IONOS

Financial Statement 2024

Management Report for the Group and parent company

Annual financial statements of the parent company acc. to HGB

COMBINED MANAGEMENT REPORT FOR THE 2024 FISCAL YEAR

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Note:

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

For reasons of better readability, the masculine form is used in the Combined Management Report for gender-specific designations. IONOS Group SE would like to point out that the use of the masculine form is explicitly to be understood as gender-independent.

To improve readability and to distinguish between company and Group information, "IONOS" is used below as a synonym for Group information. The company name "IONOS Group SE" is used for company information.

Reference to unaudited sections of the management report on the company and the group as of December 3, 2024.

In the combined management report, a distinction is made between auditable and non-auditable management report disclosures. “Non-auditable disclosures” are those that cannot be assessed by the auditor due to the nature of the disclosures or the lack of suitable criteria.

IONOS Group SE has identified the following sections and disclosures as "unaudited management report disclosures" in the Group management report:

- The disclosures contained in subsection "1.4 Focus on products and innovations" are "unaudited management report disclosures".
- The tables containing key financial figures on a quarterly basis in the subchapters “2.2 Business performance” are “unaudited management report information” because IONOS Group does not subject its interim financial statements to an audit or review. The quarterly figures are marked as “unaudited”.
- The German Corporate Governance Code (GCGC) provides for disclosures on the internal control and risk management system. These go beyond the statutory requirements for the management report and are excluded from the audit of the management report by the auditor ("non-management report disclosures"). They are assigned thematically to the key elements of the internal control and risk management system in section 4 "Internal control and risk management system" and are distinguished from the information to be audited by separate paragraphs and marked accordingly as “unaudited”.
- Section 6 "Corporate governance statement" is an "unaudited management report disclosures", as the audit of the disclosures in the corporate governance statement by the auditor in accordance with Section 317 (2) sentence 6 HGB is limited to the fact that the disclosures have been made and the corporate governance report also contained in section 6 is a "non-management report disclosure" in accordance with Section 3.10 of the German Corporate Governance Code, the content of which is not audited.

1. Group Profile

1.1 Business model

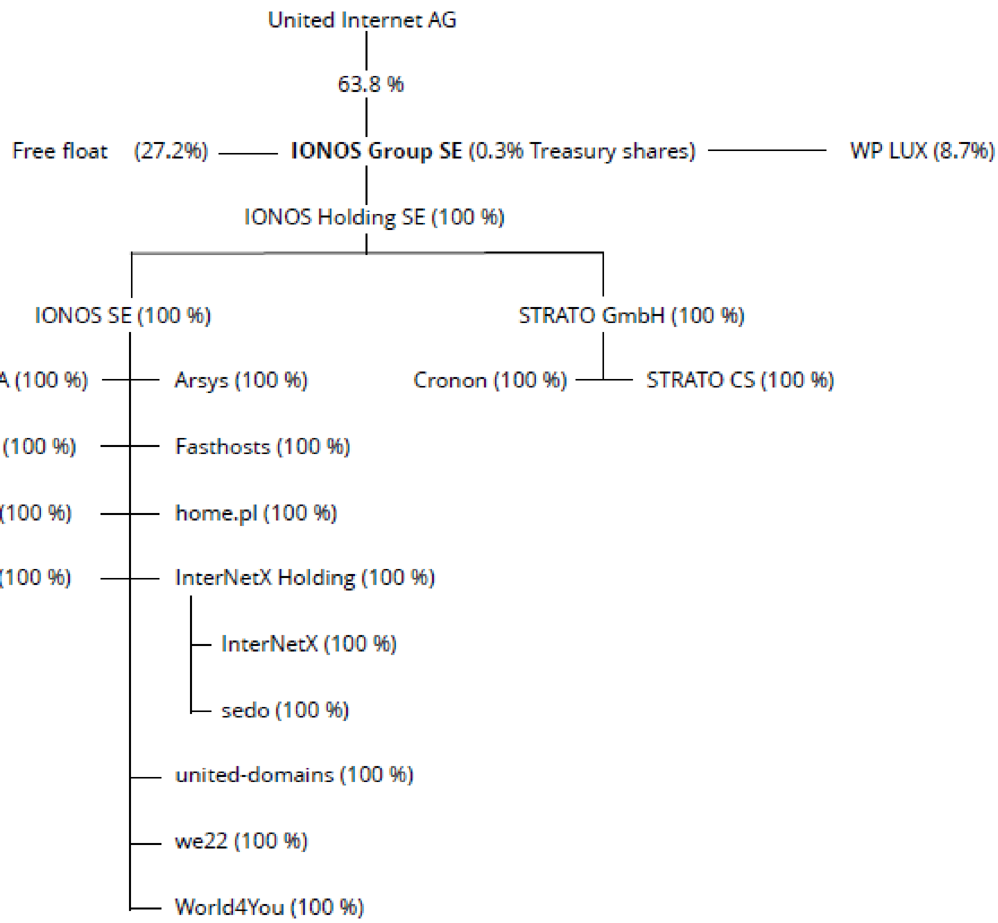
Group structure

The shares of IONOS Group SE have been listed on the regulated market of the Frankfurt Stock Exchange since February 8, 2023. As of December 31, 2024, United Internet AG held 63.8% and WP XII Venture Holdings II SCSp, Luxembourg / Luxembourg held 8.7% of the shares in IONOS Group SE. 27.2% of the shares were in free float. In addition, the IONOS Group held 0.3% of its treasury shares.

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

These subsidiaries include, in particular, the subsidiaries of STRATO GmbH, Cronon GmbH, Berlin, and STRATO Customer Service GmbH, Berlin, as well as the foreign subsidiaries of IONOS SE such as IONOS Inc., Philadelphia, Pennsylvania/USA, IONOS Cloud Ltd., Gloucester/Great Britain, IONOS S.à r.l., Saargemünd/France, IONOS Cloud S.L. U., Madrid/Spain, Arsys Internet S.L.U., Logroño/Spain, Fasthosts Internet Ltd., Gloucester/United Kingdom, home. pl S.A., Szczecin, Poland, and World4You Internet Services GmbH, Linz, Austria, as well as the domestic subsidiaries of IONOS SE, such as InterNetX GmbH, Regensburg, Sedo GmbH, Cologne, united-domains GmbH, Starnberg, and we22 GmbH, Cologne.

A simplified representation (as of December 31, 2024) of the group structure, including significant operating subsidiaries of the group, is as follows:



Business operations

IONOS is an international digitalization partner and reliable cloud enabler for small and medium-sized enterprises (SMEs), as well as for individual users (e.g., freelancers) and larger corporate customers. It offers a comprehensive product portfolio in the areas of web presence and productivity, as well as cloud solutions. This portfolio is supported by first-class customer care and infrastructure. In addition, IONOS offers an online marketplace for buying, selling and parking domains.

The products and solutions are developed in the company's own development centers or in cooperation with partner companies and are operated on over 100,000 servers in 31 data centers, 9 of which are the company's own.

Deviating business developments from the planned business performance in the reporting year meant that internal reporting to the chief operating decision maker was adjusted. Since November of the 2024 fiscal year, the operating business of IONOS has been divided into the “**Digital Solutions & Cloud**” and “**AdTech**” segments in order to be able to react to business developments in the different areas and to ensure separate management. In line with internal management reporting, there are two reportable segments. To ensure a standardized presentation, the prior-year figures for the reportable key figures were allocated to the respective segments.

“Digital Solutions & Cloud” segment

The “Digital Solutions & Cloud” segment combines the business units Web Presence & Productivity and Cloud Solutions. The Web Presence & Productivity unit forms the core business around traditional web hosting. With this unit, IONOS offers its customers customized products that enable them to easily set up an internet presence. By contrast, the Cloud Solutions unit focuses on customizable server products to meet the growing demand.

In the area of web presence and productivity, IONOS offers professional solutions for online presence, such as domain registration, web hosting, website builders with artificial intelligence support, and dedicated servers. This is supported by additional productivity products (e.g., e-commerce, e-mail and marketing applications) and additional services such as search engine optimization, business applications or storage and security solutions.

In addition to the main international brand IONOS, the target group-specific marketing of the product portfolio is carried out by differently positioned brands such as STRATO, arsys, fasthosts, home.pl and World4You. In addition, there are brands with extensive domain expertise, such as United Domains and InterNetX, which offer professional services related to active domain management.

With its focus on small and medium-sized enterprises (“SMEs”) in the area of web presence and productivity, IONOS operates in a market that is highly fragmented on the customer side. On the product side, these customers typically depend on the products offered by IONOS, as these are essential for sales and sales support. In addition, in most cases, the products account for only a small portion of an SME's costs and are usually paid for monthly by the customers. For example, it is rather unlikely that a small or medium-sized company would stop operating its website for cost reasons or regularly compare prices with lesser-known but comparable providers in order to change providers. Instead, such companies often prioritize the reliability and stability of their existing website over potential cost savings.

The cloud solutions offering includes both public and private cloud solutions with a wide range of services in the area of Infrastructure-as-a-Service (“IaaS”), Platform-as-a-Service (“PaaS”) and Software-as-a-Service (“SaaS”).

IONOS focuses on providing scalable and high-performance cloud services for small and medium-sized companies, as well as large customers looking for flexible and cost-efficient solutions for their web presence and work productivity. IONOS' customized virtual private servers, cloud servers, and PaaS, IaaS, and

SaaS offerings are crucial to the smooth operation and rapid growth of these companies, with modern hardware and reliable support providing a solid foundation for their digital business success. In view of the strategic relevance of IONOS cloud solutions, it is unlikely that customers will switch providers, as the reliability of these services is important for their day-to-day business and switching often involves disproportionate migration efforts.

“AdTech“ segment

The AdTech segment (formerly referred to as the “Aftermarket” unit) represents the secondary market for the use and trading of domains. The product portfolio is marketed primarily under the Sedo brand.

The AdTech business essentially allows domain owners to generate revenue from domains they are not currently using, by “parking” these domains and generating revenue from advertising links.

IONOS acts as a domain parking provider and places targeted advertising on the domains in an automated manner, operates the technical platform and optimizes traffic. IONOS receives compensation from the advertising networks when visitors click on the placed advertising links. IONOS acts as an integrator with the technical platform, because IONOS can directly influence the revenues by optimizing traffic and monetization, as well as the possibility of pricing with the owners of the parked domains. In this way, the domain owners benefit from the click-through rate of the advertising and are remunerated by IONOS.

In addition, revenues are increasingly being generated by the “RSOC” (Related Search On Content) product provided by Google, in which IONOS operates a platform for monetizing traffic via advertising links. As an alternative to domain parking, the sale or rental of domains can also be pursued, with IONOS acting as a broker. IONOS offers suitable solutions through the Sedo brand via the company's own marketplace, where domains can be offered at attractive prices or sold in an auction format. With over 22 million listed and already registered domains, Sedo operates one of the largest trading platforms for internet addresses. In addition to the traditional brokerage business, additional services are offered, such as the brokerage service, the creation of domain valuations and the transfer service. The brokerage business is remunerated mainly on a commission basis, while other ancillary services are remunerated through fees. Domain trading is particularly interesting for companies with strong brands, which often require domains to protect their brand and strengthen their online presence.

Management

The Management Board of IONOS Group SE consisted of the following members as of December 31, 2024:

- Achim Weiß (Chief Executive Officer; Chairman of the Management Board))
- Dr. Jens-Christian Reich (Chief Commercial Officer; Deputy Chairman of the Management Board)
- Britta Schmidt (Chief Financial Officer)

The Supervisory Board of the Company comprised six members as of December 31, 2024:

- Ralph Dommermuth, Chairman of the Supervisory Board
- René Obermann, Deputy Chairman
- Dr. Claudia Borgas-Herold
- Kurt Dobitsch
- Martin Mildner (until September 2024)
- Vanessa Stuetzle

Main markets

Main markets

Next to the home market Germany,

- North America (incl. Canada and Mexico),
- The UK,
- Spain,
- France,
- and Poland

are the most important markets of IONOS.

Main locations

As of December 31, 2024, IONOS had a total of 4,037 active employees, not including temporary staff and trainees (December 31, 2023: 4,201 active employees, not including temporary staff and trainees).

The Group's most important locations are:

- Berlin, Germany
- Bucharest, Romania
- Cebu City, Philippines
- Philadelphia, Pennsylvania, USA
- Gloucester, UK
- Karlsruhe, Germany
- Cologne, Germany
- Linz, Austria
- Logroño, Spain
- Madrid, Spain
- Montabaur, Germany
- Regensburg, Germany
- Starnberg, Germany
- Szczecin, Poland
- Zweibruecken, Germany

1.2 Objectives and strategies

The Group's business model is based predominantly on customer contracts (electronic subscriptions) with fixed monthly amounts, contractually fixed terms and disproportionate customer loyalty. This type of business model ensures stable, plannable revenues and cash flows, as it is hardly affected by economic fluctuations. At the same time, it creates financial leeway to take advantage of opportunities in new business areas and new markets – both organically and opportunistically through selective acquisitions and investments.

A large number of customer relationships also helps the group to exploit economies of scale: the more customers demand the products that are created by the development teams and operated on the group's own server infrastructure, the higher the margin. Higher revenues can in turn be invested in customer acquisition, the expansion of the product portfolio and new business areas, which in turn strengthens and further expands the group's own market position.

IONOS operates in the large, robust and fast-growing market for digital platforms and cloud solutions for SMEs. Growth is driven by structural megatrends such as digitalization, including significant catch-up potential in terms of internet presence, an ongoing shift from on-premise to cloud environments, and the advancement of customer solutions based on artificial intelligence. The catch-up potential is particularly high among smaller SMEs.

According to a McKinsey study entitled “The SMB Market for Digitization and Cloud Solutions” from September 2022, this customer group is the “growth engine of most economies”. According to the study, the company with digitization products offers “an enormous opportunity” to sell these SMEs appropriate digitization and cloud solutions. This is also confirmed by the statistical evaluations of Statista Market Insights. They estimate that this market will grow by an average of around 16.55% per year until 2029. According to forecasts, an annual growth rate (CAGR) of 17.92% can even be expected in the cloud solutions environment.

It should be noted that, according to the McKinsey study mentioned above, most SMEs appear to be pursuing a clear digitalization strategy. This begins with the entry point of domain and web hosting and then, over time, leads to demand for additional services as the business grows, such as the use of multiple domains, the continuous expansion of the website, additional e-commerce solutions, and office and e-mail offerings. Eventually, other cloud-oriented services such as storage, backup, and security services are added.

In its spending guide from July 2020, the research firm IDC also predicts that corporate spending on cloud solutions will double from $805 billion in 2024 to 2028. Statista Market Insights even predicts a market volume of €1,645 billion in 2029.

In view of the dynamic market development in the areas of cloud solutions and internet presence, the Group's growth opportunities are obvious: rising IT spending by SMEs, growth in e-commerce, ubiquitous, increasingly powerful broadband connections that enable new, complex cloud applications, and the use of artificial intelligence. These internet-based applications for end customers and companies will be the growth drivers for the group in the coming years.

The Group is very well positioned to do so, thanks to its many years of experience as an application provider, its expertise in software development and data center operation, marketing, sales and customer care, its strong brand recognition and its existing customer relationships with millions of private users, freelancers and small and medium-sized enterprises.

To use this positioning for further sustainable growth, the group companies will continue to invest heavily in new customers, new products and business areas, and further internationalization.

Further information on strategy, opportunities and targets can be found in the risk, opportunity and forecast report under Chapter 3.

1.3 Control systems

The Group's internal management systems support management in monitoring and managing the Group companies and therefore also IONOS. The systems consist of planning, actual and forecast calculations and are based on the Group's annually revised strategic planning. In doing so, particular consideration is given to market developments, technological developments and trends, their influence on the Group's own products and services, and the Group's financial capabilities. The aim of corporate management is to develop the Group continuously and sustainably.

The Group's reporting system comprises monthly income statements and quarterly IFRS reports for all consolidated subsidiaries and presents the net assets, financial position and results of operations of the

Group. Financial reporting is supplemented by additional detailed information that is necessary for the assessment and management of the operating business.

Quarterly reports on the Group's main risks are another component of the management systems.

These reports are discussed at Management Board and Supervisory Board meetings and form the basis for key assessments and decisions.

The key financial performance indicators for the management of the company at the IONOS level are (currency-adjusted) revenue, adjusted EBITDA and the adjusted EBITDA margin in accordance with IFRS. In addition, the group is managed using non-financial key performance indicators.

In particular, the analysis of the development of the number of customers and the services/products used by customers, the customers and services acquired, and the associated customer acquisition costs (CAC), compared to the group's planning and forecasting, serves as an early warning system.

IONOS Group SE essentially acts as a holding company within the group. In principle, IONOS Group SE passes on the costs incurred in connection with group management to the operating companies within the group. Accordingly, IONOS Group SE is essentially influenced by the investment result (profit and loss transfers and distributions) and focuses on its investment result and net profit or loss for the year.

A comparison of the actual values of the key performance indicators mentioned in the forecast and the actual values of these key performance indicators can be found in this Group Management Report under point 2.2 “Business performance” in the section “Actual and forecast business performance”.

1.4 Main focus areas for products and innovations[2]

IONOS does not conduct traditional research and development (R&D) comparable to that of a manufacturing company. In the industry context, research and development expenses also play a rather minor role. In view of this, IONOS does not report any R&D figures.

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

With its own IT specialists, IONOS can respond quickly and flexibly to new ideas and trends, further develop established products and adapt them to changing needs – an important success factor in the extremely dynamic internet market. Thanks to its expertise in product development, further development and rollout, the Group is largely independent of third-party developments and supplies in many areas and can thus leverage important competitive and speed advantages.

The developers work primarily with open-source code and within the framework of clearly defined and modeled development environments. In addition, third-party programming services are used to implement certain projects quickly and efficiently. This means that the basic product applications can be further developed and quickly adapted to new customer requirements in a very short time. In addition, IONOS also purchases solutions from partners that are then modified and integrated into its own systems. The integrated applications provide IONOS with a kind of modular system whose modules can be combined into a wide range of powerful and integrated applications and provided with a product- and country-specific user interface.

In addition to constantly optimizing and ensuring the reliable operation of all services, IONOS programmers, product managers and technical administrators worked on numerous projects in the areas of Web Presence & Productivity and Cloud Solutions in the past fiscal year. The main focus here was on innovations in the field of artificial intelligence. The company already has a large number of AI-based applications in its product portfolio. These include an AI-based website construction kit, a newsletter tool with AI functions, and the AI Model Hub in the cloud area.

Focus areas in 2024

- Introduction of an AI-based assistant within the e-mail product. The introduction has already taken place in the first European countries.
- Introduction of AI-supported domain search at Arsys and Fasthosts.
- Introduction of an AI-powered chatbot for customer service at IONOS in Germany and the UK.
- Introduction of a multimodal AI inference platform (AI Model Hub).
- Introduction of a domain expiry pool for better monetization of domains that are no longer needed. These domains are offered to our customers through automated processes and can be made available for sale through Sedo.
- Introduction of shared web hosting products for WordPress based on a scalable and high-performance new hosting platform.
- Introduction of a legal protection service at several IONOS subsidiaries, for the legally compliant creation of websites in accordance with the legal framework.
- Introduction of Inbox advertising options for IONOS customers in the GMX and Web.de email inboxes. Together with the IONOS sister companies within the United Internet Group (Inbox Ads).
- Rollout of the Bare Metal Cloud product in the Niederlauterbach data center to serve the French market.
- Rollout of the “Build-to-Order” service for dedicated servers in North America (USA, Canada). This enables customers to independently configure their server architecture with the appropriate hardware.
- Introduction of a private DNS solution.
- Introduction of an S/3-compatible object store with high scalability and redundancy based on Ceph.
- Introduction of Managed MariaDB and Managed Redis, with administration, maintenance, and scaling of these databases by IONOS.
- Introduction of Logging-as-a-Service (LaaS): A cloud-based platform for managing infrastructure and application logs.
- Introduction of regional control plans for managed Kubernetes to further improve the availability and reliability of customer clusters and to enable greater flexibility in the regional allocation of the control level.
- Expansion of the Managed Kubernetes (MK8S) platform in the US business to offer customers a broader range of managed Kubernetes services and Kubernetes clusters and to increase their scalability and flexibility.
- Development of an “airgapped” cloud solution in an isolated environment for ITZBund.
- Introduction of a bidirectional VPN for secure management of resources in the private cloud.

