.

On the basis of the sales and earnings figures achieved in the first half of 2023 and in view of the investments made in the sustainable development of the company, the Executive Board continues to believe that the company is very well positioned for future corporate development. Accordingly, based on the continuation of the overall economic growth in the core sales markets of the IONOS Group in general, which is also forecast by the IMF, as well as the further advancing digitalization and the increasing importance of artificial intelligence in particular, the Executive Board continues to expect a positive development of the key financial and non-financial performance indicators in the future, also due to the stable business model based predominantly on electronic subscriptions.

After a very positive business development in the first half of the year with healthy growth and a further increase in the paying customer base, the Management Board of IONOS Group is optimistic at this point in time that it will achieve the targets contained in the planning and accordingly confirms its expected development of the key performance indicators revenue and adjusted EBITDA margin in the forecast for fiscal year 2023.

Supplementary report

On July 1, 2023, Dr. Jens Reich will succeed Dr. Martin Endreß as Chief Customer Officer of IONOS SE, who will terminate this function upon expiration of his contract term on October 1, 2023. In addition to this function, Dr. Jens Reich will join the Executive Board of IONOS Group SE as Deputy Chairman. In this newly created position, he will be responsible for marketing and sales of the IONOS Group.

Risk and opportunities report

The risk and opportunity policy of the IONOS Group is geared towards the goal of maintaining and sustainably increasing the value of the company by seizing opportunities and identifying and managing risks at an early stage. Risk and opportunity management regulates the responsible handling of uncertainties that are always associated with entrepreneurial activity.

Overall statement by the Board of Management on the risk and opportunity situation of the Group

The assessment of the overall risk situation is the result of a consolidated analysis of all significant risk areas and individual risks, taking into account interdependencies.

The overall risk and opportunity situation remained largely stable in the first six months of 2023 compared to the risk and opportunity reporting in the context of the consolidated financial statements 2022. No risks that could jeopardize the continued existence of the IONOS Group as a going concern were discernible either from individual risk positions or from the overall risk situation in the reporting period or at the time this half year report was prepared.

By continuously expanding its risk management, the IONOS Group counters these risks and limits them to a minimum by implementing specific measures, where this makes sense.

Forecast report

Economic expectations

Despite high inflation and the consequences of the war in Ukraine, the International Monetary Fund (IMF) is cautiously optimistic in its updated economic outlook (World Economic Outlook, July 2023 update) and has raised its forecasts for the vast majority of countries during the year, but at the same time remains significantly below the growth rates of the previous year.

Specifically, the IMF currently expects the global economy to grow by 3.0% in both 2023 and 2024 (previous year: 3.5%).

The Fund expects a (slight) increase in economic output for most of the target countries of the IONOS Group in the next two years. Specifically, the IMF expects growth of 1.8% and 1.0% in the USA in North America, 1.7% and 1.4% in Canada, and 2.6% and 1.5% in Mexico in 2023 and 2024, respectively, and of -0.3% and 1.3% in Germany, 0.4% and 1.0% in the United Kingdom, 0.8% and 1.3% in France, 1.1% and 0.9% in Italy and 2.5% and 2.0% in Spain.

	2024e	2023e	2022
World	3.0 %	3.0 %	3.5 %
USA	1.0 %	1.8 %	2.1 %
Canada	1.4 %	1.7 %	3.4 %
Mexico	1.5 %	2.6 %	3.0 %
Eurozone	1.5 %	0.9 %	3.5 %
France	1.3 %	0.8 %	2.5 %
Spain	2.0 %	2.5 %	5.5 %
Italy	0.9 %	1.1 %	3.7 %
UK	1.0 %	0.4 %	4.1 %
Germany	1.3 %	-0.3 %	1.8 %

Market/sector expectations

At its 2023 half-year press conference, the industry association Bitkom confirmed stable growth for the German telecommunications sector (ICT = information and communications technology) in a difficult overall economic environment.

Nevertheless, the association has lowered its growth forecast for 2023 as a whole from the previous 3.8% to 2.1% and now expects total revenue for the industry of € 213.2 billion.

For the largest submarket, information technology, the industry association has lowered its forecast for 2023 from 6.3% previously to 3.0% (previous year: 8.4%) and expects sales of € 143.6 billion.

The strongest growth is expected to come from software sales, which are expected to rise by 9.6% to € 41.5 billion. Artificial intelligence is playing an increasingly important role within this segment, with outstanding growth of 40.8% to € 1.0 billion. Collaboration tools, i.e. applications for collaboration and mobile working, are now also generating revenue of € 1.4 billion, an increase of 15.4%.

Sales of IT services are expected to grow by 5.3% to € 49.4 billion.

By contrast, the Hardware segment is expected to contract by -3.6% to € 52.6 billion - despite high growth rates for Infrastructure-as-a-Service (IaaS), i.e. leased servers, network and storage capacities. The reason for this is the (expected) slowdown in growth in mobile PCs, desktop PCs and tablets following the high level of investment in these end devices by companies and private households driven by the Corona pandemic.

