



NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, SOUTH AFRICA, JAPAN OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR REQUIRE REGISTRATION OR ANY OTHER MEASURES.

IONOS Group SE plans Initial Public Offering in the first quarter of 2023

- IONOS is the leading digitalization partner for SMBs in Europe, providing technology solutions to around six million customers around the world
- With sustainable growth, strong profitability and high cash flow generation, IONOS is well positioned in large and fast-growing markets driven by secular trends
- An Initial Public Offering is the next logical step to accelerate the Company's growth trajectory and strengthen its brand
- Intended listing of shares and admission to trading on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange

Karlsruhe/Berlin, January 17, 2023. IONOS Group SE (together with its subsidiaries "IONOS" or the "Company"), the leading European digitalization partner for small and medium-sized businesses ("SMB"), together with its shareholders United Internet AG ("United Internet") and WP XII Venture Holdings II SCSp, an affiliate of Warburg Pincus (together "Warburg Pincus"), announced plans for an Initial Public Offering ("IPO") and listing of its shares on the Regulated Market of the Frankfurt Stock Exchange (Prime Standard) in the first quarter of 2023, subject to market conditions. The IPO is expected to consist of the offering of existing shares held by United Internet and Warburg Pincus, with United Internet retaining a majority stake in IONOS following the completion of the IPO. The targeted free float is expected to create a liquid market for IONOS Group SE's shares.

Achim Weiss, CEO of IONOS Group SE, says, "The planned IPO marks a new chapter in the IONOS success story. Our Web Presence & Productivity business has proven its capabilities for many years, and our Cloud Solutions business is growing quickly and already self-sustaining. Building on our strong financial profile, we expect that an IPO will enhance the appeal of our brand, which already enjoys a high recognition in many countries, and support IONOS in its ambitions to strengthen its position as the leading European partner for the digitalization of SMBs and as a powerful cloud enabler."

Ralph Dommermuth, designated Chairman of the Supervisory Board of IONOS Group SE and CEO of United Internet AG, says, "Following the powerful growth and successful development of IONOS in recent years, an IPO is the next logical step on IONOS' journey. As a standalone, publicly listed company, IONOS would enjoy greater flexibility."

René Obermann, Co-Head Europe of Warburg Pincus and designated Member of the Supervisory Board of IONOS Group SE, adds, "Having contributed to IONOS' successful journey over the past years, we are proud to accompany the Company on its way to the capital markets. The IPO marks an important milestone for IONOS, allowing it to explore many new

IONOS

growth opportunities in the future, and is a very exciting step for all stakeholders in the business.”

Growing Web Presence & Productivity business driven by clear leading European web hosting position

As the #1 European SMB digitalization partner and trusted cloud enabler, IONOS supports its customers along their digitalization journey. The Company operates a strategic footprint in a total of 18 markets in Europe and North America with its platform being accessible worldwide. It has leading #1 and #2 web hosting market positions in the core markets Germany, Spain, UK, France and Poland. IONOS has a broad portfolio of products and services, supported by award-winning customer service and state-of-the art infrastructure. It serves a large, diversified and loyal customer base with around six million customers worldwide (as of September 30, 2022).

IONOS provides digital infrastructure that is often mission-critical to these companies as a large, increasing number of SMBs have growing digitalization needs to enhance visibility and efficiency in order to ensure their operations and growth. IONOS' businesses and markets have shown resilience even in times of crisis and have great potential to continue their growth trajectory. The Company's served addressable market is expected to grow at a compound annual growth rate ("CAGR") of approximately 19% from EUR 38 billion in 2021 to EUR 89 billion until 2026, with the Web Presence & Productivity ("WP&P") market segment expected to grow at a 2021-2026 CAGR of approximately 9% to reach EUR 34 billion and the Cloud market segment of such served addressable market expected to grow at a 29% 2021-2026 CAGR to reach EUR 55 billion by 2026¹.

IONOS' scalable platform and diversified product portfolio in WP&P as well as Cloud Solutions are designed to enable customers to grow online by providing them with fundamental and mission-critical digital solutions and infrastructure. In WP&P, which generated approximately 90% of the Company's revenues² in 2021, IONOS offers a one-stop shop for all digitalization needs of SMB customers across their lifecycle: from domains and web hosting to classic website builders and do-it-yourself solutions, from professional e-mail to e-commerce solutions and online marketing tools. Further, the Company offers comprehensive aftermarket activities including among others the operation of a marketplace for domains. The aftermarket business has grown significantly over the past few years.