[2] The disclosures contained in this section are unaudited management report disclosures.

2. Economic report

2.1 General economic and sector conditions

General economic development

According to preliminary calculations, the International Monetary Fund (IMF) has reported a 3.2% increase for the global economy in 2024 in its latest World Economic Outlook (January 2025 Update). This means that growth was roughly on a par with the previous year (3.3%).

In the IONOS's North American target countries, the IMF expects visible growth in 2024, though weaker than in the previous year. For the United States, the IMF expects an increase of 2.8% (previous year: 2.9%), for Canada, an increase of 1.3% (previous year: 1.5%) and for Mexico, an increase of 1.8% (previous year: 3.3%).

A look at IONOS's most important target countries in Europe shows the following picture: for France, the IMF expects growth of 1.1% in 2024 (previous year: 1.1%), for Spain 3.1% (previous year: 2.7%), and for Poland 2.8% (previous year: 0.1%). By contrast, slightly weaker growth of 0.6% (previous year: 0.7%) and 0.9% (previous year: 0.3%) is forecast for Italy and the UK, respectively.

By contrast, economic development in Germany, which IONOS considers to be by far the most important market (share of revenue in 2024: around 56%), is the only target country for IONOS to again show a decline in economic output in 2024 of -0.2% (previous year: -0.3%).

Multi-period overview: GDP development in key target countries and regions of IONOS

	2020	2021	2022	2023	2024	YoY Change
World	–3.1%	6.2%	3.5%	3.3%	3.2%	–0.1 percentage points
USA	–3.4%	5.9%	1.9%	2.9%	2.8%	–0.1 percentage points
Canada	–5.2%	5.0%	3.8%	1.5%	1.3%	–0.2 percentage points
Mexico	–8.2%	4.7%	3.9%	3.3%	1.8%	–1.5 percentage points
France	–8.0%	6.8%	2.5%	1.1%	1.1%	+/-0.0 percentage points
Spain	–10.8%	5.5%	5.8%	2.7%	3.1%	+0.4 percentage points
Italy	–8.9%	6.7%	3.7%	0.7%	0.6%	–0.1 percentage points
Poland	–2.0%	6.9%	5.3%	0.1%	2.8%	+2.7 percentage points
UK	–9.4%	7.6%	4.3%	0.3%	0.9%	+0.6 percentage points
Germany	–4.6%	2.6%	1.8%	–0.3%	–0.2%	+0.1 percentage points

Source: International Monetary Fund, World Economic Outlook (update), January 2025

The IMF's calculations for Germany are in line with the preliminary calculations of the Federal Statistical Office (Destatis), which – as part of the press conference “Gross Domestic Product 2025” on January 15, 2025 – also again found a decline in (price-adjusted) gross domestic product (GDP) of -0.2% (previous year: -0.3%).

According to the Federal Statistical Office, this was due to economic and structural pressures. These include increasing competition for the German export industry in important sales markets, high energy costs, a still elevated interest rate level, but also an uncertain economic outlook.

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

	2020	2021	2022	2023	2024	YoY Change
GDP	–4.1%	3.7%	1.4%	–0.3%	–0.2%	+0.1 percentage points

Source: Destatis, January 2025

Development of the sector / core markets

IONOS is one of Europe's leading service providers in the Web Presence & Productivity sector[1] in terms of the number of hosted domains with its products and services in significant growth markets. IONOS benefits from the trends towards digitalization and cloud solutions, as well as from the fact that IONOS focuses on products and services for small and medium-sized enterprises (SMEs), particularly in the Web Presence & Productivity segment. McKinsey describes this customer group as “the growth engine of most economies” and emphasizes that SMEs and entrepreneurs are drivers of resilience and growth, although their contributions vary greatly depending on the company, sector and location.

According to the Flexera 2024 State of the Cloud study, cloud solutions continue to be a central component of digital transformation. The study shows that the use of cloud services is increasing while wasteful spending is decreasing. Organizations are increasingly adopting multi-cloud strategies and optimizing their cloud costs, which increases efficiency and improves cost control. These developments underscore the importance of cloud solutions as an engine of digital transformation and the need for strategic cloud management in organizations.

Many companies have also started to move their business processes to the cloud. The coronavirus pandemic has given a further boost to e-commerce, increasing the need for a web presence for many companies and business owners. For example, numerous restaurants have introduced technologies for online ordering or delivery services.

McKinsey expects the market for digitalization solutions specifically for SMEs in Europe and North America to grow cumulatively by 8% p.a. (CAGR 2021-2026) by 2026. This includes the more “traditional” digitalization solutions such as domains and web hosting, website creation, e-commerce and hosting offers. Broken down into the individual products, McKinsey sees the growth effects primarily in the areas of website building and e-commerce. Here, McKinsey forecasts double-digit growth rates of 13-14% p.a. (CAGR 2021-2026) in each case, particularly due to increased customer demand for digital purchasing options and other interactions (McKinsey, “The SMB Market for Digitization and Cloud Solutions”).

In the last few years, cloud technology has evolved from a useful and competitive business tool to one of the most important foundations of companies.

As described, the cloud market is largely unimpressed by an uncertain economic situation. Although the optimization of existing cloud spending is moving up the agenda of IT managers, On the other hand, the increasing use of SaaS, public cloud & co. is not changing, since medium-sized companies are migrating data, applications and infrastructure to the cloud as a central component of their digital transformation strategies, with 60% of all data and 61% of all workloads being accessed via cloud offerings: The goal of the companies is to create more agile and adaptable IT operations (Flexera, “2024 State of the Cloud Report”).

In particular, the IaaS segment is currently growing strongly as companies accelerate their IT modernization initiatives to minimize risk and optimize costs. Moving operations to the cloud reduces the need for

[1] Hostsens

upfront capital expenditure by spreading the investment over the term of a cloud subscription – a crucial advantage in an environment where liquidity can be critical to maintaining operations.

Market figures: cloud computing worldwide

in billion USD	2023	2024	Change
Revenue from public cloud services worldwide	499.71	595.65	+ 19.2%
thereof Application Infrastructure Services (PaaS)	144.05	171.57	+ 19.1%
thereof Application Services (SaaS)	212.37	250.80	+ 18.1%
thereof Desktop as a Service (DaaS)	3.22	3.47	+ 7.7%
thereof System Infrastructure Services (IaaS)	140.00	169.82	+ 21.3%

Source: Gartner, Worldwide Public Cloud End-user spending, 2024-2025, November 2024

Legal conditions/significant events

The legal and regulatory environment for IONOS' business activities remained largely unchanged in fiscal year 2024 compared to fiscal year 2023 and therefore had no significant impact on business development.

Significant events in the 2024 fiscal year were:

In April 2024, the German Federal Information Technology Centre (ITZBund) commissioned IONOS to set up a private enterprise cloud that will be operated in the ITZBund data centers. ITZBund is the IT service provider for 200 federal agencies and is designed to support public administration with modern IT and lead it into the digital future.

The framework agreement has a term of five years. The variable order will be billed on a pay-per-use basis, as is common in the cloud sector.

On May 8, 2024, the Management Board of IONOS Group SE, with the approval of the Supervisory Board and on the basis of the authorization of the Extraordinary General Meeting of January 26, 2023, to acquire treasury shares, initially decided to acquire up to 850,000 treasury shares via the stock exchange. This corresponds to approximately 0.6% of the issued capital of €140,000k. The buyback program should be carried out from mid-May 2024 and no later than February 28, 2025.

As part of the share buyback program announced on May 8, 2024, IONOS Group SE acquired a total of 850,000 treasury shares in the period from May 17 to July 25, 2024, thereby completing the share buyback program. The purchase price excluding transaction costs amounted to €22,319k.

A total of 386,435 treasury shares were issued under the employee stock ownership program up to December 31, 2024.

2.2 Business development

Use and definition of relevant financial performance measures

For a clear and transparent presentation of the business development of IONOS, further financial indicators such as EBITDA, EBITDA margin, EBIT, EBIT margin or free cash flow are disclosed in the Group's annual and interim financial statements in addition to the information required by International Financial Reporting Standards (IFRS).

These key figures are defined as follows for IONOS:

- **EBIT**: Earnings before interest and taxes represents the operating result disclosed in the statement of comprehensive income.

- **EBIT-Marge**: Presents the ratio of EBIT to revenue.

- **EBITDA**: Earnings before interest, taxes, depreciation, and amortization are calculated as EBIT/operating result plus the depreciation and amortization (disclosed in the Consolidated Financial Statements) of intangible assets and property, plant, and equipment, as well as assets capitalized in the course of company acquisitions

- **EBITDA-Marge**: Presents the ratio of EBITDA to revenue.

- **Cash flow before changes in balance sheet items (subtotal):** Cash flow before changes in balance sheet items is derived from net income, adjusted for non-cash items. These include, for example, depreciation and amortization, the share of profit or loss of associates accounted for using the equity method, deferred taxes, and interest and financing expenses. This subtotal represents the cash inflow from operating activities before changes in working capital and other balance sheet items are taken into account.

- **Free Cashflow**: Calculated as cash flow from operating activities (disclosed in the consolidated financial statement), less capital expenditure for intangible assets and property, plant, and equipment, plus payments from the disposal of intangible assets and property, plant, and equipment, and including the repayment of lease liabilities, which have been recognized in net cash payments in the financing area since the 2019 fiscal year.

Where necessary for a clear and transparent presentation, the aforementioned key figures are adjusted for special factors / special effects and reported as "adjusted key figures" (e.g., adjusted EBITDA, adjusted EBIT or adjusted EPS). A derivation of EBITDA from the figures adjusted for special items can be found in chapter 2.3 "Position of the Group".

As a rule, special effects only relate to those effects which, due to their nature, frequency and / or scope, are likely to impair the informative value of the key financial figures for the Group's financial and earnings performance. All special effects are shown and explained in the respective section of the financial statements for the purpose of reconciliation from the non-adjusted financial key figures to the operating key figures.

Non-recurring expenses (such as one-offs from integration projects) or other effects (e.g., from regulatory issues or growth initiatives) for the 2022 and 2023 fiscal years are not adjusted, but — if available — are shown in the respective chapter.

Currency-adjusted sales and earnings figures are calculated by translating sales and earnings at the average exchange rates of the comparative period instead of the current period.

The most important key financial figures relevant to the management of the Group are (currency-adjusted) sales, adjusted EBITDA and the adjusted EBITDA margin in accordance with IFRS.

Actual and forecast business performance

For the 2024 fiscal year, the Management Board of IONOS Group SE expected revenue growth of approximately 11% at constant currency. With revenue growth, adjusted EBITDA was also expected to increase from 27.4% to approximately 28.5% in fiscal year 2024. The revenue forecast was updated in July 2024 and adjusted to reflect developments in the AdTech business (formerly Aftermarket), with constant currency revenue growth of approximately 9% expected based on new information, while the adjusted EBITDA margin was expected to be approximately 29%.

The Group's key figures show an increase in revenues from contracts with customers of +9.9% (fiscal year 2024: €1,514,605k; fiscal year 2023: €1,378,203k) and of revenue (total) by +9.6% (financial year 2024: €1,560,301k; financial year 2023: €1,423,734k). Adjusted for currency effects, the increase in revenues amounts to +9.2% (fiscal year 2024: €1,554,277k; fiscal year 2023: €1,433,342k). The group's adjusted EBITDA increased significantly by +15.9% from €390,296k in the previous year to €452,197k in 2024. The EBITDA margin rose from 27.4% in 2023 to 29.0% in fiscal year 2024.

As a result, the updated guidance for 2024 fiscal year revenue at constant currency was slightly exceeded. The main driver for exceeding the forecast revenue was the more dynamic than expected growth of the AdTech business (formerly Aftermarket) in the second half of 2024, but also the very positive business development in the core business with Web Presence & Productivity products, partly also due to the price adjustments for some products implemented in the course of the second half of 2023. This is partially offset by a somewhat lower than expected increase in sales in the Cloud Solutions product area. However, the overall weaker macroeconomic environment and its impact on business with major customers was partially offset by the first revenues from the major project with the Federal Information Technology Centre (ITZBund).

The original forecast for the adjusted EBITDA margin was also exceeded and is exactly in line with the expected target from the July 2024 forecast. The achievement of the forecast adjusted EBITDA margin benefited from the following key drivers. The price adjustments from the previous year, in combination with the continuously growing customer base, had a positive impact on sales, which was only moderately offset by increased expenses due to the general scalability of the business model. Among other things, efficiencies were achieved in the purchase of domains, while marketing expenses were at a comparable level to the previous year. This, in conjunction with a disproportionately low increase in personnel expenses, was able to offset the negative effects of one-time expenses for the preparation of the major project with the ITZBund and therefore had a positive effect on the adjusted EBITDA margin.

Forecast	**Actual fiscal year 2023**	**Forecast March 2024**	**Forecast July 2024**	**Actual fiscal year 2024**
Revenue	€1.424 billion			9.6% €1.560 billion
Revenue (Currency-adjusted)	€1.433 billion	approx 11%	approx 9%	9.2% €1.554 billion
Adjusted EBITDA	€390m	approx €450m	approx €450m	15.9% €452m
Adjusted EBITDA-margin	27.4%	approx 28.5%	approx. 29.0%	29.0%

IONOS performed in line with expectations for the 2024 fiscal year with a positive result and slightly exceeded the adjusted expectations from July 2024 in all forecast key figures.

As the group holding company, IONOS Group SE had expected a slightly negative EBITDA for fiscal year 2024. With a negative EBITDA of € -959k, the company was in line with expectations for fiscal year 2024. Due to the pure holding function of IONOS Group SE, neither the generation of revenues nor profits is a goal of the company.

Business development

In the fiscal year 2024, sales rose by 9.6% from €1,423,734k in the previous year to €1,560,301k, driven by a very positive development in sales figures across all product lines.

In light of the increased revenue, the EBITDA margin rose accordingly from 27.1% to 27.6%, and the EBIT margin rose from 19.5% to 20.4%.

As of December 31, 2024, the IONOS Group employed 4,182 people. Despite positive company performance, the number of employees fell by -182 or -4.2% year-on-year (4,364 employees) due to fluctuation and an optimization of the staff in some departments.

Quarterly development: changes compared to the previous quarter (unaudited; see “Unaudited sections”)

in €m	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2023	Change
Revenue	373.0	378.6	390.0	418.7	365.0	14.7%
EBITDA	101.3	106.1	112.9	109.9	80.0	37.4%
EBIT	74.2	78.7	85.5	79.9	52.6	51.8%

Multi-year overview: development of key revenue and earnings figures

in €k	2020	2021	2022	2023	2024
Revenue	988,281	1,103,297	1,292,961	1,423,734	1,560,301
EBITDA	340,257	326,301	320,353	385,380	430,222
EBITDA-margin	34.4%	29.6%	24.8%	27.1%	27.6%
EBIT	229,367	213,651	208,021	277,472	318,176
EBIT-margin	23.2%	19.4%	16.1%	19.5%	20.4%

In previous years, the earnings figures were affected by one-time items in the form of IPO costs (fiscal year 2022) and their transfer (fiscal year 2023) in connection with the IPO of IONOS Group SE. Please refer to the comments in section “2.3 Position of the Group” for more information.

IONOS's operating business is divided into the segments “Digital Solutions & Cloud” and “AdTech”.

Details of the business models of the segments can be found in chapter 1.1 “Business model”.

“Digital Solutions & Cloud” segment

In the Digital Solutions & Cloud segment, the focus in the 2024 fiscal year was again on acquiring further customers.

The total number of customers rose by around 164,000 to a total of approximately 6.32 million. As part of a policy of harmonization at subsidiaries, the customer numbers for the previous year were adjusted.

Development of customers in the fiscal year 2024 (unaudited; see notes on unaudited sections)

in million[1]	December 31, 2024	December 31, 2023	Change
Total customers	6.32	6.16	0.16
thereof domestic	3.20	3.16	0.04
thereof foreign	3.12	3.00	0.12

in million[1]	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024
Total customers	6.23	6.25	6.27	6.32
Net growth during the quarter in thousands	70	26	19	48

(1) Customer numbers in previous periods adjusted retrospectively by -0.03 million customers, after harmonization of the policy at subsidiaries in the context of the annual financial statements as of December 31, 2024.

Key revenue and earnings figures in the fiscal year 2024

January - December (€k)	2023	2024	Change
Revenue	1,118,752	1,248,070	11.6%
Cost of sales	-493,944	-538,853	9.1%
Depreciation and amortization	107,502	111,716	3.9%
EBITDA	**335,197**	**388,306**	**15.8%**
adjusted EBITDA	**339,853**	**410,281**	**20.7%**

Due to the growth in customers and the successful upselling and cross-selling, revenue in the Digital Solutions & Cloud segment increased by 11.6% year-on-year, from €1,118,752k to €1,248,070k. Further growth in virtual private server products and in the enterprise customer business relating to the Enterprise Cloud in the Cloud Solutions area also contributed to this.

Segment EBITDA rose by 15.8% to €388,306 due to revenue growth and a higher margin resulting from economies of scale and price effects.

Adjusted for one-time effects, segment EBITDA increased by 20.7% year-on-year, from €339,853k to €410,281k in fiscal year 2024.

Quarterly development: changes compared to the previous quarter (unaudited; see notes "unaudited sections")

in €k	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2023	Change
Revenue	307,305	305,945	309,844	324,976	289,138	12.4%
Cost of sales	-130,338	-133,280	-135,388	-139,848	-124,602	12.2%
Depreciation and amortization	27,051	27,359	27,326	29,980	27,285	9.9%
EBITDA	88,737	96,835	105,332	97,401	68,875	41.4%
adjusted EBITDA	93,241	102,971	108,839	105,230	72,861	44.4%

"AdTech" segment

Key revenue and earnings figures in the fiscal year 2024

January - December (€k)		2023	2024	Change
Revenue		304,982	312,231	2.4%
Cost of sales		–243,994	–262,379	7.5%
Depreciation and amortization		406	330	–18.7%
EBITDA		**50,183**	**41,916**	**–16.5%**
adjusted EBITDA		**50,443**	**41,916**	**–16.9%**

Growth in the AdTech segment accelerated again in the second half of the year compared to the previous six months, with the result that revenues increased by 2.4% year-on-year.

Primarily due to lower margins associated with a weaker market environment in the first half of 2024, EBITDA decreased by 16.5% year-on-year.

Quarterly development: changes compared to the previous quarter (unaudited; see notes "unaudited sections")

in €k	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2023	Change
Revenue	65,664	72,700	80,149	93,718	75,887	23.5%
Cost of sales	–51,704	–60,626	–68,562	–81,487	–60,894	33.8%
Depreciation and amortization	94	83	77	76	101	–24.8%
EBITDA	12,566	9,262	7,582	12,506	11,110	12.6%
adjusted EBITDA	12,566	9,262	7,582	12,506	11,110	12.6%

Group Investments

Significant changes in investments

There were no significant changes to the investment structure within IONOS in the fiscal year.

In addition to the (fully consolidated) core operating companies, IONOS held the following minority interests as of December 31, 2024, which are included in the at-equity result.

Minority holdings in partner companies

In October 2021, IONOS acquired a stake in Stackable GmbH. As of December 31, 2024, IONOS's voting interest was 27.54%. For fiscal year 2025, IONOS expects increasing revenues and a positive EBITDA development at Stackable GmbH.

Since January 2010, the group has held an interest in Domains Bot S.r.l. The voting interest as of December 31, 2024, was 49.0%. In the 2024 fiscal year, the investment value of Domains S.r.l. was depreciated by €1,155k to the fair value.

In September 2023, IONOS acquired a stake in Street Media GmbH. As of December 31, 2024, the share of voting rights was 28.70%. For the coming fiscal year, IONOS expects increasing revenues and a positive EBITDA development.