Forecast for fiscal year 2023

Following the conclusion of the first half of the year, the IONOS Group confirms its forecast for 2023. For the full year, consolidated revenues are expected to increase unchanged to around € 1.4 billion (previous year: € 1.293 million).

With regard to the adjusted EBITDA margin, the Group continues to expect a level of at least 27% for the financial year 2023 (previous year: 26.7%) and thus an increase in adjusted EBITDA of at least 10% compared to the previous year.

Overall statement by the Board of Management on expected development

The Executive Board of IONOS Group SE remains optimistic about the future, also due to the stable business model based predominantly on electronic subscriptions. The investments made in customer relationships in recent years - particularly through broad-based TV campaigns in the European core markets, the further expansion of new business areas and the launch of new products - have created a broad foundation for the planned increase in revenues and earnings.

At the time of preparing this half-year financial report, the Executive Board of IONOS Group SE considers the Company to be very well positioned to achieve the revenue and earnings forecast explained in more detail in the preceding section "Forecast for the financial year 2023".

Foreward-looking statements

This half-year financial report contains forward-looking statements based on current expectations, assumptions and forecasts of the Executive Board of IONOS Group SE and the information currently available to it. The forward-looking statements are subject to various risks and uncertainties and are based on expectations, assumptions and forecasts that may not prove to be accurate in the future. IONOS does not guarantee that the forward-looking statements will prove to be accurate, does not assume any obligation to update or revise the forward-looking statements contained in this interim report.

INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED CASH FLOW STATEMENT

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RESPONSIBILITY STATEMENT

FINANCIAL CALENDAR / IMPRINT

IONOS Group SE, Montabaur

Consolidated statement of financial position as of June 30, 2023 in €k

	June 30, 2023	December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	21,610	26,440
Trade accounts receivable	71,454	66,628
Receivables from related parties	52,754	27,964
Contract assets	7,982	8,128
Inventories	176	162
Prepaid expenses	28,040	23,779
Other financial assets	16,945	12,377
Other non-financial assets	766	966
Income tax claims	13,425	9,918
	213,152	**176,362**
Non-current assets		
Investments in associated companies	2,940	2,423
Receivables from finance leases	3,016	3,178
Other financial assets	933	903
Property, plant and equipment	313,627	322,286
Intangible assets		
Other intangible assets	171,018	178,826
Goodwill	825,730	820,844
Contract assets	2	1
Prepaid expenses	10,697	8,573
Deferred tax assets	21,022	28,109
	1,348,985	1,365,143
Total assets	**1,562,137**	**1,541,505**
LIABILITIES		
Current liabilities		
Trade accounts payable	75,512	80,324
Liabilities to related parties	1,737	6,570
Income tax liabilities	16,016	19,471
Contract liabilities	79,398	74,375
Other provisions	70	594
Other financial liabilities	61,999	97,657
Other non-financial liabilities	25,731	20,267
	260,463	299,258
Non-current liabilities		
Liabilities to related parties	1,215,000	1,245,000
Deferred tax liabilities	38,983	38,470
Contract liabilities	1,824	1,099
Other provisions	3,522	4,203
Other financial liabilities	113,303	115,655
	1,372,632	1,404,427
Total liabilities	**1,633,095**	**1,703,685**

	June 30, 2023	December 31, 2022
EQUITY		
Issued capital	140,000	360
Reserves	-191,606	-136,644
Currency translation adjustment	-19,486	-26,019
Equity attributable to shareholders of the parent company	-71,092	-162,303
Non-controlling interests	134	123
Total equity	**-70,958**	**-162,180**
Total liabilities and equity	**1,562,137**	**1,541,505**

IONOS Group SE, Montabaur

Consolidated statement of comprehensive income
for the period from January 1 to June 30, 2023 in €k

	2023 January - June	2022 January - June
Revenue from contracts with customers	686,110	606,424
Revenue from contracts with related parties	22,534	23,380
Total revenue	708,644	629,804
Cost of sales	-376,393	-332,771
Gross profit	**332,251**	**297,033**
Selling expenses	-143,691	-137,731
General and administrative expenses	-45,854	-39,528
Impairment losses on receivables and contract assets	-5,190	-4,425
Other operating income / expenses	12,867	-2,104
Operating result	**150,383**	**113,245**
Financial result	-12,593	-37,858
Share of the profit or loss of associates accounted for using the equity method	-21	314
Pre-tax result	**137,769**	**75,701**
Income taxes	-28,556	-22,625
Net income	**109,213**	**53,076**
thereof attributable to		
non-controlling interests	11	592
shareholders of IONOS Group SE	109,202	52,484
Result per share of shareholders of IONOS Group SE (in €)		
basic	0.94	145.79
diluted	0.94	145.79
Weighted average of outstanding shares (in thousand units)		
basic	116,084	360
diluted	116,084	360
Reconciliation to total comprehensive income		
Net income	**109,213**	**53,076**
Items that may be reclassified subsequently to profit or loss		
Currency translation adjustment - unrealized	6,534	444
Other comprehensive income	**6,534**	**444**
Total comprehensive income	**115,747**	**53,520**
thereof attributable to		
non-controlling interests	11	592
shareholders of IONOS Group SE	115,736	52,928