The business model is predominantly based on customer contracts with fixed monthly charges and contractually defined terms, providing stable, recurring and predictable revenue and cash flows. This offers protection against cyclicalities and creates financial flexibility to exploit opportunities in new business areas and new markets. Additionally, IONOS targets revenue growth of the WP&P business at a high single-digit CAGR in the medium term while benefiting from significant barriers to entry.

¹ McKinsey (2022): The SMB Market for Digitization and Cloud Solutions. For its served addressable market, IONOS has deducted Cloud North America and server hosting North America from total McKinsey figures to align with IONOS current addressability.

² From contracts with customers.



Fast-growing and already self-sustaining Cloud Solutions business

One of IONOS' main growth engines is its already self-sustaining Cloud Solutions business, which accounted for approximately 10% of revenues² in 2021. Recent investments, fully financed by reinvested earnings, have contributed to the division's growth momentum: the Cloud Solutions business grew at 19% CAGR from 2019 to 2021. IONOS intends to significantly benefit not only from a global shift towards the cloud, as well as from the fact that it has its own tech stack that is independent from US providers.

Resilient business model based on sustainable growth, profitability and cash generation

IONOS' resilient business model combines sustainable growth, strong profitability and high cash generation that fares better than many of its peers, in the Company's assessment.

The Company generated total revenues of EUR 1.1 billion in 2021 and estimates to have achieved a total revenue growth year-on-year of 15-18% in 2022. In the first nine months of 2022, IONOS grew its total revenue by approximately 19% compared to the first nine months of 2021, thereby bolstering its growth trajectory in both WP&P and Cloud Solutions. In the mid-term, the Company aims for a total revenue growth CAGR of around 10%, with an underlying assumption that Cloud Solutions would deliver a CAGR of around 20%.

IONOS operates a highly profitable and asset-light business, with an Adjusted EBITDA Margin of 32.2% in 2021. While it estimates a lower margin for 2022 due to further investments in the IONOS brand, the Company aims to achieve an Adjusted EBITDA Margin that will progressively exceed and steadily remain above 30% in the mid-term.

Driven by the large share of subscription-based recurring revenue, the scalability of its business model and a high cash generation combined with low levels of maintenance capital expenditures in 2021, the Company has a Cash Conversion Rate of 89.5%.

Further growth supported by multiple growth levers and continued brand investments

With leading web hosting positions in several European markets underpinning IONOS' strong position in the large and growing web hosting market, a best-in-class financial profile and a resilient business model, the Company is confident to be very well positioned for future growth. Besides continuous organic growth resulting from previous successful investments, e.g. in Cloud Solutions and the expansion across existing as well as into new local markets, IONOS aims to capitalize on further growth potential. At the same time, building the industry's strongest brand is a key element to secure future market success, with up- and cross-selling of today's product portfolio marking another strong growth opportunity. In the long-term, further international expansion, a broadening of the product portfolio and driving consolidation via opportunistic M&A are additional options to accelerate growth.

As a standalone, publicly listed company, IONOS believes that it will have an enhanced flexibility to implement this growth strategy. The Company further aims to benefit from increased visibility and prominence of IONOS' brands, as well as direct access to the capital markets following an IPO, to further accelerate its growth trajectory and consolidate its leading

IONOS

position in the European web hosting market. IONOS has secured financing through intercompany loans provided by United Internet.

Further details on the intended IPO

IONOS Group SE's current share capital is held by United Internet (75.1%) and Warburg Pincus (24.9%). The offering is expected to consist of a public offering in Germany and international private placements. The listing of the shares of IONOS Group SE is planned on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange. J.P. Morgan, Berenberg, Deutsche Bank and BNP PARIBAS are acting as the Joint Global Coordinators in connection with the planned transaction. Barclays and Goldman Sachs are acting as Joint Bookrunners. COMMERZBANK, DZ BANK and Landesbank Baden-Württemberg are Co-Lead Managers.

###

About IONOS

IONOS is the leading European SMB digitalization partner and a trusted cloud enabler. The Company provides web presence and productivity solutions as well as cloud infrastructure and cloud solutions to more than six million customers and operates across 18 markets in Europe and North America, with its platform being accessible worldwide. With its comprehensive product portfolio, IONOS acts as a 'one-stop shop' for all digitalization needs: from domains and web hosting to classic website builders and do-it-yourself solutions, from e-commerce and online marketing tools to full-fledged servers and IaaS solutions. The Company's scalable platform provides end-to-end solutions for freelancers, small and medium businesses and consumers as well as enterprise customers with complex IT requirements.

IONOS is part of the listed United Internet AG (ISIN DE0005089031).