Share and dividend

Share

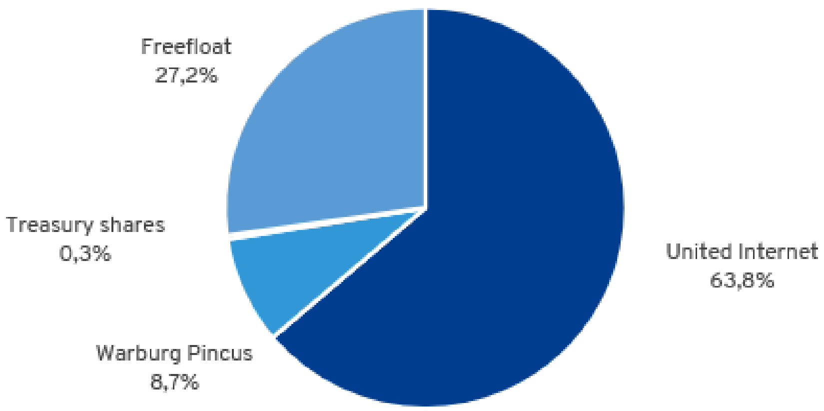
In the 2024 fiscal year, the IONOS Group SE share performed well, closing the year at €21.85, 25.1% higher than at the end of the previous year. The share outperformed the benchmark indices DAX (+18.8%) and SDAX (-1.8%) during this period.

As of December 31, 2024, the market capitalization of IONOS Group SE was around €3.06 billion.

With effect from December 23, 2024, the shares of IONOS Group SE have made it into the TecDAX index.

Development of the share price, indexed

Shareholder structure as of the reporting date December 31, 2024



Share data

	2023	2024
Highest closing price	€17.90	€29.70
Lowest closing price	€12.34	€16.70
Closing price 12/31	€17.46	€21.85
Performance	–5.6%	25.1%
Market capitalization in € billion	2.444	3.059

Stock market	Frankfurt Stock Exchange
Stock market segment	Prime Standard
Index	SDAX, TecDAX
Stock market symbol	IOS
ISIN	DE000A3E00M1
WKN	A3E00M
capital stock	140,000,000
Issue price IPO	€18.50

Dividend

IONOS does not intend to pay a dividend in the near future but to continue to invest the profits generated in the organic development of the company and the implementation of the growth strategy, as well as to further reduce debt.

The focus is on achieving long-term shareholder value, exploiting current market opportunities and ensuring financial flexibility in order to be able to deal with future opportunities and challenges in the best possible way.

Annual General Meeting

The Annual General Meeting of IONOS Group SE took place on May 15, 2024, in Frankfurt am Main in person. Around 94.3% of the share capital was represented in the vote. In addition, postal votes amounting to around 0.6% of the issued capital were received. The shareholders approved all agenda items requiring a vote by a large majority.

Capital stock and treasury shares

As of December 31, 2024, the share capital of IONOS Group SE amounted to €140,000,000.

On May 8, 2024, the Management Board of IONOS Group SE decided, with the approval of the Supervisory Board, to launch a share buyback program and to acquire up to 850,000 of its own treasury shares (approximately 0.6% of the issued capital of €140,000,000) via the stock exchange. The volume of the buyback program was set at a total of up to €25 million (excluding transaction costs).
The buyback was carried out primarily to service claims arising from the employee stock ownership program established before the IPO but can be used for all purposes covered by the authorization of the Extraordinary General Meeting of January 26, 2023.

In the period from May 17, 2024, up to and including July 25, 2024, 850,000 shares were purchased at an average price of €26.26.

A part of the shares were used to service claims under the employee stock ownership program established before the IPO so that the company held 463,565 treasury shares (0.33% of the capital stock of €140,000,000) as of December 31, 2024.

Investor Relations

In the 2024 fiscal year, IONOS Group SE continued to use a combination of face-to-face and online events to interact with investors and share information. The Annual General Meeting took place in person.

In addition to direct interaction, the IONOS Group SE focused on publishing quarterly reports, the half-yearly financial report, the annual financial statements, and regular webcasts to provide comprehensive insights into the company's development.

Management and Investor Relations explained the corporate strategy and financial results in numerous face-to-face meetings with investors, particularly from Europe and North America. This enabled investors to get to know and understand the company in different formats and settings.

In addition, the IONOS Group SE website at https://www.ionos-group.com/de/investor-relations.html offers a comprehensive source of information. There, shareholders and interested investors not only have access to the publication dates of the financial reports, but also to the dates and locations of investor conferences and roadshows. The annual and sustainability reports are also available on the IONOS Group SE website.

Personnel report

As an internet service provider, IONOS is subject to the defining characteristics of the industry: high dynamics, short innovation cycles and intense competition. IONOS has been meeting these challenges with great success for many years. One of the key factors for the company's success and growth is its dedicated, competent, entrepreneurial and self-motivated employees and managers. The company therefore places a high value on a sustainable and balanced strategy across all aspects of human resources: from employee recruitment to target group-oriented entry and training formats, task-related qualification offers and support for individual career paths, to the development and long-term retention of executives, high potentials and top performers.

IONOS is once again a recognized top employer in 2025. Based on an independent study by the “Top Employers Institute”, IONOS has been awarded the title of “TOP Employer”. The certification is awarded to companies that offer their employees attractive working conditions. The assessment is based on career opportunities, benefits, working conditions, training and development opportunities.

Headcount and personnel expenses

In the highly competitive market for skilled workers in the ICT sector, the IONOS Group has once again succeeded in filling key positions with top talent, thus doing justice to the expansion of its business. In addition to employer marketing that is tailored to the target group, partnerships with training and further education providers, and the positive impact of the product brands, a candidate-friendly, competitive acquisition and selection process in the area of recruiting is at the center of successful personnel development.

As of December 31, 2024, the number of employees decreased by 4.2%, or 182 employees, to 4,182 (previous year: 4,364).

The number of employees in Germany fell by -7.3% or -174 employees to 2,212 employees as of December 31, 2024 (previous year: 2,386). In the foreign companies, the number of employees decreased by 0.4%, or -8 employees, to 1,970 employees (previous year: 1,978).

Multi-year overview: Development of the number of employees by domestic/foreign location[1]; change compared to the previous year:

	2020	2021	2022	2023	2024	Change
Employees, total	3,632	4,003	4,247	4,364	4,182	–4.2%
thereof domestic	1,926	2,230	2,326	2,386	2,212	–7.3%
thereof foreign	1,706	1,773	1,921	1,978	1,970	–0.4%

[1] Active employees as of December 31 of the respective fiscal year

Personnel expenses rose by 7% to €293,286 (previous year: €274,173) in the 2024 fiscal year due to one-time expenses for optimization measures. The personnel expenses ratio fell slightly to 18.8%.

in €k	2020	2021	2022	2023	2024	Change
Personnel expenses	200,287	234,954	247,416	274,173	293,286	7.0%
Personnel expense ratio	20.3%	21.3%	19.1%	19.3%	18.8%	–2.6

Average annual revenue per employee in relation to the number of employees amounted to approximately €367k in the 2024 fiscal year (previous year: approximately €331k).

Diversity

IONOS stands for a corporate culture that values diversity. After all, only a workforce that reflects the many facets of society can provide the ideal conditions for creativity and productivity and make employees - and the company itself - unique. This unique diversity creates an incomparable potential for ideas and innovation, which increases the company's competitiveness and offers opportunities for everyone.

At IONOS, all employees should experience appreciation and equal opportunities, regardless of nationality, ethnic origin, religion or ideology, gender and gender identity, age, disability, sexual orientation and identity. The aim is to find the field of activity and function for each employee in which their individual potential and talents can be utilized to the fullest extent possible.

Period overview: Employees by gender [1]

	2023	2024
Woman	1,401	1,330
Men	2,960	2,851
Divers	3	1

[1] Active employees as of December 31 of the respective fiscal year

The average age per employee at IONOS was around 38 years at the end of the 2024 fiscal year (previous year: 37 years).

Multi-period overview: age structure of employees[1]

	2023	2024
% < 30 years	28.0%	23.6%
% 30-50	59.7%	63.7%
% ≥ 50 years	12.3%	12.7%

[1] Active employees as of December 31 of the respective fiscal year

IONOS employees work in an international environment at around 40 locations worldwide.

Multi-period overview: Employees by country[1]

	2023	2024
Employees, total	4,364	4,182
thereof Germany	2,387	2,212
thereof France	8	9
thereof UK	273	242
thereof Austria	69	55
thereof Philippines	464	505
thereof Poland	339	319
thereof Romania	261	284
thereof Spain	445	444
thereof USA	118	112

[1] Active employees as of December 31 of the respective fiscal year

For more information on topics such as “HR strategy and organization”, “training and professional development”, “diversity and equal opportunities” and “occupational health and safety”, please refer to the IONOS Group SE Sustainability Report.

Liquidity and financing

Group financing is primarily geared towards the strategic business plans of the operating business units. In order to provide sufficient flexibility for further growth, IONOS therefore constantly monitors trends in the financing options available on the financial markets. Various financing options as well as potential for optimizing existing financing instruments are regularly reviewed. The current focus is on ensuring sufficient liquidity and the financial independence of the Group. In addition to its strong internal financing power, the Group maintains sufficient liquidity reserves with core banks and is involved in cash pooling with United Internet AG. The flexible utilization of liquidity reserves enables efficient management of the Group's liquidity, optimal debt management to reduce interest costs.

The loan taken out as part of the refinancing with a banking consortium in 2023 amounted to €800,000k on the balance-sheet date. The loan has a remaining term of two years and is due at maturity.

Liabilities to banks amounted to €797,679k (previous year: €797,587k) as of the balance sheet date of December 31, 2024.

The existing shareholder loan from United Internet AG will be repaid as scheduled. The remaining debt from the shareholder loan therefore amounts to €170,000k.

2.3 Position of the Group

Group’s earnings position

The number of paying customers increased by a total of 160,000 in the 2024 fiscal year, reaching 6.32 million customers as of December 31, 2024.

IONOS's total revenues (sum of revenues from contracts with customers and revenues with related parties) increased by 9.6% to €1,560,301k in the 2024 fiscal year (previous year: €1,423,734k). The increase is mainly due to positive developments in new customer business and higher revenues from cross-selling and upselling to existing customers, particularly with email and cloud/VPS server products. In addition, the continuous expansion of the cloud infrastructure and services business and the lagging effects of last year's price increases contributed to the revenue increase.

Of the third-party revenues at IONOS, €662,877k (previous year: €654,749k) are generated abroad.

Revenues with affiliated companies amounting to €45,696k (previous year: €45,531k) result mainly from internal cost allocation. IONOS provides general services for United Internet Group companies in the areas of development, sales, data centers and product management.

In the fiscal year, revenues from contracts with customers amounted to €1,514,605k (previous year: €1,378,203k), of which product revenues from the Web Presence & Productivity segment amounted to €1,025,419k (previous year: €917,098k), the Cloud Solutions business unit in the amount of €176,955k (previous year: €156,123k), and the AdTech business unit in the amount of €312,231k (previous year: €304,982k). In the context of Group-wide standardization, some products were reclassified and reallocated. As a result, the previous year's revenues of the Cloud Solutions business unit increased by €6,816k. In the Web Presence & Productivity business unit, revenues fell by €-6,816k in the previous year. In addition, the AdTech business unit, which was reported in the Web Presence & Productivity business unit in the previous year, is being reported for the first time.

Multi-period overview: development of key cost items

in €k	2020	2021	2022	2023	2024
Cost of sales	450,675	535,401	698,247	737,938	801,232
Cost of sales ratio	45.6%	48.5%	54.0%	51.8%	51.4%
Gross margin	54.4%	51.5%	46.0%	48.2%	48.6%
Selling expenses	238,977	265,132	296,168	318,647	325,025
Selling expenses ratio	24.2%	24.0%	22.9%	22.4%	20.8%
Administrative expenses	70,128	77,037	87,616	97,144	100,502
Administrative expenses ratio	7.1%	7.0%	6.8%	6.8%	6.4%

The cost of sales rose at a lower rate than revenues, from €737,938k (51.8% of total revenues) in the previous year to €801,232k (51.4% of total revenues) in fiscal year 2024. The gross margin rose slightly from 48.2% to 48.6%. Gross profit increased by 10.7% from €685,796k to €759,069k.

Selling expenses of €325,025k (20.8% of total revenues) increased at a lower rate than total revenues compared to the previous year (€318,647k; 22.4% of total revenues). The increase is mainly due to a rise in personnel expenses to €136,692k (previous year: €131,505k).

Administrative expenses also increased at a slightly lower rate than total revenues, from €97,144k in the previous year (6.8% of total revenues) to €100,502k (6.4% of total revenues), partly as a result of higher personnel expenses, which rose to €34,933k (previous year: €32,473k). In contrast, legal and consulting fees as well as insurance and contribution expenses decreased.

Overall, the disproportionately low-cost development is mainly due to economies of scale.

Other operating expenses amounted to €19,128k in the fiscal year 2024 (previous year: €14,799k) and mainly include expenses from foreign currency conversion of €14,097k (previous year: €10,062k) and expenses unrelated to the accounting period of €1,533k (previous year: €1,039k).

Impairment losses on receivables and contract assets rose to €17,054k in 2024 (previous year: €14,145k). The increase was primarily due to higher losses on receivables and increased valuation allowances on receivables due to a slight deterioration in the payment behavior of some customers and the weakening of the overall economic environment.

Other operating income decreased to €20,816k in the 2024 fiscal year (previous year: €36,411k). The 42.8% decline in other operating income is mainly due to the decrease in income relating to other periods. In the previous year, this included income from the transfer of IPO costs in the amount of €11,719k (2024: €0k).

The result from operating activities increased by 14.7% from €277,472k in the previous year to €318,176k.

Financing expenses fell to €78,018k in fiscal year 2024 (prior year: €93,784k). The decrease in financing expenses resulted primarily from a decrease in interest expenses to United Internet AG to €19,061k (prior year: €80,112k). By contrast, interest expenses from the subsequent measurement of the purchase price liability in connection with the acquisition of STRATO GmbH (formerly STRATO AG) rose to €15,155k (previous year: €7,815k), while interest expenses from the syndicated loan rose to €37,422k (previous year: €1,125k).

Financial income decreased to €5,411k in fiscal year 2024 (previous year: €31,875k). This decrease was due to the subsequent valuation of the purchase price liability in connection with the acquisition of STRATO GmbH (formerly STRATO AG; 2024: €2,424k; previous year: €30,695k).

Earnings before taxes increased from €215,312k in the previous year to €243,812k in the 2024 fiscal year.

The increase in tax expenses from €41,066k to €74,140k has a negative impact on the overall consolidated result. In the fiscal year, deferred tax assets on interest carryforwards in the amount of €2,081k were utilized. In the previous year, additional deferred tax assets on interest carryforwards had been recognized in full for the first time in the amount of €30,697 thousand due to positive planning of tax results.

The consolidated net income attributable to the shareholders of IONOS fell slightly by -2.6% to €169,666k (previous year: €174,231k). The main effects to be mentioned here are the increase in tax expense and the decrease in financial income, which in the previous year were significantly influenced by non-taxable income from the subsequent valuation of the purchase price liability in connection with the acquisition of STRATO GmbH (formerly STRATO AG). The increase in the operating result had the opposite effect. In this regard, we refer to our comments above on the development of key cost items.

The Group's EBITDA increased by 11.6% from €385,380k in the previous year to €430,222k due to the growth in revenues and a higher margin.

The company's adjusted EBITDA also increased year-on-year in fiscal year 2024 and amounted to €452,197k (previous year: €390,296k).

Adjusted EBITDA is calculated as follows:

in €k	2024	2023	2022
Earnings before taxes	243,812	215,312	112,008
Share of the profit or loss of associates accounted for using the equity method	–1,757	–251	112
Financial income	5,411	31,875	9,843
Financing expenses	–78,018	–93,784	–105,968
Operating result	318,176	277,472	208,021
Depreciation and amortization of intangible assets and property, plant and equipment	112,046	107,908	112,332
EBITDA	430,222	385,380	320,353
Adjustment for LTIP (1)	5,692	5,879	4,208
Adjustment for stand-alone activities (2)	10,394	9,478	13,048
Adjustment for IPO costs (3)	0	–11,719	8,829
Adjustment for consulting fees incurred for one-off projects (4)	0	0	1,118
Adjustment for sale of shares (5)	0	0	–1,910
Adjustment for severance payments (6)	5,889	1,278	0
Total adjustments	21,975	4,916	25,293
Adjusted EBITDA	452,197	390,296	345,646

Adjustments to EBITDA in the 2024 fiscal year relate to:

- LTIP adjustment: Expenses for employee participation programs in the amount of €5,692k (previous year: €5,879k).
- Adjustment for stand-alone activities: Expenses for the establishment of stand-alone activities of €10,394k (previous year: €9,478k). This relates to costs in connection with the preparation of our separation from the United Internet Group - in particular the billing systems operated by 1&1 Telecommunication SE and the associated services - and the establishment of IONOS Group as an independent group (billing carve-out project).
- Adjustment of IPO costs: includes external costs incurred in connection with the IPO, and in the previous year included the income from the passing on of costs incurred in connection with the IPO to the shareholders United Internet and Warburg Pincus.
- Adjustment for consulting costs and one-off projects: Consulting costs for one-off projects in the amount of €0 (previous year: €0), which were incurred for external consulting companies providing support for special projects. Special projects are, but not exclusively, projects relating to M&A/capital markets, restructuring and complex accounting projects.
- Adjustment of sale of shareholdings: Income from the sale of minority or majority shareholdings in the amount of €0 (previous year: €0). Includes only the accounting income from the deconsolidation of the minority interest Intellectual Property Management Inc. in fiscal year 2022.
- Adjustment of severance payments: Expenses for severance payments in the amount of €5,889k (previous year: €1,278k). Includes costs in connection with reorganization and restructuring measures.

Other comprehensive income increased from €5,322k in the previous year to €9,813k in the 2024 fiscal year and relates exclusively to the change in currency differences in 2024.

Group's financial position

Cash flow before changes in balance sheet items (subtotal) increased from €309,864k in the previous year to €358,267k in the 2024 fiscal year, mainly due to the positive development of the operating result. Lower payments from employee participation programs also had a positive effect on cash flow from operating activities.

Cash flow from operating activities in the 2024 fiscal year increased from €314,496k in the previous year to €386,803k. This was mainly due to a significant year-on-year increase in cash flow before changes in balance sheet items (subtotal) and the increase in liabilities. The increase in receivables and other assets had the opposite effect on cash flow from operating activities.

The cash flow from investing activities for the 2024 fiscal year amounts to -€100,313k (previous year: -€114,166k). The change is mainly due to lower cash payments of €23,983k (previous year: €27,502k) in connection with cash pooling, lower payments of €0k (previous year: €4,416k) in connection with company acquisitions, and reduced payments for investments in intangible assets and property, plant and equipment of €81,699k in the previous year to €76,872k in the 2024 fiscal year.

The development of cash flow from financing activities in the 2024 fiscal year (net cash outflow of €-279,366k) was determined not only by the repayment of loans in the amount of €-180,000k (previous year: €-895,000k) but also by the absence of new loans (previous year: €+800,000k) and the first-time acquisition of treasury shares with a volume of €-22,319k (previous year: €0k).

Cash and cash equivalents amounted to €30,180k as of December 31, 2024, compared with €22,652k as of the previous year's reporting date.

As of December 31, 2022, non-current liabilities to related parties comprised a vendor loan of €819,000k for the acquisition of shares in IONOS SE and a loan of €350,000k for the acquisition of shares in STRATO AG. Both loans bore interest at 6.75% p.a. and had a term until December 31, 2026. Both loans were unsecured. In addition, there was a long-term loan liability to United Internet AG in the amount of €76,000k. The loan was granted for the acquisition of shares in World4You Internet Service GmbH. It bore interest at 5.0% p.a.

On January 27, 2023, these three loans were combined to form a loan in the total amount of €1,245,000k, which bears interest at 6.75% p.a. and has a term until December 15, 2026. The loan to banks concluded on December 15, 2023, was used in full to repay the long-term loan from United Internet AG, bears interest at 4.67% p.a., and matures on December 15, 2026.