IONOS Group SE, Montabaur

Consolidated cash flow statement

for the period from January 1 to June 30, 2023 in €k

	2023 January - June	2022* January - June
Net income	109,213	53,076
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization of intangible assets and property, plant and equipment	43,444	42,622
Depreciation and amortization of assets resulting from business combinations	10,188	14,178
Employee expenses from share-based payment programs	2,753	1,632
Payments from share-based payment programs	-13,630	0
Share of the profit or loss of associates accounted for using the equity method	21	-314
Distributed profits of associated companies	156	205
Other non-cash items from changes in deferred tax position	-7,197	-3,835
Income/Loss from the sale of intangible assets and property, plant and equipment	-153	-42
Non-cash change in purchase price derivative	-30,695	-7,201
Interest expenses	43,588	45,155
Operative cash flow	**157,688**	**145,476**
Change in assets and liabilities		
Change in receivables and other assets	-13,413	-25,583
Change in inventories	-14	-144
Change in contract assets	146	-527
Change in prepaid expenses	-6,386	-6,548
Change in trade accounts payable	-4,811	2,527
Change in receivables from/liabilities to related parties	-6,499	-585
Change in other provisions	-55	211
Change in income tax liabilities	-4,885	14,336
Change in other liabilities	2,271	7,623
Change in contract liabilities	5,748	4,042
Change in assets and liabilities, total	**-27,898**	**-4,648**
Cash flow from operating activities	**129,790**	**140,828**
Cash flow from investing activities		
Cash payments to acquire property, plant and equipment and intangibles	-31,301	-48,302
Cash receipts from sales of property, plant and equipment and intangibles	1,175	520
Payments for the acquisition/capital increase of associated companies	-694	-60
Cash payments/receipts from the sale of other financial assets	-22	1,055
Payments within the framework of cash pooling	-18,766	-3,812
Payments related to other financial assets	0	-9
Cash flow from investing activities	**-49,608**	**-50,608**

	2023 January - June	2022* January - June
Cash flow from financing activities		
Payments to minority shareholders for increased shareholdings in InterNetX Holding GmbH	0	-15,182
Dividend payments to non-controlling interests	0	-799
Cash proceeds from loans	0	9
Repayment of loans	-30,000	-35,000
Redemption of lease liabilities	-7,450	-6,161
Interest paid	-47,947	-45,155
Cash flow from financing activities	**-85,397**	**-102,288**
Net decrease in cash and cash equivalents	**-5,215**	**-12,068**
Cash and cash equivalents at beginning of period	**26,440**	**49,520**
Currency translation adjustments of cash and cash equivalents	**385**	**1,541**
Cash and cash equivalents at end of period	**21,610**	**38,993**

*: Prior year adjusted. The changes are explained in more detail in section 2. Significant accounting, measurement and consolidation policies.

IONOS Group SE, Montabaur

Consolidated statement of changes in equity

for the period from January 1 to June 30, 2023 in €k

	Issued capital	Reserves	Currency translation adjustment	Equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
	€k	€k	€k	€k	€k	€k
Balance as of January 1, 2022	**360**	**-213,903**	**-20,760**	**-234,303**	**2,595**	**-231,708**
Net income	0	52,484	0	52,484	592	53,076
Other comprehensive income	0	0	444	444	0	444
Total comprehensive income	**0**	**52,484**	**444**	**52,928**	**592**	**53,520**
Employee stock ownership program	0	1,632	0	1,632	0	1,632
Transactions with non-controlling interests	0	3,023	49	3,072	-2,273	799
Profit distributions	0	0	0	0	-799	-799
Balance as of June 30, 2022	**360**	**-156,764**	**-20,267**	**-176,671**	**115**	**-176,556**
Balance as of January 1, 2023	**360**	**-136,644**	**-26,019**	**-162,303**	**123**	**-162,180**
Net income	0	109,202	0	109,202	11	109,213
Other comprehensive income	0	0	6,534	6,534	0	6,534
Total comprehensive income	**0**	**109,202**	**6,534**	**115,736**	**11**	**115,747**
Capital increase from company funds	139,640	-139,640	0	0	0	0
Employee stock ownership program	0	-24,525	0	-24,525	0	-24,525
Balance as of June 30, 2023	**140,000**	**-191,607**	**-19,485**	**-71,092**	**134**	**-70,958**

Notes to the interim consolidated financial statements

1. Information on the Company

The IONOS Group, with IONOS Group SE as its listed parent company (hereinafter referred to as "IONOS Group SE" or together with its subsidiaries "IONOS Group"), is the leading European Internet specialist in the hosting business segment. The Group also develops applications for the use of the Internet. The IONOS Group consists of various companies in Germany and abroad. In accordance with internal management reporting, there is one single operating segment.