IONOS press

Andreas Maurer

Phone: +49 2602 96-1275

press@ionos-group.com

IONOS Investor Relations

investor-relations@ionos-group.com

Disclaimer

This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities to any person in the United States, Australia, Canada, South Africa, Japan or in any jurisdiction to whom or in which such offer or solicitation is unlawful.

IONOS

Neither this announcement nor the publication in which it is contained is for publication or distribution, directly or indirectly, in whole or in part, in or into the United States of America, including its territories and possessions, any state of the United States and the District of Columbia (the "**United States**"). The information in this announcement does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares in IONOS Group SE in any jurisdiction. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered, subscribed, used, pledged, sold, resold, allotted, delivered or transferred, directly or indirectly, in or into the United States absent exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

Subject to certain exceptions under applicable law, the securities referred to herein may not be offered or sold in Australia, Canada, South Africa or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada, South Africa or Japan.

This announcement does not purport to contain all information required to evaluate the Company and/or its financial position and, in particular, is subject to amendment, revision, verification, correction, completion and updating in its entirety. None of (i) IONOS Group SE or any other member of the Company, (ii) United Internet AG ("**United Internet**"), (iii) WP XII Venture Holdings S.à r.l., (iv) WP XII Venture Holdings II SCSp (together with United Internet, the "**Selling Shareholders**"), (v) Warburg Pincus LLC, (vi) J.P. Morgan SE, (vii) Joh. Berenberg, Gossler & Co. KG, (viii) Deutsche Bank Aktiengesellschaft, (ix) BNP PARIBAS, (x) Barclays Bank Ireland PLC, (xi) Goldman Sachs Bank Europe SE, (xii) COMMERZBANK Aktiengesellschaft, (xiii) DZ BANK AG Deutsche Zentralgenossenschaftsbank, Frankfurt am Main, (xiv) Landesbank Baden-Württemberg (the persons under (vi) through (xiv) together the "**Banks**", and the persons under (ii) through (xiv) together the "**Persons**"), or (xv) any of the respective directors, officers, personally liable partners, employees, agents, affiliates, shareholders or advisers of such Persons may notify you of changes nor is under an obligation to update or keep current the announcement or to provide the recipient thereof with access to any additional information that may arise in connection with it, save for the making of such disclosures as are required by mandatory provisions of law. This announcement does not constitute investment, legal, accounting, regulatory, taxation or other advice.

Neither the announcement nor any other document or information (or any part thereof) delivered or supplied under or in relation to the securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by IONOS Group SE, the Company or the Persons that any viewer of, or any person accessing, the announcement or any such other document or information (or such part thereof) should subscribe for or purchase any securities of IONOS Group SE or United Internet. Before subscribing for or purchasing any securities, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in a prospectus, if published. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making investments should consult an authorized person specializing in advising on such investments. Neither this announcement, nor the prospectus, constitutes a recommendation concerning the potential offering of securities described in this announcement (the "**Offering**"). The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of a possible offer for the person concerned. No reliance may be placed for any purpose whatsoever on the announcement or on its completeness, accuracy or fairness.

No person is authorized to give any information or to make any representation not contained in and not consistent with the announcement and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of IONOS Group SE, the Company or any Person.

In member states of the European Economic Area (other than Germany), this announcement is only addressed to and directed at persons who are "qualified investors" within the meaning of Article 2(e) of the Regulation (EU) 2017/1129 and amendments thereto ("**Prospectus Regulation**") ("**Qualified Investors**"). This announcement must not be acted on or relied on in any member state of the European Economic Area (other than Germany) by persons who are not Qualified Investors. In any member state of the European Economic Area (other than Germany), any investment or investment activity in IONOS Group SE may only be available to investors who are Qualified Investors, and will be engaged in only with such persons.

In the United Kingdom, this announcement is only addressed to and directed at persons who are "qualified investors" within the meaning of Article 2 of the Prospectus Regulation (Regulation (EU) 2017/1129 and

IONOS

amendments thereto) as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 and who (i) have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or (ii) are high net worth entities falling within article 49(2)(a) to (d) of the Order (all such persons being referred to as "**relevant persons**"). In the United Kingdom, this announcement is directed only at relevant persons. Any person who is not a relevant person should not act or rely on this announcement or any of its contents. Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with relevant persons.