At the end of the fiscal year, non-current financial liabilities to related parties amounted to €170,000k (prior year: €350,000k) between IONOS Holding SE and United Internet AG and to a loan to a bank consortium of €800,000k (prior year: €800,000k).

The ability of IONOS to meet its payment obligations from the main financing arrangements is secured by the positive operating cash flow and the internal cash pooling system of the United Internet Group.

Development of the key cash flow figures:

in €k	2023	2024	Change
Cash flow before changes in balance sheet items (subtotal)	309,864	358,267	15.6%
Cash flow from operating activities	314,496	386,803	23.0%
Cash flow from investing activities	–114,166	–100,313	–12.1%
Free Cashflow [1]	219,438	296,196	35.0%
Cash flow from financing activities	–204,524	–279,366	36.6%
Cash and cash equivalents at end of period	22,652	30,180	33.2%

[1] Free cash flow is defined as cash flow from operating activities (disclosed in the consolidated financial statement), less capital expenditure for intangible assets and property, plant, and equipment, plus payments from the disposal of intangible assets and property, plant, and equipment, and including the repayment of lease liabilities, which have been recognized in net cash payments in the financing area since the 2019 fiscal year.

Group's asset position

The group's total assets increased from €1,596,265k as of December 31, 2023, to €1,643,586k as of December 31, 2024.

Development of current assets:

in €k	2023	2024	Change
Cash and cash equivalents	22,652	30,180	7,528
Trade accounts receivable	73,512	91,492	17,980
Receivables from related parties	63,094	88,487	25,393
Contract assets	8,235	9,235	1,000
Inventories	69	54	–15
Prepaid expenses	25,530	26,684	1,154
Other financial assets	28,313	16,306	–12,007
Other non-financial assets	658	939	281
Income tax claims	2,722	6,262	3,540
Total current assets	**224,785**	**269,639**	**44,854**

Current assets increased from €224,785k as of December 31, 2023, to €269,639k as of December 31, 2024. This is mainly due to increased receivables as a result of rising revenues and increased receivables from related parties.

Receivables from related parties increased from €63,094k to €88,487k in fiscal year 2024, mainly due to the increase in receivables from the cash pool with United Internet AG.

Trade accounts receivable increased by €17,980k to €91,492k (previous year: €73,512k) in connection with the higher revenues.

This is offset by a decline in other financial assets of €12,007k, which is mainly due to project grants received.

The income tax claims increased from €2,722k in the previous year to €6,262k.

Development of non-current assets:

in €k	2023	2024	Change
Investments in associated companies	4,279	2,407	–1,872
Receivables from finance leases	2,851	2,509	–342
Other financial assets	761	761	0
Property, plant and equipment	321,661	315,402	–6,259
Other intangible assets	164,174	145,610	–18,564
Goodwill	826,271	830,144	3,873
Contract assets	9	22	13
Prepaid expenses	13,628	26,122	12,494
Deferred tax assets	37,846	50,970	13,124
Total non-current assets	**1,371,480**	**1,373,947**	**2,467**

Non-current assets increased slightly from €1,371,480k as of December 31, 2023, to €1,373,947k as of December 31, 2024.

Property, plant and equipment decreased from €321,661 to €315,402k. Investments of €83,503k were offset by depreciation of €86,262k and asset disposals of €7,802k. The asset disposals mainly relate to disposals of the right of use.

Intangible assets decreased from €164,174k to €145,610k, mainly as a result of the ongoing amortization of software and customer base. Goodwill increased from €826,271k in the previous year to €830,144k as of December 31, 2024, due to exchange rate effects.

The prepaid expenses of €26,122k include payments to third parties for contract initiation, which are amortized over the term of the contract. The increase of €12,494k reflects the positive customer development and a longer customer lifetime.

Development of current liabilities:

in €k	2023	2024	Change
Trade accounts payable	89,227	112,311	23,084
Liabilities to related parties	6,292	6,280	–12
Liabilities due to banks	1,125	102	–1,023
Income tax liabilities	21,982	35,798	13,816
Contract liabilities	84,645	92,653	8,008
Other provisions	888	640	–248
Other financial liabilities*	48,186	58,077	9,891
Other non-financial liabilities*	45,770	54,251	8,481
Total current liabilities	**298,115**	**360,112**	**61,997**

* Previous year adjusted. The liabilities from wage and salary (2024: €22,205k; 2023: €19,761k) were reclassified from other financial liabilities to other non-financial liabilities to improve the consistency of the financial statements.

Trade accounts payable increased by 25.9% to €112,311k due to the balance-sheet date.

Total current liabilities increased from €298,115k as of December 31, 2023, to €360,112k as of December 31, 2024.

Current contract liabilities of €92,653k (December 31, 2020: €84,645k) primarily include payments from customer contracts for which the service has not yet been fully provided.

Other current financial liabilities increased from €48,186k in 2023 to €58,077k in 2024, mainly due to the subsequent measurement of the contingent purchase price liabilities (+€12,731k).

Development of non-current debt:

in €k	2023	2024	Change
Liabilities due to banks	796,462	797,577	1,115
Liabilities to related parties	350,000	170,000	–180,000
Deferred tax liabilities	33,652	42,827	9,175
Trade accounts payable	0	0	0
Contract liabilities	1,929	2,112	183
Other provisions	3,262	3,271	9
Other financial liabilities	115,626	108,927	–6,699
Total non-current liabilities	**1,300,931**	**1,124,714**	**–176,217**

Non-current liabilities decreased from €1,300,931k as of December 31, 2023, to €1,124,714k as of December 31, 2024, mainly due to the further repayment of the United Internet AG loan. Deferred tax liabilities increased from €33,652k in the previous year to €42,827k. Taking into account deferred tax assets, there is a net deferred tax asset surplus of €8,143k in the 2023 reporting year, compared to a net deferred tax asset surplus of €4,194k in the previous year.

- Increase in deferred tax liabilities on increased cost accruals in connection with revenue recognition by €4,340k.
- Decrease in deferred tax assets on interest carryforwards of €2,081k and increase in deferred tax assets on loss carryforwards of €509k.
- Reduction of deferred tax liabilities from amortization of intangible assets in connection with company acquisitions by €5,842k.
- Increase in deferred tax from provisions for LTIP by €3,482k.

Development of equity:

in €k	2023	2024	Change
Issued capital	140,000	140,000	0
Reserves	–122,222	41,672	163,894
Treasury shares	0	–12,172	–12,172
Currency translation adjustment	–20,697	–10,884	9,813
Equity attributable to shareholders of the parent company	–2,919	158,616	161,535
Non-controlling interests	138	144	6
Total equity	**–2,781**	**158,760**	**161,541**

Last year, despite negative equity, IONOS was positioned under going concern assumption, as

- IONOS or the previous IONOS SE Group (before the upward expansion of the Group), has achieved positive results in the past.
- IONOS will continue to achieve positive results in the future in line with corporate planning and
- IONOS or the previous IONOS SE Group (prior to the upward expansion of the Group), was able to secure financing at all times in the past (including via its main shareholder, United Internet AG) and expects to do so in the future as well.

On this basis, there was an expectation in the past that IONOS would be able to meet its financial obligations at all times.

Since the 2024 fiscal year, IONOS has reported positive total equity due to positive net income. Based on the company's development, the group will continue to be set up under the assumption of a going concern.

Net bank debt (i.e., the balance of liabilities due to banks and cash and cash equivalents) amounted to €767,499k as of December 31, 2024. In fiscal year 2023, net liabilities due to banks amounted to €774,935k. The relative debt, calculated as net liabilities due to banks in relation to EBITDA, amounts to 1.78.

IONOS did not hold any Treasury shares as of the balance sheet date of December 31, 2023. On May 8, 2024, the Management Board of IONOS Group SE, with the approval of the Supervisory Board and based on the authorization of the Extraordinary General Meeting on January 26, 2023, to acquire Treasury shares, initially decided to acquire up to 850,000 Treasury shares via the stock exchange. This corresponds to approximately 0.6% of the issued capital of €140,000k. The buyback program is to be carried out from mid-May 2024 and no later than February 28, 2025.

As part of the share buyback program, IONOS Group SE acquired a total of 850,000 Treasury shares for the first time in the period from May 17 to July 25, thereby completing the share buyback program. The purchase price excluding transaction costs amounted to €22,319k.

As of the balance-sheet date, IONOS Group SE still holds 463,565 Treasury shares, as 386,435 Treasury shares were issued in connection with employee stock ownership programs. This corresponds to approximately 0.3% of the share capital.

Management Board’s overall assessment of the Group’s business situation

Based on the positive overall economic development in IONOS' international sales markets, which is also expected by the International Monetary Fund (IMF), the Management Board of IONOS Group SE is optimistic about the future. This is also due to the stable and predominantly subscription-based business model. The Management Board continues to look ahead to the ongoing digitalization of small and medium-sized companies and the forecast growth in the cloud business.

The group's development has shown that the IONOS business model is relatively independent of economic conditions. Even in times of economic uncertainty or global challenges, the company has been able to further expand its customer base. The company has been able to accelerate customer growth by continuously expanding marketing activities in its core markets. Targeted measures are used to adapt to changing market conditions, such as the increase in certain cost types due to a shortage of supply and rising inflation rates. These measures are aimed at ensuring the company's profitability in the medium term.

Passing on cost increases to customers through price increases ensures the competitiveness and long-term stability of IONOS. The company's adjusted EBITDA increased by 15.8% to €452,197k in fiscal year 2024 (prior year: €390,296k). This increase reflects the company's positive development.

IONOS will continue this business policy of recent years in the years to come. In fiscal year 2024, the aim is to further develop today's target markets in the areas of web presence & productivity and cloud solutions. In addition to developing the core business of the web presence & productivity segment, the focus is particularly on further expanding our cloud product portfolio for medium-sized companies and in the public sector.

This is being done in conjunction with the further expansion of existing customer relationships by explicitly promoting the activation of certain products, specifically tailored to the profile of the respective customer. This strategy ensures further growth, both from new and existing customers.

Overall, the Management Board considers IONOS Group SE to be very well positioned for further corporate development as of the balance sheet date of the 2024 fiscal year and at the time this combined management and group management report was prepared.

2.4 Position of the Company

Earnings of IONOS Group SE

Total revenues in the 2024 fiscal year amounted to €17,997k (previous year: €3,243k) and resulted primarily from revenues with affiliated companies. The revenues with affiliated companies in the amount of €17,997k (previous year: €3,243k) result from internal cost allocation. These are primarily costs of the management boards that are passed on to IONOS Holding SE. In 2024, the item includes an addition to the stock appreciation rights (SAR) provision in the amount of €9,070k; in 2023, the item included a correction of revenues from the reversal of the long-term incentive (LTIP) provision in IONOS Holding SE in the amount of €7,701k.

The company's other operating income in the fiscal year 2024 amounted to €1,025k (prior year: €34,917k). They mainly include income from internal cost transfers of €907k (previous year: €959k) and income from the reversal of provisions of €79k (previous year: €15,997k). The income from the reversal of provisions in the previous year was due to the reversal of LTIP provisions. In addition, other operating income in the previous year included income unrelated to the accounting period in the amount of €11,949k, mainly from the transfer of IPO costs to the shareholders of the company.

The personnel expenses of IONOS Group SE amounted to €15,961k in fiscal year 2024 (prior year: €10,085k). The personnel expenses ratio in relation to revenues was 88.7% (prior year: 311.0%). Personnel expenses relate to the remuneration of the current members of the Management Board of IONOS Group SE.

The company's other operating expenses for the fiscal year amounted to €4,020k (previous year: €18,858k) and mainly include expenses from internal cost transfers of €907k (previous year: €959k), expenses for accounting and audit costs of €898k (previous year: €843k), expenses for consulting fees and Supervisory Board remuneration in the amount of €724k (previous year: €4,602k), as well as expenses for external work in the amount of €447k (previous year: €8,034k) and expenses relating to other periods in the amount of €268k (previous year: €1,002k). The consulting costs reported in the previous year were incurred in connection with the IPO in 2023; the expenses for external work in 2023 are related to the change in the LTIP provisions.

The operating result of IONOS Group SE amounted to €-959k as of the balance sheet date (previous year: €9,216k) and was significantly influenced by the change in other operating income.

The income from loans of the company in the amount of €37k (previous year: €37k) relates exclusively to interest on the loan to IONOS Holding SE.

The interest expenses of IONOS Group SE in the amount of €540k (previous year: €3,833k) mainly comprise expenses from cash pooling interest of €388k (previous year: €229k) with IONOS Holding SE and interest expenses in connection with the raising of a syndicated loan by IONOS Holding SE in the amount of €152k (previous year: €3,605k)

The company's net loss for the fiscal year amounts to €2,474k (previous year: net profit of €5,405k).

Assets and financial position of IONOS Group SE

Total assets of IONOS Group SE decreased in fiscal year 2024 from €531,055k in the previous year to €529,342k. The main effects are explained below.

The company's receivables and other assets decreased from €10,877k to €9,154k. This is due to the €2,238k decrease in other receivables, with a countervailing €515k increase in receivables from affiliated companies. The receivables from affiliated companies primarily include receivables from the VAT group. In the previous year, the other receivables primarily comprised the transfer of the IPO costs to the minority shareholder WP XII Venture Holdings II SCSp, Luxembourg, in the amount of €2,238k.

Cash and cash equivalents increased from €0k in the previous year to €4k, which is mainly due to the buyback of treasury shares.

In the 2024 fiscal year, the total equity of IONOS Group SE decreased from €515,903k to €498,666k. This corresponds to an equity ratio of 94.20% as of December 31, 2024, which represents a decrease compared to the previous year (97.15%). The main reason for this development is the repurchase of treasury shares, which resulted in an open deduction from the issued capital in the amount of €464k and a deduction from the allocable capital reserve in the amount of €14,300k. At the same time, the loss carryforward was reduced by €5,405k due to the offsetting of the previous year's net profit.

The net loss for the fiscal year 2024 amounts to €2,474k (previous year: net profit of €5,405k). Together with the loss carried forward from the previous year of €7,609k, this results in an accumulated loss of €10,082k (previous year: €7,609k).

The provisions of IONOS Group SE relate to tax provisions of €1,012k (previous year: €0k) and other provisions, which increased from €9,609k to €18,936k.

The other provisions mainly include personnel-related provisions of €17,798k (previous year: €8,701k) and provisions for accounting and audit costs of €898k (previous year: €697k). The increase in other provisions relates primarily to provisions for share-based payments under the stock appreciation rights program for three members of the Company's Management Board in the amount of €9,070k (previous year: €3,301k).

The company's liabilities increased from €5,543k in the previous year to €10,728k.

Trade accounts payable decreased from €58k in the previous year to €7k. The decline relates primarily to liabilities to legal advisors in connection with the IPO.

Liabilities to affiliated companies increased from €437k to €1,109k. They mainly comprise liabilities from cash pooling and cash pooling interest in the amount of €620k (previous year: €0k) and from the VAT group in the amount of €186k (previous year: €403k).

Other liabilities mainly include liabilities from value added tax amounting to €9,428k (previous year: €4,982k).

IONOS Group SE has been connected to the Group's own cash pool of United Internet AG via IONOS Holding SE since June 2022. IONOS Holding is integrated into the cash pool of United Internet AG and the financing of United Internet AG, is in turn secured by long-term credit lines.

In addition, the company has concluded a long-term loan agreement (loan) with IONOS Holding SE. The loan amounted to €364,100k as of the balance sheet date (previous year: €364,100k). There are no plans to adjust the repayment terms.

By being included in IONOS Holding SE's cash pooling system, IONOS Group SE is able to meet its payment obligations at all times.

Management Board's overall assessment of the current business situation of the parent company

Due to its role as a holding company, the economic position of IONOS Group SE at the level of the separate financial statements is mainly influenced by the investment and financial results. In this respect, the overall statement of the Management Board on the economic situation of the Group also applies qualitatively to IONOS Group SE itself.

2.5 Non-financial key figures

The Management Board and Supervisory Board of IONOS are committed to ensuring the continued existence of the Group and sustainable value creation through responsible and long-term corporate governance. The Group's understanding of itself extends beyond the pursuit of economic goals and includes a commitment to the Group, the environment, employees, and other stakeholders.

IONOS fulfills its reporting obligation in accordance with the "Act to Strengthen Non-Financial Reporting by Companies in their Management and Group Management Reports" (CSR Directive Implementation Act, CSR-RUG; Sections 315b and 315c in conjunction with 289c HGB) and publishes a separate non-financial Group report as part of a separate sustainability report. In the sustainability report, the company also fulfills its reporting obligation in accordance with the EU Taxonomy Regulation 2020/852 of the European Parliament and discloses the proportion of environmentally sustainable business activities accordingly.

The Group faces up to this responsibility in a variety of ways. The most important aspects are summarized in the following sections and are published in the form of a sustainability report on the IONOS Group SE website (https://www.ionos-group.com/de/investor-relations/veroeffentlichungen/berichte.html).

Sustainable business policy / corporate responsibility

IONOS is committed to a sustainable business policy. This sustainability is reflected in particular in the high level of investment in customer relationships.

The number of paying customers increased by a further 164k in the 2024 fiscal year. This growth resulted from 43k new customers in Germany and 121k abroad. The total number of customers therefore increased to 6.32 million. In the previous year, the customer figures were adjusted by -30k after harmonization a policy at subsidiaries.

Group: Development of the customer base in the 2023 fiscal year (in millions)

	12/31/2024	12/31/2023	Change
Customers total	6.32	6.16	0.16
thereof domestic	3.20	3.16	0.04
thereof abroad	3.12	3.00	0.12

In addition to acquiring new customers, the retention and loyalty of existing customers is the most important factor in expanding the customer base. The most important tool for IONOS is customer satisfaction. For this reason, structures and processes have been established to determine customer satisfaction and their wishes. The insights gained from this are used to identify potential for improvement and be implemented in specific measures to increase customer satisfaction (for example in the area of service or product quality).

In the interests of customer satisfaction, since October 2018, for example, all IONOS brand customers have been able to use a personal consultant free of charge as a central point of contact for all questions relating to the products, their contract and business success on the internet. IONOS thus accompanies companies through all phases of company development - from the homepage, store systems and own servers to the use of the enterprise cloud infrastructure developed in-house. Companies also have the option of using numerous cloud applications to support their businesses.

Employees

The Internet industry is characterized by high dynamics, short innovation cycles and global networking. IONOS, together with the entire United Internet Group, is meeting these challenges with great success.

IONOS had a total of 4,182 active employees as at December 31, 2024 (previous year: 4,364).

Green IT

In the wake of the global climate debate and constantly rising energy consumption, the computer industry is often talking about "green IT". In principle, the term "green IT" covers all measures that help to reduce both CO2 emissions and a company's energy consumption.

Today, the ICT sector makes a significant contribution to global value creation and is therefore a strong economic factor. At the same time, it is also a not insignificant CO2 emitter and requires a lot of electricity. For Internet service providers such as IONOS, this applies in particular to the data centers where many millions of cloud applications for private individuals and businesses are managed and which are facing growing demand due to the advancing digitalization of the economy and society.

Since 2022, the IONOS Group has been using only electricity from directly purchased renewable sources for its own data centers worldwide. In addition, the group places a high value on the renewable energy being produced in a neighboring region—usually in the same country or in a nearby, neighboring area.

In July 2023, IONOS published its 2024 climate strategy. This is aligned with the standards of the Science Based Targets Initiative (SBTi) of the Paris Agreement on 1.5 °C for data centers. IONOS has long avoided the majority of potential carbon dioxide emissions by using electricity from 100% renewable energy sources for its data centers and plans to continue to do so. In addition, IONOS has set itself the goal of reducing emissions associated with the fuels for the data centers' emergency generators by 55% in 2030 compared to 2019. By 2030, office buildings should also be using 100% electricity from renewable energy sources, and 50% of the company's own data centers should be generating renewable energy by installing photovoltaic systems. The targets defined in the climate strategy are reviewed internally on an annual basis and are closely linked to the other general business objectives.