IONOS Group SE has its registered office in 56410 Montabaur, Elgendorfer Straße 57, Germany, where it is registered with the local court under HRB 25386.

The shares of IONOS Group SE have been listed on the regulated market of the Frankfurt Stock Exchange since February 8, 2023. As of June 30, 2023, United Internet AG holds 63.8% and WP XII Venture Holdings II SCSp, Luxembourg / Luxembourg 21.2% of the shares in IONOS Group SE. A further 15.0% are in free float.

2. Significant accounting, measurement and consolidation principles

The interim financial statements of IONOS Group SE as of June 30, 2023 have been prepared, as were the consolidated financial statements as of December 31, 2022, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The condensed interim consolidated financial statements for the period from January 1, 2023 to June 30, 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting.

For the presentation of these interim consolidated financial statements, a condensed scope of reporting has been chosen compared to the consolidated financial statements, which should therefore be read in the context of the consolidated financial statements as of December 31, 2022. The accounting policies applied and the significant judgments and estimates made in the condensed interim consolidated financial statements are consistent with those of the previous year, except for the mandatory new standards described below.

Mandatory adoption of new accounting standards

The following standards are mandatory in the EU for the first time for fiscal years beginning on or after January 1, 2023:

Standard		Mandatory for fiscal years beginning on or after	Endorsed by EU Commission
IAS 1	Amendment: Requirements for the disclosure of material information relating to accounting principles	January 1, 2023	Yes
IAS 8	Amendment: New definition to distinguish between accounting policies and accounting estimates	January 1, 2023	Yes
IAS 12	Amendment: Scope of the exemption under which no deferred tax assets or liabilities are to be recognized at the time of addition of an asset or liability	January 1, 2023	Yes
IFRS 17	Amendment: Replaces the previously applicable transitional standard IFRS 4. The standard governs the accounting treatment of insurance contracts.	January 1, 2023	Yes
IFRS 17	Amendment: Comparative information on first-time adoption of IFRS 17 and IFRS 9	January 1, 2023	Yes

The first-time application of the new accounting standards did not have any significant impact on these half-year financial statements.

Use of estimates and assumptions

The preparation of the condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. However, the uncertainty associated with these assumptions and estimates could lead to results that may require material adjustments to the carrying amounts of the assets or liabilities affected in the future.

Change in the presentation of the cash flow statement

In order to better reconcile EBITDA and free cash flow, the Group has adjusted the cash outflows for interest in the statement of cash flows and no longer presents them in operating activities but in cash flows from financing activities. As interest expense is not included in EBITDA - which serves as a measure of operating profit and excludes interest, taxes, depreciation and amortization - the inclusion of interest payments in operating cash flow may lead to a distortion of actual operating performance.

The reclassification of interest payments to the financing section of cash flow improves the presentation of the company's financial results and achieves greater consistency between EBITDA and free cash flow. In addition, the interest portion of repayments of lease liabilities has been eliminated, which now allows the entire outflow of interest payments to be presented in one line.

This measure thus contributes to a more transparent presentation of the company's financial performance and clarifies the company's ability to repay its debts. In addition, a (more) transparent and (more) comparable presentation of the cash flow can be created, which provides investors and other stakeholders with a better understanding of the company's financial performance.

Miscellaneous

All significant subsidiaries and associated companies are included in the interim consolidated financial statements.

The scope of consolidation remains unchanged compared to the consolidated financial statements as of December 31, 2022.

These interim consolidated financial statements have not been audited in accordance with §317 HGB or reviewed by an auditor.

Notes to the statement of comprehensive income

Only those items that have a notable impact on earnings in the consolidated statement of comprehensive income for the 1st half of 2023 are explained.

3. Segment reporting

Under IFRS 8, the identification of reportable operating segments is based on the so-called management approach. According to this approach, external reporting is based on the Group's internal organizational and management structure and internal financial reporting to the chief operating decision maker. This function is performed by the members of the Company's Management Board as well as by the Management Board of IONOS Holding SE, who review the financial information presented on a consolidated basis for the purposes of allocating resources and assessing the financial performance of the Company as a whole. Accordingly, we have one operating management level.

The control measures used to assess performance are presented below:

- Revenue from contracts with customers
- EBITDA und EBITDA margin
- Adjusted EBITDA and Adjusted EBITDA margin

The IONOS Group’s total revenue from third parties breaks down by region as follows:

€k	2023 January – June	2022 January – June
Domestic	348,785	307,356
Foreign	337,325	299,068
Total	**686,110**	**606,424**

In the first half of 2023, revenue from contracts with customers breaks down into product revenue from the business area Web Presence & Productivity of € 614,160k (previous year: € 542,409k) and Cloud of € 71,950k (previous year: € 64,015k).