This announcement is an advertisement for the purposes of the Prospectus Regulation and legislation in connection therewith. It is not a prospectus. The public offering in Germany and listing of the shares of IONOS Group SE on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is subject to the publication of a prospectus. The prospectus is expected to be approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "**BaFin**") in accordance with the Prospectus Regulation regime. However, the approval of the prospectus by BaFin should not be understood as an endorsement of the shares of IONOS Group SE. Investors in the public offering in Germany should purchase shares solely on the basis of the prospectus relating to the shares and should read the prospectus before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the shares. Copies of the prospectus will, following approval of BaFin, be available in Germany upon explicit request and free of charge from IONOS Group SE or one of the underwriters, or on IONOS Group SE's website (<http://www.ionos-group.com/investor-relations/ipo.html>).

Unless otherwise specified, the information in this announcement on the market environment, market developments, market sizes, growth rates, market trends and competition in the markets in which the Company operates are based on IONOS Group SE's own assessments. In addition, the assessments by IONOS Group SE which are referred to herein as "**Company Data Analysis**" are based in part on internal market observations and on various market studies, including from Gartner (e.g., for cloud applications and services), Flexera, IDC, Bitkom Research GmbH, Germany's digital association, among others, and services commissioned from McKinsey & Company, Inc. None of IONOS Group SE, the Persons nor any of their respective directors, officers, personally liable partners, employees or agents has independently verified the data contained in the third party sources or the figures, market data or other information on which third parties have based their studies. In addition, certain of the industry and market position data contained in this announcement come from IONOS Group SE's own internal research and estimates, thus are not based on third party studies, and their underlying methodology and assumptions have not been verified by any independent source for accuracy or completeness and are subject to change. Additionally, certain sources of market data were prepared before the initial spread and/or renewed outbreak of the COVID-19 pandemic and have not been updated for the potential effects of this pandemic and assumptions around COVID-19 used thereafter may be inaccurate. IONOS Group SE, the Persons and any of their respective directors, officers, personally liable partners, employees or agents are not able to determine whether the third parties who have prepared such sources will revise their estimates and projections due to the potential impact of COVID-19 on future market developments and believe such revisions are inherently difficult to make accurately due to the nature of the pandemic and reactive measures being taken in various markets.

This announcement may contain forward-looking statements which reflect IONOS Group SE's current view on future events and financial and operational development. Words such as "intend", "expect", "anticipate", "may", "believe", "plan", "estimate" and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or developments and the actual outcome could differ materially from the forward-looking statements.

The information contained in this announcement does not purport to be comprehensive and has not been subject to any independent audit or review. This announcement contains certain supplemental or alternative measures of operating and financial performance that are not calculated in accordance with the International Financial Reporting Standards as adopted by the European Union ("**IFRS**") or the German Commercial Code (*Handelsgesetzbuch*) and German generally accepted accounting principles, and which would be considered non-IFRS/non-GAAP financial measures. These non-IFRS/non-GAAP financial measures may not be comparable to similarly titled measures

IONOS

presented by other companies, including United Internet, nor should they be construed as an alternative to other financial measures that are computed in accordance with IFRS or other generally accepted accounting principles. There are material limitations associated with the use of such measures. You are cautioned not to place undue reliance on any non-IFRS/non-GAAP financial measures and ratios included herein.

Certain figures, including financial and market data, contained in this announcement have been rounded and the relevant sums may not add up to 100% due to rounding.

The Banks are acting exclusively for IONOS Group SE and the Selling Shareholders and no-one else in connection with the Offering. They will not regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than IONOS Group SE and the Selling Shareholders for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offering, the Banks and any of their affiliates, acting as investors for their own accounts, may subscribe for or purchase securities of IONOS Group SE or United Internet and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such securities and other securities of IONOS Group SE or related investments in connection with the Offering or otherwise. Accordingly, references in the prospectus, once published, to the securities being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by the Banks and any of their affiliates acting as investors for their own accounts. In addition, certain of the Banks or their respective affiliates may enter into financing arrangements and swaps with investors in connection with which such Banks (or their affiliates) may from time to time acquire, hold or dispose of IONOS Group SE's shares. The Banks do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

None of the Banks or any of their respective directors, officers, personally liable partners, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to IONOS Group SE, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

In connection with the Offering, the stabilization manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot shares in IONOS Group SE or effect other transactions with a view to supporting the market price of IONOS Group SE's shares at a higher level than that which might otherwise prevail in the open market. A stabilization manager is not required to enter into such transactions and such transactions may be effected on any stock market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of IONOS Group SE's shares on the Frankfurt Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the stabilization manager or any of its agents to effect stabilizing transactions and there is no assurance that stabilizing transactions will be undertaken. Such stabilizing measures, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilize the market price of IONOS Group SE's shares above the offer price. Save as required by law or regulation, neither the stabilization manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilization transactions conducted in relation to the Offering.