In 2018, the decision was made to implement an energy management system (EnMS) in accordance with ISO 50001. The EnMS covers the IONOS Group's data centers that it operates itself and where it can control energy consumption accordingly. The application of the EnMS enables the continuous pursuit of energy efficiency goals and transparent traceability. Thus, the EnMS can be used to identify and eliminate any energy waste, thereby saving costs, as well as to identify and fulfill external requirements such as conducting regular energy audits. The EnMS thus makes an important contribution to sustainability management and can have a positive impact on reputation and market position. In addition, certification of the environmental management system according to ISO 14001 was achieved in 2024, which minimizes environmental impacts and promotes environmental protection. The EnMS was successfully audited and recertified for the last time in 2022. The next regular recertification is planned for 2025.

Important building blocks with regard to saving energy within the global data centers include:

- Steady increase in utilization per server and thus a reduction in the number of servers required.
- Early replacement of old servers with more modern, energy-efficient hardware.
- Some of the server hardware is specially assembled for IONOS, whereby superfluous components are avoided and, among other things, energy-saving processors and power supply units with low-heat loss are used.
- The web hosting system used by IONOS is a highly optimized in-house development based on Linux that makes it possible to manage data from thousands of customers on a single computer, thus making efficient use of resources.
- Virtualization allows "bare metal servers" to be increasingly replaced by virtual servers.

- By using containers, redundant operation of the operating system kernel can be dispensed with, which is instead shared by all instances – this enables even more “elastic” load-dependent scaling of the IT resources provided.

3. Risk, Opportunity and forecast report

IONOS' risk and opportunity policy is geared towards the goal of preserving and sustainably increasing the company's value by seizing opportunities and recognizing and managing risks at an early stage.

The risk and opportunity management system in place at IONOS Group ensures that the company can carry out its business activities in a controlled corporate environment. The risk and opportunity management system regulates the responsible handling of uncertainties that are always associated with entrepreneurial activity and thus ensures that IONOS can carry out its business activities in a controlled environment.

3.1 Risk report

Risk management

The risk management system is an integral part of the corporate policy, with the aim of identifying risks at an early stage and, where appropriate, limiting them. IONOS uses a group-wide risk management system to continuously identify risks at an early stage and to standardize the identification, assessment, control and monitoring of risks. These standards are continuously adapted to changing conditions and continuously developed. IONOS embraces a risk culture that is characterized by an open and transparent approach to risk and promotes this sense of responsibility through an open information and communication policy. Every employee is encouraged to contact Company Risk Management after becoming aware of a reportable risk.

The IONOS risk management system applies throughout the group and is integrated into the United Internet AG system.

In order to be successful in the long term in the area of conflict between profit opportunities and loss risks, risks are systematically included in the decision-making processes in accordance with uniform group standards. Risk management is thus a strategic success factor for corporate management, both for IONOS Group SE itself and for its subsidiaries.

The risk early warning system meets the statutory requirements, is in line with the German Corporate Governance Code, and is modeled on the guidelines set out in the international ISO 31000:2018 standard.

In accordance with the provisions of the German Stock Corporation Act, the Supervisory Board reviews the effectiveness of the risk management system.

The concept, organization and task of risk management at IONOS are documented in a risk management strategy and risk management manual that is available and valid throughout the group. These requirements are continuously adapted to changing legal conditions and continuously developed. Operational risk management, for which the Chief Financial Officer of IONOS Group SE is responsible, pursues the goal of managing risks for the entire group and regularly addresses specific risk issues for IONOS.

To exchange and compare risk information, risk inventories are regularly carried out with all areas of the Management Board and risk manager meetings are held with the cross-departmental units throughout the company. Risk training is offered at all levels of the company, as risk management is seen as an integral part of the corporate culture. The training concept will be further expanded and implemented in the onboarding process.

The Management Board and Supervisory Board are informed about the risk situation four times a year in the form of a report. The results are discussed both by the Management Board and the Supervisory Board, in particular by the Audit and Risk Committee set up for this purpose. An ad hoc reporting requirement is triggered in the event of identified, sudden material risks and changes in risk. The risk is then immediately reported to the CFO of IONOS Group SE, who also reports to the Supervisory Board if necessary. In this way, significant risks can be addressed as quickly as possible.

Methods and objectives of risk management

The risk management system comprises the measures that allow the company to identify potential risks that could jeopardize the achievement of corporate goals at an early stage through assessments and early warning systems, and to evaluate, manage and monitor them in monetary and scenario-oriented terms. The aim of risk management is to provide management with the greatest possible transparency regarding the actual risk situation, its change and the available options for action, in order to enable the conscious acceptance or avoidance of risks. Risks that could jeopardize the company must be avoided as a matter of principle.

Risks are assessed on a net basis, i.e. the effects of mitigating measures are only taken into account in the risk assessment once they have been implemented.

The risk appetite determined annually by the CFO describes the willingness to take risks. This is supported by the periodic value-at-risk calculations, which take into account not only the risk-bearing capacity but also the risk tolerance and risk appetite. This is done in accordance with the selected risk appetite as defined by IDW PS 981 and serves the purpose of risk-oriented corporate management.

In addition to traditional risks, i.e. the consideration of short-term financial risks, IONOS also carries out a medium- and long-term assessment of sustainability risks from an outside-in and inside-out perspective. The list of risk types is rounded off by emerging risks, which are subject to an annual review.

The aim of risk management is to protect assets in general, to create room for maneuver, to achieve planned corporate objectives, and to reduce risk and capital costs.

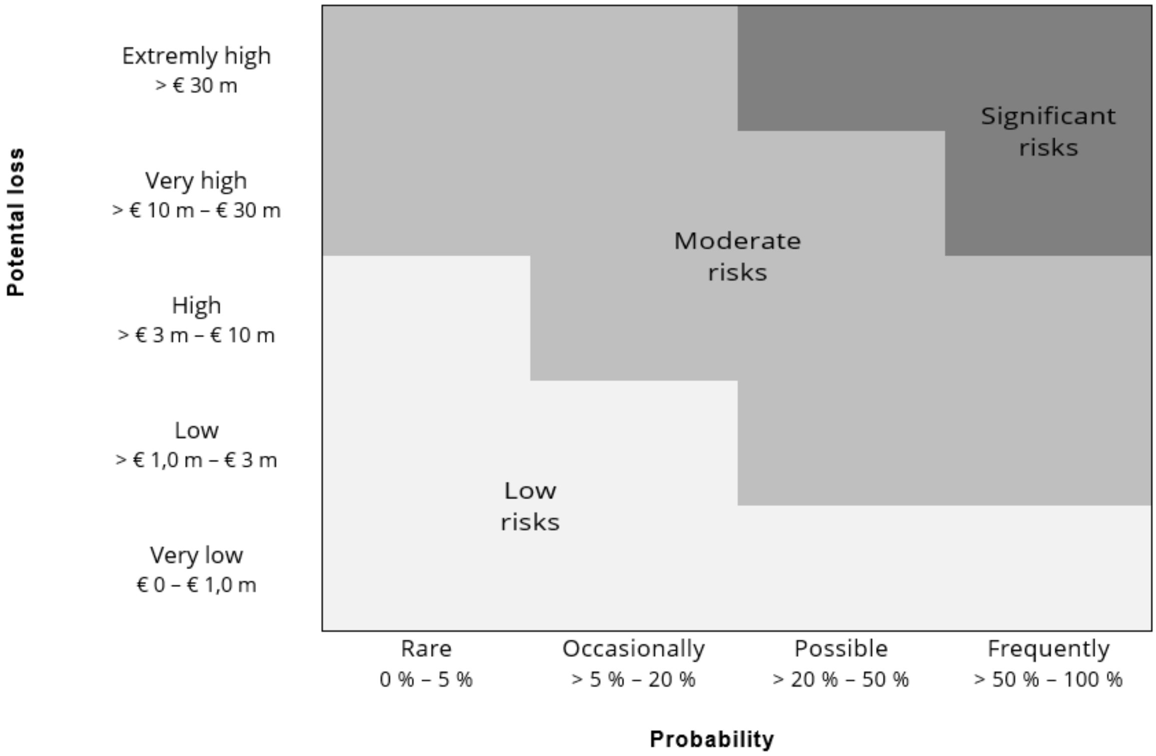
Risks for IONOS

The assessment of the overall risk situation is the result of a consolidated analysis of all known material risks. Based on all of these risks identified at IONOS, the following sections explain the material risk areas from the Group's perspective.

The starting point for assessing the materiality of risks is the likelihood of their occurrence and the potential damage they may cause. The potential damage includes all negative influences on the result. Based on the combination of probability of occurrence and potential damage, the risks are categorized into the three risk classifications “significant”, “moderate” and “low”.

Risk evaluation matrix IONOS

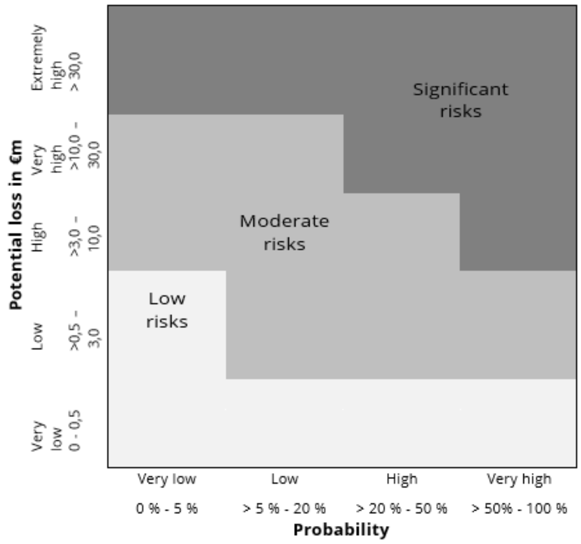
Risk evaluation matrix IONOS



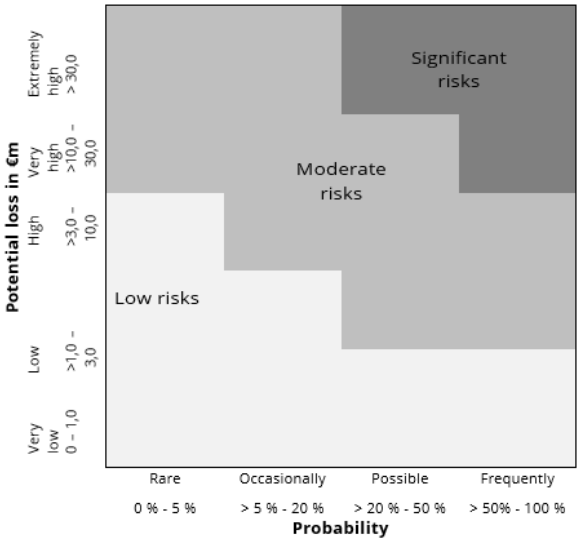
In the current fiscal year, the risk evaluation matrix and risk categories were adjusted.

- The parameters for the probability of occurrence were renamed as follows: Rare (previous year: Very low), Occasional (previous year: Low), Possible (previous year: High) and Frequently (previous year: Very high).
- The value of potential damage rated as “Very low” was increased by €0.5 million to €1.0 million. This also pushes up the value of “low” by €0.5 million.
- The risk areas “Low risks” and “Moderate risks” have been expanded and now provide a more realistic risk picture of IONOS. To ensure comparability of the risk ratings, the previous year's assessment was again carried out using the new risk assessment matrix.

Risk evaluation matrix 2023:



Risk evaluation matrix from 2024:



The risk categories were also revised this year and condensed from six to three main categories. Similar categories such as “Personnel development and retention” and “Recruitment market” were combined into “Employees”. All risks were transferred to the new categories of “Strategic Market & Business Risks”, “Operational Risks” and “Financial & Tax Risks”. Comparability with the previous year is ensured because these have also been reallocated.

The following risk categories have been omitted:

- “Organizational structure & decision-making” and “projects“.

The following categories have been split, integrated or renamed:

- “Capacity bottlenecks” in ”workflows and processes”, ”technical plant operation” or ”employees”;
- “Misconduct & irregularities” in ”regulatory environment”, ”workflows & processes” or ”litigation”;
- “Legislation & regulation” in “Regulatory environment“;
- “Fraud & credit default” is now called ”Fraud & credit default”.

Specific assessments by the Group's Management Board of the risk situation, the probability of occurrence, potential damage and the risk classification derived from this for the risks described below can be found at the end of this risk report.

Strategic Market & Business Risks

Sales market & competition

The markets in which IONOS operates are characterized by strong and sustained competition. Depending on the strategy of the parties involved in the market, different effects may arise that may, among other things, require an adjustment of one's own business models or pricing policies. Market share, growth targets or margins could also be jeopardized by new competitors entering the market. In addition, the IONOS Group itself occasionally enters new, additional markets with large competitors. Such entrepreneurial decisions always entail new risks.

IONOS is attempting to minimize these risks with detailed planning based on internal experience and external market studies, as well as constant monitoring of the market and competition. IONOS concurs with the official economic forecasts of the EU Commission, the IMF and the OECD for the coming year, which do not expect a significant recovery in the market situation in the German target market. The risk assessment has increased from moderate to significant compared to the previous year.

Procurement market

A gap in the procurement or delivery of resources needed for the company's operations can lead to bottlenecks or outages. This applies to the purchase of hardware and software as well as the purchase of advance services. Price increases of the purchased products and services pose a risk to the product margins that can be achieved. Delays can turn the planned positive effects of contractually fixed price adjustment rounds into risks for the company's periodic target achievement.

IONOS mitigates these risks by working with multiple service providers and suppliers with whom it has long-term relationships and contractual obligations, and, where economically feasible, by expanding its own value chain. Although significant and unforeseeable developments in the procurement market, for example, due to geopolitical tensions, cannot be fully mitigated, they can be counteracted by preventive measures such as the rapid increase in inventory levels.

The risk rating has decreased from moderate to low because there have been no significant recent price increases for licenses or services.

Participations & Investments

Acquiring and holding equity investments and making strategic investments is a key success factor for IONOS. In addition to better access to existing and new growth markets and to new technologies and expertise, equity investments and other investments also serve to unlock synergies and growth potential. However, these opportunities also involve risks. There is a risk, for example, that the hoped-for potential cannot be realized as expected or that acquired interests do not develop as expected (impairments, capital losses on disposal, dividend omissions or a reduction in hidden reserves).

All investments are therefore subject to a continuous monitoring process by the investment management team and are supported in a timely manner as needed. The recoverability of the investments made is continuously monitored by management and controlling.

IONOS is not currently aware of any significant risks in this area.

Business development & innovations

Another key factor in the success of IONOS is the development of new and constantly improved products and services to further increase revenues and earnings, acquire new customers, and expand existing customer relationships. There is a risk here that new developments will come onto the market too late or will not be accepted as expected by the target group.

IONOS counters these risks by closely and continuously monitoring the market, products and competition and by constantly responding to customer feedback in product development.

As in the previous year, this risk area is categorized as low.

Act of God

External events such as natural disasters (earthquakes, flooding, tsunamis, war, etc.), personnel crises (pandemics, strikes, etc.), infrastructure crises (power outages, road damage, etc.) or violent events (rampages, terrorist attacks, war, etc.) can affect business operations.

IONOS counters these risks as far as possible with a variety of measures. Examples include the operation of geo-redundant data centers, hygiene precautions and the development of emergency concepts. Regular development and review of the emergency concepts and their training are standard practice at IONOS.

The risk area has not changed from the previous year's assessment and continues to be categorized as moderate.

Macroeconomic environment

This risk category was introduced in the current fiscal year.

As a global company, IONOS is exposed to uncertainty in the global economy, in the financial markets, and to social and political instability. Disruptions to business operations can be caused by state conflicts, terrorist attacks, wars or international antipathy.

These external factors cannot be influenced, are difficult to predict, and can quickly develop a momentum of their own. Increasing military tensions around the world and global pandemic diseases could also have a negative impact on business operations, competitive or financial position, profit and cash flow.

The economy is currently preoccupied with the impact of the elections in Germany, for example, due to the preliminary federal budget and the resulting possibility of delayed call-offs by public-sector clients. Similarly, the economic policy measures of the Trump administration are a risk-increasing factor.

The Management Board and operational managers will monitor further developments closely and, if necessary, take appropriate countermeasures (if possible).

The risk assessment of the macroeconomic environment is classified as moderate.

Regulatory environment

Risks from the earlier categories of “misconduct & irregularities” and “legislation & regulation” are summarized under the category “regulatory environment”.

Amendments to existing legislation, the enactment of new laws and changes to state regulation topics may have unexpected negative effects on the business models pursued by IONOS and their further development. Similarly, there is a possibility that a lack of regulation will worsen the market environment for IONOS.

We are countering the regulatory risk by actively collaborating with several partners. The assessment remains unchanged from the previous year at a moderate level.

Operational Risks

Workflows & processes

In the context of the ever-increasing complexity and interoperability of the products offered, the demands on the further development of internal workflows and processes are constantly increasing. This goes hand in hand with constantly growing coordination efforts. The particular challenge here, in addition to ensuring quality standards, lies above all in adapting to the ever faster pace of market developments—and that in many different domestic and foreign markets.

The group counters these risks by continuously developing and improving internal workflows and processes, by deliberately bundling and retaining experts and key personnel, and by continuously optimizing its organizational structures.

As in the previous year, the risk level is categorized as moderate.

Fraud & credit default

In order to keep pace with the dynamic customer growth and to provide services as quickly as possible, IONOS' ordering and provisioning processes are largely automated – as is the case with many large companies in the mass market business. These automated processes naturally offer opportunities for fraudsters to attack. Due to the high attractiveness of the products and services offered, the risk of an increase in the number of non-payers and fraudsters is also increasing alongside the number of customers.

The group is endeavoring to prevent fraud attacks, or at least to recognize and stop them early on, by permanently expanding fraud management, working closely with partners and designing products accordingly.

As in the previous year, this risk area is assessed as moderate.

Cyber & Information Security

IONOS essentially achieves its business success in the internet environment. To provide its services, it uses information and telecommunications technologies (e.g. data centers, transmission systems and exchange nodes) that are closely networked with the internet and whose availability can be jeopardized by threats from the internet.

In order to be able to counter such risks increasingly quickly, the existing monitoring and alarm system, including the necessary processes and documentation, is continuously optimized.

There is also the risk of a hacker attack with the aim of spying on or deleting customer data or making improper use of services. In the 2024 fiscal year, there was also an increase in the professionalization of attackers and their methods. According to the Federal Office for Information Security (BSI), an average of 309,000 new malware program variants were detected daily between July 1, 2023, and June 30, 2024 (previous year: 250,000).

This risk is countered by using virus scanners, firewalling concepts, self-initiated tests and various technical control mechanisms.

The potential threats from the internet represent one of the biggest risk groups for IONOS in terms of their impact, and these are controlled by a variety of technical and organizational measures. In particular, the operation and continuous improvement of the security management system and the constant expansion of the resilience of the systems should be mentioned here.

The risk remains classified as moderate, as in the previous year.

Data privacy

IONOS stores its customers' data on servers in the company's own data centers, which are certified according to international security standards (ISO 27001), as well as in rented data centers. The handling of this data is subject to extensive legal requirements.

Nevertheless, it can never be completely ruled out that data protection regulations may be violated, for example, by human error or technical vulnerabilities. In such a case, there is a risk of fines and a loss of customer trust.

The Group is aware of this great responsibility and places a high value on data protection and pays particular attention to it. IONOS continuously invests in improving the level of data protection by using the latest technologies, constantly reviewing data protection and other legal requirements, providing comprehensive data protection training for employees, and integrating data protection aspects and requirements into product development as early as possible.

There was no change in the risk area of “data privacy” compared to the previous year, so the classification remains unchanged at moderate.

Employees

This category consists of risks in the areas of "personnel recruitment", "development & retention".