"EBITDA" is the consolidated profit before finance costs and finance income and before depreciation and amortization. "EBITDA margin" is the ratio of EBITDA to revenue from contracts with customers.

The EBITDA margin is calculated as follows:

€k	2023 January - June	2022 January - June
Total revenue	708,644	629,804
EBITDA (€k)	204,015	170,045
EBITDA margin (%)	28.8 %	27.0 %
Adjusted EBITDA (€k)	200,849	181,402
Adjusted EBITDA margin (%)	28.3 %	28.8 %

Adjusted EBITDA is calculated as follows:

€k	2023 January - June	2022 January - June
Operating result	150,383	113,245
Depreciation and amortization of intangible assets and property, plant and equipment	53,632	56,800
EBITDA	204,015	170,045
Adjustment for LTIP (1)	2,753	1,632
Adjustment for stand-alone activities (2)	4,575	7,368
Adjustment for IPO costs (3)	-11,675	2,357
Adjustment for severance payments (4)	1,181	0
Total adjustments	-3,166	11,357
Adjusted EBITDA	200,849	181,402

(1) Includes costs for employee stock ownership programs.

(2) Includes costs of preparing the spin-off from the United Internet Group and the establishment of IONOS Group SE as an independent group (primarily costs of the billing carve-out project (separation from billing systems of 1&1 Telecommunication SE).

(3) Includes external costs incurred in connection with the IPO. In the first half year of 2023, this includes income from the recharging of costs incurred in connection with the IPO to the shareholders United Internet AG and Warburg Pincus.

(4) Includes expenses related to reorganization and restructuring measures which primarily consist of severance payments and other personnel-related costs.

The following table shows the Group's revenues from contracts with customers and the non-current assets of the IONOS Group, broken down by the Company's country of origin and other countries. In presenting information on a geographical basis, revenues from contracts with customers and assets are based on the geographical locations of the Group companies generating the revenues and the assets, respectively.

Revenue from contracts with customers based on the geographic location of the Group companies that generate the revenue:

€k	2023 January - June	2022 January - June
Germany	348,785	307,356
USA	156,989	129,294
UK	67,411	65,415
Spain	56,285	52,473
France	29,780	27,832
Poland	19,558	17,197
Austria	7,302	6,857
Total	**686,110**	**606,424**

Non-current assets based on the location of the assets:

€k	June 30,2023	December 31, 2022
Germany	847,086	858,499
Poland	146,471	143,719
Spain	126,743	127,474
UK	100,056	97,551
Austria	72,834	73,079
USA	26,956	28,190
France	4,029	4,349
Romania	1,819	2,032
Philippines	1,036	1,239
Total	**1,327,030**	**1,336,132**

Non-current assets do not include any financial investments (with the exception of financial assets accounted for using the equity method) and no deferred tax assets or employee benefit assets.

4. Cost of sales

The increase in the cost of purchased services from € 332,771k in H1 2022 to € 376,393k in H1 2023 results mainly from the purchase of services in connection with the sale of domains and, in particular, with the lower-margin parking revenues (i.e., unused domains that can be used by "parking" them instead of just displaying an error message, e.g., with an advertisement of the domain name that generates revenue when clicked on), so that the cost of sales increased more than proportionally to the revenue. This was partially offset by a slight decrease in expenses for energy.

5. Other operating income / expenses

The net position from other operating income and expenses increased in the 1st half of 2023 by € 14,971k to € 12,867k (1st half of 2022: € -2,104k). This includes income of € 11,675k from IPO costs passed on from the previous year. The net loss from expenses and income from foreign currency translation decreased from € -2,707k in the 1st half of 2022 to € -1,352k in the 1st half of 2023. This item mainly includes gains and losses from exchange rate changes between the origination and payment dates of foreign currency receivables and payables, as well as losses from measurement at the balance sheet date.

6. Depreciation and amortization

In the 1st half of 2023, depreciation of property, plant and equipment and amortization of intangible assets amounted to € 43,444k (1st half of 2022: € 42,622k) and amortization of capitalized intangible assets from business combinations to € 10,188k (1st half of 2022: € 14,178k). In the 1st half of 2023, depreciation of property, plant and equipment and amortization of intangible assets thus amounted to € 53,632k (1st half of 2022: € 56,800k).

7. Personnel expenses

Personnel expenses in the 1st half of 2023 amounted to € 133,681k (1st half of 2022: € 117,236k).

The Group had a total of 4,330 employees at the end of June 2023, of which 1,994 were outside Germany. The number of employees at the end of June 2022 was 4,159, of which 1,881 were outside Germany.