Highly qualified and well-trained employees are the basis for the economic success of IONOS. In addition to the successful recruitment of qualified personnel, the development of personnel and the long-term retention of key employees are of strategic importance. If IONOS is unable to develop managers and employees with specialized technical or technological knowledge and retain them, there is a risk that IONOS will not be able to effectively pursue its business activities and achieve its growth targets. A concentrated accumulation of strategic knowledge and skills (so-called head monopoly) can have a significant impact on the group's ability to provide services if a key employee leaves.

To counteract this, employee and management skills are constantly being developed. Targeted measures for professional development, mentoring and coaching programs, as well as special offers for high-potential employees, are offered to develop talent and leadership skills.

As an employer, the IONOS Group believes it is well positioned to continue to attract qualified specialists and executives with the potential to increase business success. As in previous years, this was confirmed by the Top Employers Institute with the “Top Employer 2025” award. As in the previous year, the risk rating is moderate.

Affiliate management

Formerly known as “Cooperation & Outsourcing”.

Individual IONOS business units work with cooperation and outsourcing partners. The focus is on objectives such as concentrating on the actual core business, reducing costs and sharing in the specialized knowledge of the partner. These opportunities are accompanied by risks in the form of dependencies on external service providers, as well as contractual and default risks.

To reduce these risks, a detailed market analysis and a due diligence audit are carried out with an external service provider before a contract is signed. In addition, a close and cooperative exchange with the cooperation and outsourcing partners is maintained after the contract has been signed.

Compared to the previous year, the risk assessment shows no change and is still categorized as moderate.

Litigation

IONOS is currently involved in various legal and arbitration proceedings that arise from the normal course of business. The outcome of legal proceedings is by nature uncertain and therefore represents a risk. If the amount of the obligation can be estimated reliably, the risks from the legal proceedings are taken into account in the provisions, if necessary.

As in the previous year, the risk area is assessed as moderate.

Technical plant operation

IONOS products and the business processes they require are based on a complex technical infrastructure and a variety of mission-critical software systems (servers, customer management databases, statistics systems, etc.). Constantly adapting to changing customer needs makes this technical infrastructure more and more complex, meaning that regular changes have to be made to it. As a result, but also due to major changes such as data migrations, a wide range of disruptions or outages may occur. If, for example, service systems are affected, the group would no longer be able to provide its customers with the promised service (temporarily) or would only be able to provide it to a limited extent.

The group counters these risks through targeted architectural adjustments, quality assurance measures and a spatially separate (geo-redundant) design of core functionalities.

In addition, various software- and hardware-based security measures are used to protect the infrastructure and availability. For example, risky actions or business transactions are not carried out by one employee alone, but according to the “four-eyes principle”. Manual and technical access restrictions also ensure that employees only work in their areas of responsibility. As an additional security measure against data loss, existing data is regularly backed up and stored in geo-redundant data centers.

There was no change in the risk area “Technical plant operation” compared to the previous year, so the classification remains unchanged at moderate.

Financial & Tax Risks

Financing & liquidity risks

The topics of “financial market”, “financing” and “liquidity” were summarized in this subcategory.

IONOS is generally exposed to risks in the financial market through its activities. This applies in particular to risks arising from changes in interest rates, exchange rates and financing.

On the basis of liquidity planning, the company constantly reviews the various investment options for liquid funds and the conditions for financial debt. Any financing needs that arise are covered by means of suitable liquidity management instruments. Liquidity surpluses are invested in the money market at the best possible terms. Changes in market interest rates can affect net interest income and are included in the calculation of profit-related sensitivities. The company regularly assesses the conclusion of interest rate hedging transactions in order to mitigate the negative effects of rising interest rates.

The exchange rate risk of IONOS results primarily from its operating activities (if revenues and / or expenses are denominated in a currency other than the functional currency of the group) and the net investments in foreign subsidiaries.

The Group's liabilities result directly from its business activities. As of December 31, 2024, there is a non-current loan of €800,000k and a loan from the parent company United Internet AG of the amount of €170,000k.

In addition, derivative financial instruments exist at IONOS, primarily in the form of contingent purchase price liabilities (€23,653k as of December 31, 2024). These are measured at fair value through profit or loss. Option pricing models are primarily used to measure the derivatives.

The aim of financial risk management is to limit risks through ongoing operational and finance-oriented activities. This also includes the financial covenants contained in the loans, which means that the risk of a claim is indicated as “rare”.

The liquidity risk of IONOS basically consists in the possibility that the company might not be able to meet its financial obligations, such as the repayment of financial liabilities. The company's goal is to continuously cover its financial needs and ensure flexibility, including by using overdrafts and loans.

Cash management involves the central calculation of the demand for and surplus of cash throughout the group. The number of external bank transactions is minimized by netting requirements against surpluses within the group. This is done, among other things, by using cash pooling procedures. The group has established standardized processes and systems to manage its bank and internal clearing accounts and to carry out automated payment transactions.

As in the previous financial year, the risk rating for the risk area of “financial & liquidity risks” remains moderate.

Tax risks

As an international group, we are subject to the tax laws applicable in the various countries in which we operate. Risks may arise from changes in tax legislation or case law, as well as from different interpretations of existing regulations.

IONOS is countering these risks by continuously expanding its existing tax management system.

Compared to December 31, 2023, there has been a decrease in the risk area from significant to moderate, as the potential damage for the coming year is estimated to be lower. The reason for the decrease is the successful implementation of process optimization measures.

Management Board’s overall assessment of the Group’s risk position

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

- From today's perspective, the greatest challenge is the risk area “Sales market & competition”. This was upgraded from moderate to significant in the reporting year. This is in line with the official forecasts for the German market, which represents a significant share of IONOS's revenue.
- The risk rating of the risk area “Procurement market” has decreased from moderate to low. This is mainly due to the successful implementation of measures such as the expansion of the supplier portfolio to avoid potential dependencies and the switch to more efficient products.
- The risk area “Macroeconomic environment” was newly introduced in the current financial year and did not contain any significant risks in the previous year. Thus, the risk classification increased from low to moderate.
- For the risk area “tax risks”, the successful implementation of process optimization measures resulted in an improved classification from significant to moderate.
- Otherwise, the risk ratings of the risk areas of IONOS as of December 31, 2024, remained unchanged compared to December 31, 2023.

By continuously expanding its risk management, IONOS is countering risks and limiting them to a minimum by implementing specific measures, provided this makes economic sense.

The overall risk situation of IONOS has increased slightly in two of the three risk areas (Operational Risks and Financial & Tax Risks) compared to the previous year. By contrast, the overall risk position in the area of “Strategic Market & Business Risks” decreased.

In the 2024 fiscal year and as of the preparation date of this combined group management report, there were no identifiable risks to IONOS as a going concern, either from individual risk positions or from the overall risk situation.

The opportunities for IONOS were not taken into account in the assessment of the overall risk situation.

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

	Segment	Probability of occurrence	Potential damage	Risk classification	Change compared to previous year
Strategic Market & Business Risks					
Sales market & competition	AdTech Digital Solutions & Cloud	Possible	Extremely high	Significant	Deteriorated
Procurement market	Digital Solutions & Cloud	Rare	High	Low	Improved
Participations & investments	Digital Solutions & Cloud	Currently no significant risks		Low	Unchanged
Business development & innovations	Digital Solutions & Cloud	Occasionally	Very low	Low	Unchanged
Act of God	AdTech Digital Solutions & Cloud	Rare	Extremely high	Moderate	Unchanged
Macroeconomic environment	Digital Solutions & Cloud	Possible	Very high	Moderate	Deteriorated
Regulatory environment	AdTech Digital Solutions & Cloud	Occasionally	Extremely high	Moderate	Unchanged

Operational Risks					
Workflows & processes	Digital Solutions & Cloud	Occasionally	Extremely high	Moderate	Unchanged
Fraud & credit default	AdTech Digital Solutions & Cloud	Possible	High	Moderate	Unchanged
Cyber & Information Security	AdTech Digital Solutions & Cloud	Rare	Extremely high	Moderate	Unchanged
Data privacy z	Digital Solutions & Cloud	Occasionally	Extremely high	Moderate	Unchanged
Employees	Digital Solutions & Cloud	Rare	Extremely high	Moderate	Unchanged
Affiliate management	AdTech Digital Solutions & Cloud	Occasionally	High	Moderate	Unchanged
Litigation	Digital Solutions & Cloud	Occasionally	High	Moderate	Unchanged
Technical plant operation	AdTech Digital Solutions & Cloud	Occasionally	Extremely high	Moderate	Unchanged
Financial & Tax Risks					
Financing & liquidity risks	AdTech Digital Solutions & Cloud	Occasionally	Extremely high	Moderate	Unchanged
Tax risks	Digital Solutions & Cloud	Possible	Very high	Moderate	Improved

3.2 Opportunity report

Opportunity management

Opportunity management is based on strategic planning and the measures derived from this for the development of products and their positioning in the various target groups, markets and countries during the product life cycle.

Direct responsibility for the early and continuous identification, assessment and management of opportunities lies with the Management Board and the operational management level in the respective divisions.

The management of IONOS deals intensively with detailed evaluations, models and scenarios on current and future industry and technology trends, products, markets / market potential and competitors in the Group's environment. The potential opportunities identified in these strategic analyses are then analyzed, taking into account the critical success factors and the existing framework conditions and opportunities for IONOS, discussed in planning meetings between the Management Board, Supervisory Board and managers responsible for operations and translated into concrete measures, targets and milestones.

The progress and success of the measures are monitored on an ongoing basis by those responsible for operations as well as by the Management Boards and managing directors of the companies.

Opportunities for IONOS

The stable and largely non-cyclical business model of IONOS ensures plannable revenues and cash flows, creating financial leeway to take advantage of opportunities in new business areas and new markets—organically or through selective acquisitions and investments. IONOS sees growth potential in the Digital Solutions & Cloud segment in particular, given the following opportunities.

Use of artificial intelligence (AI)

The IT industry offers enormous potential for the use of artificial intelligence (AI). At IONOS, for example, AI is used to optimize business processes and increase efficiency. By automating routine tasks in areas such as software development, customer service, and marketing, as well as analyzing complex data sets, IONOS can make better use of resources and increase productivity. The use of AI enables IONOS to develop innovative solutions and meet customer needs even better.

Companies like IONOS have the opportunity to use AI technologies at the product level to optimize existing offerings and develop innovative solutions. One example of this is the use of an AI-based website generator that allows customers to create their own website in seconds. By entering a few details, such as industry and relevant keywords, the AI technology automatically generates a website proposal that includes design, images, text and search engine optimization. This innovative approach enables customers to quickly and easily create their online presence, while IONOS continues to improve customer service and the user experience. By combining AI technology and customer proximity, IONOS can open up new opportunities for its customers and strengthen its market position.

Broad strategic positioning in growth markets

IONOS is a leading digitalization partner for small and medium-sized enterprises (SMEs) in 18 markets in Europe and North America, with a global reach through its globally accessible platform. The focus on technology solutions for SMEs allows IONOS to capitalize on the opportunities of a large and growing market. By continuously expanding its range of cloud solutions, IONOS is growing its product portfolio and creating new opportunities for growth.

The growth of IONOS is driven by long-term trends, including digitalization, the increasing shift from on-premise to cloud environments, and the growing importance of artificial intelligence. Small and medium-sized companies in particular still have significant potential to improve their internet presence and digital infrastructure, which offers IONOS good opportunities for further growth. Thanks to its strategic positioning and consistent focus on the needs of SMEs, IONOS is well-equipped to benefit from the opportunities offered by digitization and to support its customers on their journey into the digital future.

Participation in market growth

Despite the current uncertainties in the global economy, IONOS expects positive development in the key markets in which the company operates. As one of the leading providers in these markets, IONOS is in a strong position to benefit from the expected growth. IONOS has a solid foundation with its comprehensive range of competitive cloud applications, strong and specialized brands, high sales potential, and existing business relationships with over 6 million customers. This enables the company to exploit cross-selling and upselling opportunities and to participate in future market growth. This combination of strengths equips IONOS to consolidate its market position and achieve long-term success. The positive international market development and its own strengths enable IONOS to look to the future with optimism and to exploit further growth opportunities.

Expansion of market positions

IONOS has established a strong market position as a provider of web hosting services in Europe and North America. The combination of technological expertise, high product and service quality, long-standing business relationships with millions of customers, and high customer loyalty gives IONOS a solid foundation from which to further expand its market share. In particular, investments in the IONOS brand have helped to strengthen the market position and lay the foundation for further growth. By consistently focusing on the needs of its customers and continuously developing its services, IONOS is well-equipped to maintain its leading position in the web hosting industry and to exploit further growth opportunities. The strength of the IONOS brand and the loyal customer relationships form an important basis for the company's future success story.

Expansion of business areas

A key part of IONOS' core competencies is identifying customer needs, trends and new markets at an early stage and responding accordingly. The comprehensive value chain ranges from product management and development to data center operations, effective marketing and sales, and active customer care. This often enables IONOS to bring innovative solutions to market faster than other companies and successfully market them.

The strong cash generation in its established businesses gives IONOS the financial freedom to invest in new areas and take advantage of additional opportunities. In recent years, the company has continuously invested in new products and solutions to secure future growth. This strategy will enable IONOS to strengthen its market position, enter new markets and support its customers with innovative solutions. The combination of early trend recognition, a comprehensive value chain and financial flexibility will enable IONOS to succeed in the long term and adapt to the changing needs of its customers.

Broad value creation in the area of digitalization

IONOS offers a comprehensive range of solutions and products in the area of web presence and productivity, as well as cloud solutions that cover the entire value chain. By developing solutions in its own “Internet Factories” or in collaboration with partner companies, IONOS can ensure the quality of its offerings and respond quickly to the needs of its customers or changing market situations. The server-based solutions in its own data centers enable IONOS to respond flexibly and quickly to the demands of digitization, thus acquiring new customers and retaining existing ones over the long term.

The combination of in-house development, partner collaborations and its own data centers enables IONOS to ensure a high level of quality and flexibility in its offerings. By directly controlling the entire process from development to operation, IONOS can quickly respond to market changes and offer innovative solutions that meet the needs of its customers. This strategy enables IONOS to strengthen its market position and achieve long-term success.

Internationalization

IONOS offers a wide range of web presence and productivity products, as well as cloud solutions that can be used worldwide and work according to the same rules, regardless of location. Whether in Frankfurt am Main, London, Paris or New York, IONOS solutions can be used anywhere and offer a high degree of flexibility.

In the past, IONOS has successfully developed products such as MyWebsite and customized them to the specific needs of individual countries. The good exportability of these products enabled IONOS to gradually roll out its solutions to other countries. Today, IONOS is already active in numerous European countries such as Germany, France, the United Kingdom, Italy, Spain, the Netherlands, Austria, Switzerland, Poland, Hungary, Romania, Bulgaria, the Czech Republic, Slovakia and Sweden, as well as in North America in countries such as Canada, Mexico and the United States.

IONOS' strategy of developing products and solutions that are easily exportable has proven successful and enables the company to expand further. In the future, IONOS will continue to expand its global presence by rolling out products in additional countries and product rollouts to support its customers worldwide with innovative solutions. By combining globally deployable products with local adaptations, IONOS can meet customer needs even better and further strengthen its market position.

Digital sovereignty

In the context of rapid technological developments and increasing digitalization, the topic of digital sovereignty is becoming more and more important at both the national and European level. This development offers significant opportunities for IONOS to decisively strengthen its position as one of the leading European providers of cloud and hosting services.

The growing demand for data protection-compliant and secure IT solutions is a central aspect of the digital strategies of many companies and public institutions. In a world increasingly characterized by geopolitical uncertainty, the importance of digital sovereignty is growing in order to maintain control over one's own data and IT infrastructures. As a European company, IONOS is subject to the strict data protection standards of the EU and can thus sustainably strengthen customer confidence in compliance and data security.

Digital sovereignty offers IONOS the opportunity to expand its offering in a targeted manner and to provide customized solutions that meet specific requirements for independence and security. By developing and providing cloud services based on open standards, IONOS can help promote interoperable and vendor-independent IT ecosystems. This not only strengthens IONOS' market position, but also the competitiveness of its customers.

In addition, the focus on digital sovereignty enables IONOS to enter into strategic partnerships with governments and other institutions across Europe. These collaborations could promote the development of common standards and infrastructure to strengthen digital independence, which in turn can lead to new business opportunities and expanded market access.

Overall, IONOS is positioning itself as a trusted partner in an increasingly critical area of digital transformation through its commitment to digital sovereignty. This development not only supports the sustainable growth of the company, but should also help to ensure a secure and sovereign digital future for companies and institutions in Europe.

Overall statement by the Management Board on the opportunity situation

In view of the dynamic market development in the areas of web presence & productivity and cloud solutions, the group's growth opportunities are obvious: increasingly powerful internet connections that are available everywhere and at all times enable new, more elaborate cloud applications. From today's perspective, these internet-based applications for private individuals, freelancers and small and medium-sized companies are the growth drivers for IONOS in the coming years.

In Europe and Germany in particular, there is an opportunity to strengthen digital sovereignty and become less dependent on international providers. By promoting European cloud providers such as IONOS, dependence on foreign service providers can be reduced and the security of data and applications increased. IONOS is driving its own initiatives, such as the “Secure European Cloud API” initiative, to strengthen a European cloud infrastructure together with other European cloud companies and promote digital sovereignty. By developing secure and reliable cloud applications, IONOS can help to strengthen the digital infrastructure in Europe and Germany and increase the competitiveness of companies and organizations.

The business model, which is based primarily on subscriptions with fixed monthly payments and contractually fixed terms, ensures stable and predictable revenues and cash flows, offers the greatest possible protection against economic influences, and provides the financial flexibility to take advantage of opportunities in new business areas and new markets, whether organically or through acquisitions and investments. Thanks to its combination of stable revenues, innovative products and strong market position, IONOS is well-equipped to meet the challenges and opportunities of the digital transformation in Europe and Germany and to promote digital sovereignty.

3.3 Forecast report

Expectations for the economy

In its World Economic Outlook of January 17, 2025, the International Monetary Fund (IMF) updated its forecasts for the development of the global economies in 2025 and 2026.

The IMF's outlook for the global economy as a whole is better than it was. The Fund expects the global economy to grow by 3.3% in 2025, which is 0.1 percentage points more than in its fall forecast. And 3.3% is also expected for 2026.

The risks to the forecast cited by the IMF include geopolitical conflicts such as those in Ukraine and the Middle East, as well as the political uncertainty caused by Donald Trump's return to the US presidency. The IMF has not yet incorporated Mr. Trump's policy proposals into its forecasts.

In particular, the outlook for the US improved significantly by 0.5 percentage points to 2.7% for 2025. By contrast, the IMF experts paint a very different picture for Germany, which is the most important target country for IONOS. After two years of recession in 2023 and 2024, the German economy is expected to grow by only 0.3% in 2025. This represents a downward revision of 0.5 percentage points from the previous IMF estimate (fall forecast). The IMF thus expects Germany to again see the weakest growth among the leading western G7 industrialized nations in the current year. The reasons given are the weakness of industry and high energy prices, which are slowing the economic recovery.

This means that Germany will also lag behind in Europe in 2025. Spain (2.3%) in particular will grow much faster, but the UK (1.6%), France (0.8%) and Italy (0.7%) will also outpace it.

Market forecast: Development of key gross domestic products from the perspective of IONOS Group SE

	2024	**2025e**	**2026e**
World	3.2%	3.3%	3.3%
USA	2.8%	2.7%	2.1%
Canada	1.3%	2.0%	2.0%
Mexico	1.8%	1.4%	2.0%
France	1.1%	0.8%	1.1%
Spain	3.1%	2.3%	1.8%
Italy	0.6%	0.7%	0.9%
Poland	2.8%	3.5%	3.3%
UK	0.9%	1.6%	1.5%
Germany	–0.2%	0.3%	1.1%

Source: International Monetary Fund, World Economic Outlook (update), January 2025

Market / sector expectations

Despite the challenges posed by the difficult economic conditions, the digital economy in Germany is expected to remain on a growth trajectory. The digital association Bitkom expects the German IT and telecommunications market to grow by 4.6% to €232.8 billion in 2025. Last year, ICT revenues increased by 3.3% to €222.6 billion.