8. Financial result

The financial result amounted to € -12,593k in the first half of 2023 and was therefore € 25,265k higher than the financial result in the previous year (€ -37,858k). This is mainly due to higher income from the subsequent measurement of the purchase price liability in connection with the acquisition of STRATO AG (H1 2023: € 30,695k; H1 2022: € 7,201k; +€ 23,494k).

Notes to the statement of financial position

Explanations are only provided for items that show significant changes in the amounts presented compared to the last consolidated financial statements.

9. Receivables from related parties

Receivables from related parties mainly comprise receivables from the cash pool with United Internet AG and amount to € 52,754k as of June 30, 2023, € 24,790k higher than as of December 31, 2022.

10. Property, plant and equipment, intangible assets and goodwill

Investments in property, plant and equipment and intangible assets in the interim reporting period totaled € 31,301k (first half of 2022: € 48,302k), with investments being made in particular in servers for the cloud business. Investments in the previous year were € 17,001k higher than in the current half-year period, in particular due to the construction of the data center in the United Kingdom. Investments in property, plant and equipment, which are capitalized as rights of use in the statement of financial position in accordance with IFRS 16, were not included in CAPEX.

The reported goodwill of € 825,730k increased by € 4,886k compared with December 31, 2022 due to exchange rate effects.

11. Other current financial liabilities

The decrease in other current financial liabilities by € 35,658k from € 97,657k at the end of the financial year to € 61,999k as of June 30, 2023 is mainly due to the € 30,695k lower fair value of the variable purchase price liability from the acquisition of STRATO AG compared with the end of the financial year. In addition, liabilities for marketing and selling expenses decreased by € 5,813k.

12. Equity

The negative equity of IONOS Group SE is not due to past losses, but mainly results from a non-cash distribution to the majority shareholder United Internet AG as part of a group restructuring in 2017 in connection with the acquisition of 33.33% of IONOS Group SE by Warburg Pincus LLC, New York / USA. For further information, please refer to Note 1 (Going Concern) in the 2022 consolidated financial statements of IONOS Group SE.

The Company's capital was increased by € 139,640k from € 360k to € 140,000k from retained earnings (other reserves) upon registration as of February 1, 2023. Furthermore, the preference share of IONOS Group SE was converted into one ordinary share. Other significant changes in other reserves in the first half of 2023 were the increase from the consolidated net income attributable to the shareholders of IONOS Group SE in the amount of € 109,202k (first half of 2022: € 52,484k) and the expense from employee participation programs in the amount of € 3,903k (first half-year 2022: € 1,632k) as well as the reduction due to the payment of the employee stock option program in the amount of € 13,630k and due to the reversal of deferred tax assets on the employee stock option program in the amount of € 14,798k without affecting profit or loss.

Other items

13. Employee stock ownership programs

Long Term Incentive Plan 2017 und Stock Appreciation Rights 2023

In the financial year 2017, an additional employee participation program (Long Term Incentive Plan, LTIP) was established for the IONOS Group. The objective of the LTIP program is to align the long-term interests of the members of the management and other key employees of the IONOS Group with the interests of the Company in order to increase the equity value of the Company (IONOS Group SE) and other companies of the IONOS Group.

Under the LTIP, so-called Management Incentive Plan (MIP) units are allocated to eligible employees. Vesting takes place on a straight-line basis over a period of four years (starting from the date of issue) and on condition that the employee concerned has not resigned at the end of each year.

On January 26, 2023, a new compensation system was introduced and the service contracts of the Company's Executive Board and the members of the Executive Board of IONOS Holding SE were extended, both subject to an IPO. The compensation package includes long-term, share-based compensation in the form of a virtual Stock Appreciation Rights Plan (SAR Plan 2023), under which virtual stock appreciation rights (SARs) are granted, and a replacement bonus for the existing LTIP.

As part of the replacement of the existing LTIP, all awards under the existing LTIP vested on the first exchange trading day (February 8, 2023). In addition, the payment of one-third of the existing LTIP award was made conditional on three new trigger events (initial public offering, 18 months and 24 months after the first trading day, respectively), provided that the service agreement with the respective participant had not yet been terminated at the time of the occurrence of the respective trigger event.

The payment of the first third of the LTIP program resulted in a payment of € 13,630k in the 1st half of 2023. In the course of this partial settlement and the remeasurement of the LTIP entitlements, deferred tax assets of € 18,980k were reversed.

The personnel expense recognized in the 1st half of 2023 in connection with the stock options issued (LTIP and SAR) amounted to € 2,753k (1st half of 2022: € 1,632k). In the 1st half of 2023, this also includes income from the reversal of a cash-settled LTIP program in the amount of € 1,150k.