Information technology remains the most important growth driver. According to the current Bitkom forecast, this market is expected to grow by 5.9% to €158.5 billion in 2025.

In particular, the software business is expected to grow strongly, by 9.8% to €51.1 billion. The continuing boom in artificial intelligence (AI) is particularly noteworthy here: business with AI platforms, on which AI applications can be developed, trained and operated, is expected to grow rapidly by 43% to €2.3 billion.
Collaboration tools for cooperation and mobile working in companies are also expected to grow strongly by 12% to €1.4 billion.
Double-digit growth rates are also expected for cloud services, which are expected to grow by 17% to €20.0 billion.
The market for IT hardware is expected to grow in almost all segments. Growth of 3.3% to €53.7 billion is expected by 2025.
The biggest growth driver is expected to be the Infrastructure-as-Service segment, with an increase of 24.4% to €6.2 billion, i.e. rented servers, network and storage capacities.
Security software is also expected to grow by 11% to €5.1 billion.
According to Bitkom, revenues from IT services as a whole will increase by 5.0% to €53.8 billion in 2025.

The global cloud computing market is of particular importance to IONOS. According to Gartner's calculations, the public cloud services segment is expected to grow by 21.5% (previous year: 19.2%) to USD 723.4 billion in 2025. The strongest growth is expected in the areas of cloud system infrastructure services (IaaS) at 24.8%, cloud application infrastructure services (PaaS) at 21.6% and cloud application services (SaaS) at 19.2%.

Market forecast: Cloud computing worldwide

in USD billion	2024	2025e	Change
Revenue from public cloud services worldwide	595.652	723.421	21.5%
thereof Cloud Application Infrastructure Services (PaaS)	171.565	208.644	21.6%
thereof Cloud Application Services (SaaS)	250.804	299.071	19.2%
thereof Cloud Desktop-as-a-Service (DaaS)	3.466	3.849	11.1%
thereof Cloud System Infrastructure Services (IaaS)	169.818	211.856	24.8%

Source: Gartner, Worldwide Public Cloud End-user spending, 2024-2025, November 2024

Company expectations

Forecast for the 2025 fiscal years

For the fiscal year 2025, the company expects overall revenue growth in the high single digits and approximately 12.8% growth in adjusted EBITDA to approximately €510m (2024: €452.2m) and a further increase in the adjusted EBITDA margin to over 30% (2024: 29.0%).

Currency-adjusted revenues in the core business (Digital Solutions & Cloud segment) are expected to grow by around 8% (2024: €1,248.1m), with an adjusted EBITDA margin of around 35% (2024: 32.9%).

In the AdTech segment, revenues in 2025 are expected to be at the previous year's level (2024: €312.2m). This is due to the effects of a product change in domain parking that began in 2024 and will continue into 2025. In the medium term, the product change will have a positive impact on the segment's sustainable revenue and earnings development.

Due to the pure holding function of IONOS Group SE, neither the generation of revenues nor profits is a corporate objective at the level of the individual financial statements. Insofar as the company incurs costs or income in the course of its ordinary business activities, these are generally passed on to the subsidiary as part of internal cost allocation.

For the 2025 fiscal year, IONOS Group SE expects a slightly negative EBITDA at the level of the individual financial statement. This is due to the fact that a large proportion of the costs incurred by the IONOS Group SE are passed on through internal cost allocation, but a few shareholders incur costs, such as holding the Annual General Meeting, that remain within the company. Since the company does not generate any significant revenues, except for internal cost allocation, this is expected to lead to slightly negative earnings contributions.

Overall statement by the Management Board

Based on the largely positive overall economic development in IONOS' core markets, which is also expected by the International Monetary Fund (IMF), the ongoing digitalization of small and medium-sized companies, and the forecast growth in the cloud business, the Management Board of IONOS Group SE remains optimistic about the future, also due to the stable and predominantly subscription-based business model.

The group's development has shown that the IONOS business model is relatively independent of economic conditions. Even in times of economic uncertainty or global challenges, the company has been able to expand its customer base. The company has been able to accelerate customer growth by continuously expanding marketing activities in its core markets. Targeted measures are used to adapt to changing market conditions, such as the increase in certain cost types due to a shortage of supply and rising inflation rates. These measures are designed to ensure the company's profitability in the medium term. The fact that SMEs need a web presence in the 21st century and that IONOS is the market leader in a scalable business model supports this assessment.

The IONOS Group SE will continue this business policy of recent years in the years to come. In fiscal year 2025, the company plans to further develop its current target markets in the areas of web presence & productivity and cloud solutions. In addition to developments in the area of web presence & productivity, the focus is particularly on the further expansion of our cloud product portfolio for medium-sized companies, as well as in the public sector, and on new products in the area of artificial intelligence. This, in conjunction with the further expansion of existing customer relationships and targeted upselling and cross-selling with product offers tailored to the customer profile, as well as the continuous improvement of our understanding of our customers, will ensure a sustainable and broad foundation for growth in future fiscal years.

In addition, a broad foundation for the planned increase in revenue and earnings has been created through investments in customer relationships made in recent years – in particular through broad-based TV campaigns in the European core markets, supplemented by localized marketing measures in the Group's other sales markets – the further expansion of new business areas, and the launch of new products in the context of both organic and inorganic growth.

After a positive start to the year, at the time this combined management and group management report was prepared, the Management Board of IONOS Group SE is still very optimistic about achieving the targets set out in the planning. Overall, the Management Board believes that the company is very well positioned for further corporate development and is optimistic about the future.

Forward-looking statements and forecasts

This group management report contains forward-looking statements that are based on current expectations, presumptions, and forecasts of the Management Board of IONOS Group SE and the information available to it. These forward-looking statements are not guarantees of the future developments and results set out therein. Rather, future developments and results depend on a number of factors. They involve various risks and uncertainties and are based on assumptions that may not prove accurate in the future. IONOS Group SE assumes no obligation to update or adjust any forward-looking statements contained in this report.

4. Internal control and risk management system

The German Corporate Governance Code (GCGC) requires disclosures on the internal control and risk management system. These go beyond the legal requirements for the management report and are excluded from the auditor's audit of the content of the management report ("non-financial statement disclosures"). They are thematically assigned to the key elements of the internal control and risk management system in section 4. "Internal control and risk management system" and are distinguished from the information to be audited by separate paragraphs and marked as "unaudited".

Internal control system (unaudited)

The internal control system (ICS) of IONOS covers the entire organization and serves to maintain the functionality and efficiency of business processes, the reliability of operational information, the safeguarding of assets, and compliance. In this context, the controls carried out include compliance with target processes, the "four-eyes principle" and the separation of functions. The controls are defined for each process on the basis of standardized categorizations and are partially executed centrally via United Internet AG and directly in the entire Group. Defined processes, which involve departmental managers and process experts, ensure that process and organizational risks are counteracted preventively. All units of the Group assess the existence of organizational and process risks and estimate whether these might have an impact on the ICS together and in cooperation with risk management. The ICS is regularly improved, with the help of experts as needed. Monitoring is carried out by the Corporate Audit department and external auditors, among others. The Corporate Audit department assesses and improves the governance processes and risk management, and also assesses the appropriateness and effectiveness of the ICS by means of regular sample audits.

Accounting-related internal control and risk management system

In accordance to Section 289, paragraph 4 and Section 315, paragraph 4 of the German Commercial Code (HGB), IONOS Group SE is required to describe the main features of its accounting-related internal control and risk management system in the management report.

IONOS views risk management as part of the internal control system (ICS). The ICS is understood as an ongoing process that encompasses organizational, control and monitoring structures to ensure compliance with legal and corporate requirements at all times.

The Management Board of IONOS Group SE is responsible for the scope and design of the ICS, taking into account company-specific requirements. Monitoring the effectiveness of the ICS is one of the tasks of the Supervisory Board of IONOS Group SE, which regularly receives reports from the Management Board on the status of the ICS and the results of the internal audit system of United Internet AG. Internal Audit independently reviews the appropriateness, effectiveness and functionality of the ICS in the IONOS Group and has comprehensive rights of information, inspection and access to carry out its duties. Its audit procedures are based on a risk-oriented audit plan that also regularly provides for audits at IONOS and its subsidiaries. In addition, the auditor audits the effectiveness of the parts of the ICS relevant for financial reporting as part of its risk-oriented audit approach.

The accounting-related ICS, which is continuously refined, encompasses principles, procedures and measures to ensure the effectiveness, efficiency and propriety of the accounting system and compliance with the relevant laws and standards. In preparing the consolidated financial statements, the ICS serves in particular to ensure application of the International Financial Reporting Standards (IFRS), as applicable in the European Union, and application of the supplementary provisions under commercial law as applicable under Section 315e of the German Commercial Code (HGB). The ICS also helps to ensure compliance with the provisions of commercial law when preparing the annual financial statements and the management report.

Regardless of its design, it is important to remember that no internal control system can offer absolute certainty that material accounting errors will be avoided or uncovered. This could be due to erroneous discretionary decisions, inadequate controls or criminal acts.

The following statements relate only to the fully consolidated subsidiaries included in the consolidated financial statements of IONOS Group SE, in which IONOS Group SE has the direct or indirect ability to determine their financial and monetary policy in order to benefit from the activities of these companies.

The risk management function at IONOS Group SE is responsible, among other things, for defining measures to identify and assess risks, mitigate them to an acceptable level, and monitor the identified risks. Risk management requires organized action to deal appropriately with uncertainty and threats, and encourages employees to use policies and tools to ensure compliance with risk management principles. In addition to operational risk management, it also includes the systematic early detection, management and monitoring of risks. Accounting-related risk management focuses on the risk of misstatements in the accounting records and external reporting.

Specific accounting-related risks may arise, for example, from the conclusion of unusual or complex transactions. Furthermore, business transactions that are not processed by routine are subject to latent risk. A limited group of people are necessarily granted discretionary powers with regard to the recognition and valuation of assets and liabilities, which may result in further accounting-related risks.

The accounting-related ICS comprises internal controls, defined on the basis of risk aspects, for the processes relevant to accounting and for the processes that support the IT systems. IT security, change management and operational IT processes are of particular importance here. Organizational, preventive and detective controls are applied, which can be both IT-based and manual. For the IONOS Group, the high qualifications of its employees, their regular training, the “four-eyes principle” and the functional separation of administrative, executive and approval processes are essential for the effectiveness and efficiency of the accounting-related ICS. The accounting processes are controlled by the group accounting department and other responsible accounting departments. Laws, accounting standards and other pronouncements are continuously analyzed with regard to their relevance and impact on accounting. The relevant requirements are set out in the Group's accounting guidelines, communicated, and form the basis for the process of preparing the financial statements. In addition, supplementary procedural instructions, such as the intercompany guideline, standardized reporting formats, IT systems and IT-supported reporting and consolidation processes, support the process of uniform and proper Group accounting. The Group Accounting department ensures that these requirements are uniformly complied with throughout the Group. The Group companies are responsible for ensuring that their accounting-related processes and systems are carried out properly and in a timely manner and are supported in this by the accounting departments.

If significant control weaknesses or potential improvements are identified, they are evaluated and countermeasures are developed with the responsible individuals in order to further improve the effectiveness of the ICS. Implementation of the measures is monitored by the Corporate Audit department and may be the subject of follow-up audits. Corporate Audit is closely involved at all levels to ensure the high quality of the accounting-related ICS.

Effectiveness statement (unaudited)

As a result of the regular review of the internal control and risk management system, the Management Board is not aware of any circumstances up to the date of preparation of the combined management report that would speak against or call into question the appropriateness and effectiveness of these systems.

5. Disclosures required by takeover law

The following disclosures, in accordance with Sections 289 a, 315 a HGB reflect the situation on the balance sheet date. As provided for in Section 176 (1) sentence 1 AktG, the disclosures are explained in the individual sections.

Please also refer to the information in the notes to the consolidated financial statements under notes 17 and 38-40.

Composition of capital

The subscribed capital of IONOS Group SE amounted to €140,000,000 as of December 31, 2023, and is divided into 140,000,000 no-par value registered ordinary shares. Each share grants one vote; there are no other classes of shares. In the event of an increase in the share capital, the start of profit entitlement for the new shares can be determined differently from the date on which the contributions are made. All ordinary shares are listed on the stock exchange.

Limitations affecting voting rights or the transfer of shares

Legal restrictions regarding voting rights exist with regard to Treasury shares in accordance with Section 71b AktG and in accordance with Section 71d sentence 4 in conjunction with Section 71b AktG. On May 8, 2024, the Management Board of IONOS Group SE, with the approval of the Supervisory Board and based on the authorization of the Extraordinary General Meeting on January 26, 2023, to acquire treasury shares, initially decided to acquire up to 850,000 Treasury shares via the stock exchange. This corresponds to approximately 0.6% of the share capital of €140,000k. The buyback program should be carried out from mid-May 2024 and no later than February 28, 2025.

IONOS Group SE acquired a total of 850,000 of its treasury shares in the period from May 17 to July 25, 2025, thus completing the share buyback program.

As of the balance-sheet date, IONOS Group SE holds 463,565 Treasury shares, which corresponds to 0.3% of the current issued capital of 140 million shares.

Statutory restrictions on voting rights continue to apply to the shares held by the Management Board and the Supervisory Board with regard to the conflict of interests in accordance with Section 136 (1) AktG.

Of the current members of the Management Board, Mr. Achim Weiß directly held 219,489 shares of IONOS Group (0.16% of the issued capital) as of December 31, 2024. In addition, Ms. Britta Schmidt held 3,500 shares (0.00% of the issued capital), and Dr. Jens-Christian Reich did not hold any shares (0.00% of the issued capital) as of December 31, 2024.

Among the current members of the Supervisory Board, Mr. Ralph Dommermuth did not directly hold any shares in the IONOS Group as of December 31, 2024 (0.00% of the issued capital). In addition, Dr. Claudia Borgas-Herold held 250 shares (0.00% of the issued capital) as of December 31, 2024. Mr. Kurt Dobitsch held 3,000 shares (0.00% of the issued capital) as of December 31, 2024. Mr. Rene Obermann held no shares (0.00% of the issued capital) as of December 31, 2024. Ms. Vanessa Stuetzle held no shares (0.00% of the issued capital) as of December 31, 2024.

There are no restrictions relating to the transfer of shares.

Direct and indirect participations in capital with over 10% of voting rights

As of December 31, 2024, shareholdings exceeding 10% of the voting rights are held by United Internet AG (according to the voting rights notification dated February 9, 2023: 89,369,097 shares or 63.8% of the share capital). According to the information available to the Management Board, there are no further capital holdings exceeding 10% of the voting rights.

Special rights

As far as the Management Board is aware, there are no shares with special rights.

Appointment and dismissal of Management Board members, amendments to Company articles

The appointment and dismissal of members of the Management Board is governed by Sections 84 and 85 AktG in conjunction with Section 1 of the rules of procedure for the Supervisory Board. In accordance with Section 6 (1) of the Articles of Association, the Management Board consists of at least one person. The Supervisory Board appoints and dismisses the members of the Management Board, determines their number and may appoint a member of the Management Board as Chairman.

Any amendment to the Articles of Association requires a resolution by the Annual General Meeting with a majority of at least three quarters of the share capital represented at the vote. The Supervisory Board is authorized to make amendments to the Articles of Association that only affect the wording in accordance with Section 22 of the Articles of Association in conjunction with Section 179 para. 1 sentence 2 AktG (amendments to the issued capital and number of shares).

Powers of the Management Board to issue new shares

The Management Board has the option of issuing new shares under the following circumstances:

Authorized capital 2023

The Management Board is authorized, with the approval of the Supervisory Board, to increase the company's share capital by a total of up to €56,000,000 by issuing new no-par value shares against cash and/or non-cash contributions to one or more occasions until August 31, 2026 (Authorized Capital 2023).

In the case of cash contributions, the new shares may also be acquired by the Management Board, with the approval of the Supervisory Board, from one or more banks or another company that meets the requirements of Art. 5 SE Regulation in conjunction with Section 186 para. 5 sentence 1 AktG with the obligation to offer them exclusively to the shareholders for subscription (indirect subscription right). In principle, shareholders must be granted subscription rights. However, the Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights.

- (a) to exclude fractional amounts from the subscription right;
- (b) if the capital increase is made against cash contributions and the issue price of the new shares is not significantly lower than the stock market price of the shares already listed at the time of the final determination of the issue price, which should take place as close as possible to the placement of the shares. The total number of shares issued with the exclusion of subscription rights in accordance with Art. 5 SE Regulation in conjunction with Section 186 para. 3 sentence 4 AktG may not exceed 10% of the share capital, neither at the time this authorization becomes effective nor at the time it is exercised.

This figure shall include shares issued or to be issued on the basis of bonds with warrants or convertible bonds, provided that the bonds are issued during the term of this authorization in analogous application of Section 186 para. 3 sentence 4 AktG with the exclusion of subscription rights; this figure shall also include shares issued or sold during the term of this authorization in direct or analogous application of Section 186 para. 3 sentence 4 AktG;

- (c) ; to the extent necessary to grant holders or creditors of option and/or conversion rights or corresponding option and/or conversion obligations from bonds issued or to be issued by the company and/or by companies dependent on the company or directly or indirectly majority-owned by the company a subscription right to the extent to which they would be entitled after exercising their option and/or conversion right or after fulfillment of the option and/or conversion obligation;
- (d) if the capital increase is made against contributions in kind to grant shares in the context of business combinations or for the purpose of acquiring companies, parts of companies, interests in companies or other assets, including receivables from the company;
- (e) if the capital increase is made against cash and/or non-cash contributions in order to issue shares in fulfillment of entitlements from virtual share participation programs to current and former members of the Management Board and employees of the company as well as to current and former members of the Management Board or management and employees of companies affiliated with the company within the meaning of Sections 15 et seq. AktG. If shares are to be granted to members of the company's Management Board, the Supervisory Board of the company decides on this.

The authorizations to exclude subscription rights under lit. a) to lit. e) are limited in total to an amount of up to 20% of the share capital existing at the time the Authorized Capital 2023 becomes effective or – if this is lower - at the time of the resolution on the utilization of the Authorized Capital 2023. This maximum limit of 20% of the share capital shall include the proportionate amount of the share capital attributable to shares issued during the term of this authorization in direct or analogous application of Art. 5 SE Regulation in conjunction with Section 186 para. 3 sentence 4 AktG with the exclusion of subscription rights, as well as the proportionate amount of the share capital attributable to Treasury shares sold during the term of this authorization in a manner other than via the stock exchange or by means of an offer to all shareholders.

The Management Board is also authorized, with the approval of the Supervisory Board, to determine the further content of the share rights and the conditions of the share issue. The Supervisory Board is authorized to amend the wording of the Articles of Association in accordance with the respective use of the Authorized Capital 2023 or after the expiry of the authorization period.

Conditional capital

The share capital is conditionally increased by up to €20,000,000 divided into up to 20,000,000 no-par value registered shares (Conditional Capital 2023). The conditional capital increase will only be carried out to the extent that the holders or creditors of option or conversion rights or those obliged to convert from bonds with warrants or convertible bonds issued by the company or a subordinated group company of the company on the basis of the authorization of the Management Board by resolution of the Annual Geeral Meeting on May 15, 2023, until August 31, 2026, are entitled to subscribe. The new shares are to be issued at the price at which the company exercises its option or conversion rights or, insofar as they are obliged to convert, fulfills its obligation to convert, or, insofar as the company exercises an option, to grant shares in the company in whole or in part instead of payment of the cash amount due, unless cash compensation is granted or treasury shares or shares in another listed company are used for servicing. The new shares will be issued at the option or conversion price to be determined in accordance with the aforementioned authorization resolution. The new shares shall participate in profits from the beginning of the fiscal year in which they are created; to the extent permitted by law, the Management Board may, with the approval of the Supervisory Board, determine the profit participation of new shares in deviation from this and also in deviation from Section 60 para. 2 AktG, including for a fiscal year that has already expired.

The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

Powers of the Management Board to buy and use treasury shares

The Management Board was authorized by resolution of the Annual General Meeting of January 26, 2023, to acquire Treasury shares in accordance with Art. 5 SE-VO in conjunction with Section 71 (1) no. 8 AktG with the option of excluding shareholders' statutory subscription rights, and to redeem acquired Treasury shares and reduce the capital. This authorization is valid until August 31, 2026.