14. Additional disclosures on financial statements

The table below shows the carrying amounts for each category of financial assets and liabilites as of June 30, 2023:

€k	Measurement category acc. to IFRS 9	Carrying amount as of June 30, 2023	Amortized cost	Fair value through profit or loss	Measurement acc. to IFRS 16	Fair value as of June 30, 2023
Financial assets						
Cash and cash equivalents	ac	21,610	21,610	0	0	21,610
Trade accounts receivable	ac	71,454	71,454	0	0	71,454
Receivables from related parties	ac	52,754	52,754	0	0	52,754
Other current financial assets	ac	16,945	16,945	0	0	16,945
Other non-current financial assets	ac	933	933	0	0	812

€k	Measurement category acc. to IFRS 9	Carrying amount as of June 30, 2023	Amortized cost	Fair value through profit or loss	Measurement acc. to IFRS 16	Fair value as of June 30, 2023
Financial liabilities						
Trade accounts payable	flac	-75,512	-75,512	0	0	-75,512
Liabilities to related parties	flac	-1,216,737	-1,216,737	0	0	-1,251,265
Other financial liabilities						
Lease liabilities	n/a	-126,375	0	0	-126,375	n/a
Contingent purchase price liabilities	fvtpl	-7,524	0	-7,524		-7,524
Other	flac	-41,403	-41,403	0	0	-41,403
Thereof aggregated acc. to measurement categories:						
Financial assets at amortized cost	ac	163,696	163,696	0	0	163,575
Financial liabilities at amortized cost	flac	-1,333,652	-1,333,652	0	0	-1,368,180
Financial liabilities measured at fair value through profit or loss	fvtpl	-7,524	0	-7,524	0	-7,524

The table below shows the carrying amounts for each category of financial assets and liabilities as of December 31, 222:

€k	Measurement category acc. to IFRS 9	Carrying amount as of December 31, 2022	Amortized cost	Fair value through profit or loss	Measurement acc. to IFRS 16	Fair value as of December 31, 2022
Financial assets						
Cash and cash equivalents	ac	26,440	26,440	0	0	26,440
Trade accounts receivable	ac	66,628	66,628	0	0	66,628
Receivables from related parties	ac	27,964	27,964	0	0	27,964
Other current financial assets	ac	12,377	12,377	0	0	12,377
Other non-current financial assets	ac	903	903	0	0	779

€k	Measurement category acc. to IFRS 9	Carrying amount as of December 31, 2022	Amortized cost	Fair value through profit or loss	Measurement acc. to IFRS 16	Fair value as of December 31, 2022
Financial liabilities						
Trade accounts payable	flac	-80,324	-80,324	0	0	-80,324
Liabilities to related parties	flac	-1,251,570	-1,251,570	0	0	-1,321,312
Other financial liabilities						
Lease liabilities	n/a	-129,068	0	0	-129,068	n/a
Contingent purchase price liabilities	fvtpl	-38,219	0	-38,219		-38,219
Other	flac	-46,025	-46,025	0	0	-46,025
Thereof aggregated acc. to measurement categories:						
Financial assets at amortized cost	ac	134,312	134,312	0	0	134,188
Financial liabilities at amortized cost	flac	-1,377,919	-1,377,919	0	0	-1,447,661
Financial liabilities measured at fair value through profit or loss	fvtpl	-38,219	0	-38,219	0	-38,219

The methods and assumptions used to determine the fair values are as follows:

- Cash and cash equivalents, trade receivables, trade payables, current receivables from and payables to related parties, and other current assets and liabilities are very close to their carrying amounts, mainly due to the short maturities of these instruments. The same applies to current liabilities to banks.
- Liabilities in connection with finance leases show minor differences between carrying amount and fair value due to the change in interest rates.
- The fair value of financial assets and financial liabilities is stated at the amount at which the instrument could be exchanged in a current transaction (other than a forced sale or liquidation) between willing parties.

- Long-term fixed-interest and variable-interest receivables/loans are measured by the IONOS Group based on parameters such as interest rates, certain country-specific risk factors and creditworthiness of the individual debtors. Based on this valuation, allowances are made to account for expected defaults on these receivables. As of June 30, 2023, the carrying amounts of these receivables, net of allowances, did not differ materially from their calculated fair values.
- The fair value of other financial liabilities and fixed-interest non-current liabilities to related parties is estimated by discounting the future cash flows using interest rates currently available for borrowings on comparable terms, credit risks and remaining maturities. Option pricing models are predominantly used for the valuation of contingent purchase price liabilities.
- The fair value of unquoted financial assets and liabilities measured at fair value is estimated using appropriate valuation techniques.

Fair value hierarchy

The IONOS Group uses the following hierarchy to determine and report fair values of financial instruments per valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for similar assets or liabilities.

Level 2: techniques in which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Assets and liabilities measured at fair value

€k	As of June 30, 2023	Level 1	Level 2	Level 3
Financial liabilities measured at fair value through profit or loss				
Contingent purchase price liability	-7,524	0	0	-7,524

As in the previous year, there were no transfers between measurement levels during the reporting period.

€k	As of Dec. 31, 2022	Level 1	Level 2	Level 3
Financial liabilities measured at fair value through profit or loss				
Contingent purchase price liability	-38,219	0	0	-38,219

The significant unobservable inputs to the fair value measurements categorized within Level 3 of the fair value hierarchy and a quantitative sensitivity analysis as of June 30, 2023 and December 31, 2022 are presented below:

June 30, 2023	Measurement method	Main non-observable inputs	Considered in measurement	Sensitivity of input on fair value	
Contingent purchase price liability	Black Scholes	Maturity	0.75 years	+0.5 years	-0.5 years
				€ +1.6 million	€ -2.6 million
		Volatility	33.54 %	+1 %	-1 %
				€ +0.2 million	€ -0.2 million

Dec. 31, 2022	Measurement method	Main non-observable inputs	Considered in measurement	Sensitivity of input on fair value	
Contingent purchase price liability	Black Scholes	Maturity	0.1 years	+0.25 years	n/a
				€ -2.7 million	n/a
		Volatility	39.29 %	+1 %	-1 %
				€ -0.0 million	€ +0.0 million

Another purchase price liability measured at fair value is already due. Here, only the payment is outstanding. A sensitivity analysis is therefore not performed.

15. Related party disclosures

Related parties as defined by IAS 24 are persons and entities if one of the parties has the ability to control or exercise significant influence over the other party.

Related parties of the IONOS Group include the Management Board and Supervisory Board of IONOS Group SE, as well as the Management Boards and Supervisory Boards of IONOS Holding SE and IONOS SE, and the group companies of the United Internet AG Group, which are not part of the IONOS Group. Furthermore, investments over which the companies of the IONOS Group can exercise significant influence (associated companies) are classified as related parties. In addition, Mr. Ralph Dommermuth, the major shareholder of United Internet AG, is classified as a related party.

In the 1st half of 2023, € 30,000k of the loan existing between IONOS Holding SE and United Internet AG was repaid. The balance as of June 30, 2023 amounts to € 1,215,000k (December 31, 2022: € 1,245,000k).

The business premises of the IONOS Group in Montabaur and at other Group locations were rented by Mr. Ralph Dommermuth or companies attributable to him. The associated rental expenses are at a normal local level and amounted to € 2,030k in the first half of 2023 (first half of 2022: € 1,698k).

IONOS Group SE and its subsidiaries own and operate data centers whose performance is made available to other Group companies of the Consumer Access and Consumer Applications segments of the United Internet Group. The sales generated from this slightly decreased (1st half-year 2023: € 22,534k; 1st half-year 2022: € 23,380k; - 3.6%), which is mainly due to lower electricity costs in purchasing and the associated lower cost pass-through.

There were no other significant transactions.

16. Events after balance sheet date

On July 1, 2023, Dr. Jens Reich will succeed Dr. Martin Endreß as Chief Customer Officer of IONOS SE, who will terminate this function upon expiration of his contract term on October 1, 2023. In addition to this function, Dr. Jens Reich will join the Executive Board of IONOS Group SE as Deputy Chairman. In this newly created position, he will be responsible for marketing and sales of the IONOS Group.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the interim consolidated financial statements give in compliance with generally accepted accounting principles, a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Montabaur, August 3, 2023

Achim Weiß   Britta Schmidt   Dr. Jens Reich

FINANCIAL CALENDAR

March 30, 2023	Publication of Annual Financial Statements 2022
May 10, 2023	Quarterly Statement Q1 2023
May 15, 2023	Annual General Meeting 2023, Alte Oper / Frankfurt/Main
August 3, 2023	Half-Year Financial Report 2023
November 10, 2023	Quarterly Statement Q3 2023

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August 2023
Registry court: Montabaur HRB 25386

Note:

Due to calculation processes, tables and references may produce rounding differences from the mathmatically exact values (monetary unites, percentage statements, etc.)

This half-year financial report is available in German and English. Both versions can also be downloaded from the internet at www.ionos-group.com. In case of doubt, the German version shall prevail.

For better readability, the masculine form is used for gender-specific terms in this half-year statement. IONOS would like to point out that the use of the masculine form is to be understood as explicitly gender-independent.

Produced in-house with Firesys

Disclaimer

This interim statement contains forward-looking statements that reflect the current views of IONOS Group SE's management with regard to future events. These forward-looking statements are based on our currently valid plans, estimates and expectations. Forward-looking statements are only based on those facts valid at the time when the statements were made. Such statements are subject to certain risks and uncertainties and other factors, many of which are beyond IONOS' control, that could cause actual results to differ materially from those expressed in the forward-looking statements. These risks, uncertainties and other factors are described in detail in our risk reporting in the Annual Reports of IONOS Group SE. IONOS Group SE does not intend to revise or update such forward-looking statements.

IONOS Group SE

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