The authorization is limited to a total of 10% of the issued capital at the time of the resolution or, if this value is lower, of the issued capital of the company at the time the authorization is exercised.

The acquisition of treasury shares may be carried out via the stock exchange or by means of a public purchase offer addressed to all shareholders or by means of a public invitation to all shareholders to submit offers for sale or by issuing rights to shareholders to offer shares.

- If the shares are purchased on the stock exchange or by means of a public purchase offer, the company may only pay a price per share (excluding ancillary purchase costs) that does not exceed or fall below the arithmetic mean of the prices of the company's no-par-value shares in the closing auction in Xetra trading (or a corresponding successor system) on the Frankfurt Stock Exchange during the last three trading days prior to the conclusion of the obligation transaction, if the purchase is made via the stock exchange, or prior to the publication of the decision to make a public purchase offer if the purchase is made by way of a public purchase offer, by more than 10%. The company's Management Board shall determine the further details of the purchase via the stock exchange and the further details of the offer. If, after publication of a public purchase offer, the share price deviates significantly from the purchase price offered or the limits of the purchase price range offered, the offer may be adjusted. In this case, the relevant amount shall be determined by the corresponding price during the last three trading days prior to publication of the adjustment; the 10% limit for exceeding or falling below shall be applied to this amount.

  The volume of the public purchase offer can be limited. If, in the case of a public purchase offer, the volume of the offered shares exceeds the available repurchase volume, the purchase can be carried out according to the ratio of the offered shares (proportion offered) instead of according to the ratio of the offering shareholders' participation in the company (participation rate), under partial exclusion of a possible right to tender. Furthermore, the terms of the offer may provide for preferred acceptance of smaller lots of up to 100 shares per shareholder (partial exclusion of rights) and commercial rounding to avoid fractional shares.

- If the shares are purchased by means of a public invitation to all shareholders to submit offers to sell, the company shall determine a purchase price range per share within which offers to sell can be submitted. The Management Board will determine the further details of the public invitation to all shareholders to submit offers to sell. The purchase price range may be adjusted if, during the offer period, there are significant price deviations from the price at the time of publication of the invitation to submit offers to sell. The purchase price per share to be paid by the company, determined by the company on the basis of the offers to sell received, may not exceed or fall short of the arithmetic mean of the prices of the company's no-par-value shares in the closing auction in Xetra (or a corresponding successor system) on the Frankfurt Stock Exchange during the last three trading days before the cut-off date described below, excluding ancillary acquisition costs, by more than 10%. The cut-off date is the date on which the company's Management Board formally decides on the publication of the invitation to submit offers to sell or to adjust it.

  The volume of the acceptance can be limited. If, due to the volume limit, not all of several similar offers to sell can be accepted, the acquisition can be carried out in proportion to the offer quotas rather than in proportion to the ownership interests, partially excluding any right to offer shares. Furthermore, subject to the partial exclusion of any right to tender, preferential acceptance of smaller numbers of up to 100 shares per shareholder and, in order to avoid fractional shares, rounding in accordance with commercial principles.

- If the acquisition is made by means of the tender rights made available to the shareholders, these can be allocated per company share. In accordance with the ratio of the company's issued capital to the volume of shares to be repurchased by the company, a corresponding number of tender rights entitles the holder to sell one share in the company to the company. Tender rights can also be allocated in such a way that one tender right is allocated for each number of shares, resulting from the ratio of the issued capital to the repurchase volume. Fractions of tender rights will not be allocated; in this case, the corresponding partial tender rights will be excluded. The price or the limits of the offered purchase price range (in each case excluding incidental acquisition costs), at which a share can be sold to the company when exercising the tender right, will be determined in accordance with the provisions for the public invitation to submit a purchase offer, whereby the relevant date shall be the date of publication of the buyback offer granting tender rights, and adjusted if necessary, whereby the relevant date shall be the date of publication of the adjustment. The further details of the tender rights, in particular their content, term and, if applicable, their tradability, shall be determined by the company's Management Board with the approval of the Supervisory Board.

The Management Board, with the consent of the Supervisory Board, is authorized, when selling treasury shares through an offer to all shareholders, to grant the holders of bonds with warrants and/or convertible bonds issued by the Company or any of its subordinated group companies a right to subscribe for shares to the extent to which they would be entitled after exercising their option or conversion rights or after fulfillment of the conversion obligation. The shareholders' subscription rights are excluded in this case.

The Management Board, with the consent of the Supervisory Board, is further authorized to sell treasury shares in a way other than through the stock exchange or through an offer to all shareholders, provided that the shares are sold for cash at a price that is not significantly lower than the stock exchange price of the company's shares at the time of the sale. The shareholders' subscription rights are excluded. However, this authorization shall apply only under the proviso that the shares sold under exclusion of the subscription right in accordance with Article 5 SE Regulation in conjunction with Section 186 (3) sentence 4 AktG may not in the aggregate exceed 10% of the issued capital, either at the time of coming into force or – if this value is lower – at the time of exercising of this authorization. This limit of 10% of the issued capital includes those shares that are issued during the term of this authorization up to the sale of treasury shares from authorized capital subject to the exclusion of subscription rights in accordance with Article 5 SE-VO in conjunction with Section 186 (3) sentence 4 AktG, excluding subscription rights in accordance with Article 5 SE-VO in conjunction with Section 186 (3) sentence 4 AktG. Furthermore, this limit of 10% of the issued share capital shall also include those shares that are issued or to be issued to service option and/or conversion rights and/or conversion obligations, provided that the bonds were issued during the term of this authorization in corresponding application of Article 5 SE-VO in conjunction with Section 186 (3) sentence 4 AktG, excluding subscription rights.

The Management Board, with the consent of the Supervisory Board, is also authorized to use Treasury shares for the following purposes, in addition to selling them on the stock exchange or in another manner that ensures equal treatment of all shareholders:

- As (partial) consideration in the context of acquiring companies or equity interests in companies or parts of companies or in the context of business combinations.

- For the listing of the company's shares on foreign stock exchanges where they are not yet admitted for trading. The price at which these shares are listed on foreign stock exchanges may not fall short by more than 5% of the arithmetic mean of the prices of the company's no-par shares in the closing auction in Xetra (or a corresponding successor system) at the Frankfurt Stock Exchange during the last three trading days before the date of introduction on the foreign stock exchange, excluding ancillary costs.

- To grant shares in the company to current and former members of the Management Board and employees of the company as well as to current and former members of the Management Boards or management and employees of affiliated companies as defined by Section 15 ff. of the German Stock Corporation Act (AktG) in fulfillment of claims arising from virtual share participation programs. Insofar as shares are to be granted to members of the company's Management Board, the company's Supervisory Board shall decide on this.

The shareholders' statutory subscription rights to these treasury shares are excluded in accordance with Article 5 SE Regulation in conjunction with §§ 71 (1) no. 8, 186 (3), (4) AktG to the extent that these shares are used in accordance with the above authorizations. In addition, subject to the consent of the Supervisory Board, the Management Board may, in the event of a sale of treasury shares by way of an offer to all shareholders, exclude shareholders' subscription rights for fractional amounts.

The authorizations to exclude subscription rights are limited to a total amount of up to 10% of the issued capital at the time this authorization becomes effective or – if this value is lower – at the time of the resolution regarding the disposal of Treasury shares. The pro rata amount of the issued capital, which is attributable to shares issued during the term of this authorization in direct or analogous application of Article 5 SE Regulation in conjunction with Section 186 (3), sentence 4 AktG, excluding the subscription right, shall be credited to this maximum limit of 10% of the issued capital.

Furthermore, the Management Board is authorized, with the consent of the Supervisory Board, to redeem the Company's treasury shares without such redemption and its implementation requiring a further resolution of the Annual General Meeting. The retirement can also be carried out without a capital reduction in accordance with Article 5 SE-VO in conjunction with Section 237 (3) no. 3 AktG in such a way that the proportion of the other no-par-value shares in the company's issued capital increases as a result of the retirement in accordance with Article 5 SE-VO in conjunction with Section 8 (3) AktG. Pursuant to Article 5 SE Regulation in conjunction with Section 237 (3) Nos. 3, 2nd half-sentence AktG, the Management Board is authorized to adjust the number of shares stated in the Articles of Incorporation accordingly. The retirement may also be combined with a capital reduction; in this case, the Management Board is authorized to reduce the issued capital by the amount of the issued capital attributable to the retired shares. The Supervisory Board is authorized to adjust the number of shares and the issued capital in the Articles of Association accordingly.

The above authorizations may be exercised once or several times, in whole or in part, and individually or jointly. They also include the use of shares in the company that were repurchased on the basis of earlier authorizations to repurchase Treasury shares and those that were acquired on the basis of Article 5 of the SE Regulation in conjunction with Section 71d sentence 5 AktG or by a company dependent upon the Company or in which the Company holds a majority interest or by third parties for the account of the Company or by third parties for the account of a company dependent upon the Company or in which the Company holds a majority interest. In accordance with the Articles of Association, the Supervisory Board is authorized to amend the Articles of Association as appropriate.

Material agreements conditional to a change of control following a takeover bid

A consortium of banks has granted IONOS a loan of €800,000k until December 2026.

The members of the syndicate have been granted the right to terminate their share of the syndicated loan facility or the syndicated loan if a third party or a group of third parties acting in concert obtains control of IONOS. The right to terminate is available to each member of the banking syndicate individually within 30 days of the announcement of the change of control by the company. However, this right of termination does not apply if control is obtained by Mr. Ralph Dommermuth, his wife and/or his descendants or United Internet AG.

Compensation agreements in the event of a change of control following a takeover bid

In the event of a change of control, the service contract with Mr. Weiß contains a change-of-control clause. This provides for an extraordinary right of termination in the event of a change of control. In addition, an agreement was reached for a maximum remuneration of €82 million in the special situation of a change of control in the first year, as a result of which Mr. Weiß exercises his special right of termination, and there is a 100% increase in the share price in the period until the termination of the service contract.

Beyond this, no compensation agreements have been concluded with either members of the Management Board or employees of the company in the event of a change of control following a takeover bid.

6. Declaration on company management

Section "6. Declaration on company management" is "unaudited management report disclosures", as the audit of the disclosures in the corporate governance statement by the auditor in accordance with Section 317 (2) sentence 6 HGB is limited to the fact that the disclosures have been made and the corporate governance report also contained in Section 6 is a "non-management report disclosure" in accordance with Section 3.10 of the German Corporate Governance Code, the content of which is not audited.

Principles of corporate governance

The corporate governance of IONOS Group SE as a listed German stock corporation is governed by the relevant statutory provisions and by the recommendations and suggestions of the German Corporate Governance Code (GCGC).

The term corporate governance stands for responsible corporate management and control geared towards sustainable value creation. Efficient cooperation between the Management Board and Supervisory Board, respect for shareholders' interests, and openness and transparency in corporate communications are key aspects of good corporate governance.

The Management Board and Supervisory Board of IONOS Group SE are committed to ensuring the continued existence of the company and sustainable value creation through responsible and long-term corporate governance. Ecological and social goals are given appropriate consideration.

In this declaration on corporate governance, the Management Board and Supervisory Board report on the company's corporate governance (Corporate Governance Report) in addition to the statutory requirements pursuant to Section 289f HGB for the individual company and pursuant to Section 315d HGB for the Group in accordance with Principle 23 GCGC.

Management and corporate structure

In accordance with its legal form, IONOS Group SE has a two-tier management and supervisory structure with its Management Board and Supervisory Board. The third body is the Annual General Meeting. All three bodies are committed to the good of the company.

Management Board

Working procedures of the Management Board

The Management Board is the management body of the group. In the financial year 2024, it consisted of three persons (namely Mr. Achim Weiß, Dr. Jens Reich and Mrs. Britta Schmidt). An initial term of office of three years is considered for first-time appointments. The Supervisory Board assesses on a case-by-case basis which term of office appears appropriate within the legally permissible term of office. In addition, members of the Board of Management are not appointed for a period exceeding five years. The Board of Management conducts the business in accordance with the law and the Articles of Association, the rules of procedure adopted by the Supervisory Board and the respective recommendations of the German Corporate Governance Code, unless deviations are declared in accordance with Section 161 of the German Stock Corporation Act (AktG).

The Management Board is responsible for preparing the interim and annual financial statements and for filling key personnel positions in the company. It also systematically defines the risks and opportunities for the company associated with social and environmental factors and the ecological and social impacts of the company's activities and then assesses them. In addition to long-term economic objectives, ecological and social objectives are also given due consideration in the corporate strategy. Corporate planning encompasses both the corresponding financial and sustainability-related objectives. Further information on sustainability can be found on the company's website at https://www.ionos-group.com/de/investor-relations/veroeffentlichungen/berichte.html.

Decisions of fundamental importance require the consent of the Supervisory Board. The Management Board reports to the Supervisory Board in accordance with the statutory provisions of Section 90 AktG and provides the Chairman of the Supervisory Board with an overview of the current status of the relevant reporting items in accordance with Section 90 AktG, at least once a month orally and in writing at the request of the Chairman of the Supervisory Board. The Supervisory Board Chairman is therefore to be informed without delay by the Chairman/Spokesman of the Management Board or the Chief Financial Officer about important events that are of material significance for the assessment of the situation and development and for the management of the company. Any significant deviation from the company's planning or other forecasts is also to be regarded as an important occasion. The Chairman or Spokesman of the Management Board or the Chief Financial Officer shall also inform the Chairman of the Supervisory Board in advance, if possible, or otherwise immediately thereafter, of each ad hoc announcement made by the Company in accordance with Article 17 MAR.

An age limit of 68 years applies to members of the Management Board. This requirement is currently met without exception.

The Management Board is jointly responsible for managing the company's business in accordance with uniform objectives, plans and guidelines. Notwithstanding the overall responsibility of the Management Board, each member of the Management Board acts independently in the area assigned to him but is required to subordinate the interests related to the area assigned to him to the overall well-being of the company.

The Supervisory Board regulates the allocation of responsibilities within the Management Board in a business allocation plan at the suggestion of the Management Board.

The members of the Management Board shall keep each other informed of important events within their business areas. Matters of major importance that have not been approved in the budget are to be discussed and decided by at least two members of the Management Board, whereby one of the two members of the Management Board must be responsible for finance.

Without prejudice to their departmental responsibilities, all members of the Management Board constantly monitor the data that is crucial to the company's business performance in order to be able to work at all times towards averting impending disadvantages, implementing desirable improvements or expedient changes by calling upon the entire Management Board or in some other appropriate manner.

The full Board of Management decides on all matters that are of particular importance and significance for the company or its subsidiaries and affiliates.

The Supervisory Board decides by a simple majority of votes. In the event of a tie, the vote of the Chairman of the Supervisory Board shall be decisive. The resolutions of the Supervisory Board shall be recorded in the minutes.

The full Supervisory Board meets regularly once a month and otherwise as required.

Each member of the Management Board shall disclose conflicts of interest to the Chairman of the Supervisory Board and to the Chairman or Spokesman of the Management Board without undue delay and, if applicable, shall inform the other members of the Management Board.

The members of the Management Board did not and do not currently hold any supervisory board mandates in another group-external listed company or comparable functions and therefore do not hold any supervisory board chairmanships in such companies.

Composition of the Management Board

The Management Board of IONOS Group SE comprised the following members in the 2024 fiscal year:

Members of the Management Board as of December 31, 2024

- Achim Weiß, Chairman of the Management Board
  (since October 2018)

- Britta Schmidt, Chief Financial Officer
  (since November 2022)

- Dr. Jens Reich, Chief Operations Officer
  (since July 2023)

Supervisory Board

Working procedures of the Supervisory Board

The Supervisory Board elected by the Annual General Meeting in fiscal year 2024 consisted of six members until September 30, 2024. Since Mr. Martin Mildner resigned from office on September 30, 2024, the Supervisory Board has consisted of five members (namely Mr. Ralph Dommermuth (Chairman), Mr. René Obermann, Mrs. Vanessa Stuetzle, Dr. Claudia Borgas-Herold and Mr. Kurt Dobitsch). The term of office for Supervisory Board members is generally 5 years.

The Supervisory Board is in regular contact with the Management Board and monitors and advises the Management Board on the management of the business and the company's risk and opportunity management in accordance with the law, the Articles of Association, the rules of procedure and the respective recommendations of the German Corporate Governance Code, unless a deviation has been declared in accordance with Section 161 of the German Stock Corporation Act (AktG). This also includes, in particular, questions relating to sustainability.

At regular intervals, the Supervisory Board discusses with the Management Board all issues of relevance to the company with respect to strategy and its implementation, planning, business development, risk situation, risk management and compliance. It discusses the quarterly statements and half-yearly reports with the Management Board prior to their publication and approves the annual planning. The annual forecast includes the annual financial plan, consisting of detailed revenue, cost and earnings targets, as well as liquidity planning and annual investment planning. The Supervisory Board reviews the annual and consolidated financial statements and approves the statements if there are no objections to be raised. In doing so, it takes into account the auditor's reports.

The Supervisory Board is also responsible for appointing members of the Management Board, determining their remuneration and regularly reviewing it in accordance with the applicable statutory provisions and the recommendations of the German Corporate Governance Code, unless a deviation is declared in accordance with Section 161 of the German Stock Corporation Act (AktG).

When appointing members of the Management Board, the Supervisory Board aims for the best possible, diverse and complementary composition for the company and ensures long-term succession planning. experience and industry knowledge, as well as professional and personal qualifications, play an important role.

As part of its long-term succession planning, the Supervisory Board, with the involvement of the Management Board, regularly considers highly qualified executives who come into question as potential candidates for Management Board positions.

The Supervisory Board as a whole and the Audit and Risk Committee regularly carry out an efficiency review for self-assessment purposes. In accordance with recommendation D.12 GCGC, the Supervisory Board and the committee assess how effectively they each perform their duties as a body. For this purpose, a self-assessment is carried out using questionnaires every two years or so.

The first self-assessment of the audit and risk committee was carried out and evaluated in the fourth quarter of 2024. The self-assessment was carried out on the basis of a comprehensive catalog of questions, which included in particular the main topics of expectations, time spent, composition of the supervisory board, work with the auditor, dealing with conflicts of interest, remuneration of the management board and the supervisory board, and accounting issues.

The results of the assessment are evaluated anonymously and then discussed in a plenary session. Any need for improvement that comes to light in this process is addressed and implemented during the year. The next self-evaluation of the Supervisory Board will be carried out and evaluated in 2025. The members of the Supervisory Board take responsibility for the training and continuing professional development measures required for their tasks and are supported appropriately by the company in doing so. The report of the Supervisory Board provides information on the measures implemented.

The Supervisory Board convenes at least twice in each calendar half-year. The meetings of the Supervisory Board are convened in writing by its chairman at least 14 days in advance. Further and more detailed information on the exact number of meeting dates and the topics discussed at them can be found in the Supervisory Board's report to the company's Annual General Meeting.

When a meeting of the Supervisory Board is convened, the agenda items must be communicated. If an agenda has not been properly announced, a resolution may only be passed on this if no member of the Supervisory Board objects before the resolution is passed.

As a rule, the Supervisory Board adopts its resolutions in meetings attended in person. However, it is permissible for Supervisory Board meetings to be held by way of a video or telephone conference connection or for individual Supervisory Board members to participate by means of video or telephone transmission, and for resolutions to be adopted or votes to be cast by video or telephone conference in such cases. Meetings are chaired by the Chairman of the Supervisory Board. Outside of meetings, resolutions may also be passed by other means, for example by telephone or e-mail, if the Chairman so directs and provided that no member objects to this procedure.

The supervisory board constitutes a quorum if all members have been properly invited and at least three members participate in the resolution. A member also participates in a resolution if he abstains from voting.

Unless otherwise required by law, the supervisory board adopts resolutions by a simple majority vote.

Minutes are kept of the discussions and resolutions of the Supervisory Board.

The Chairman of the Supervisory Board is authorized to make the declarations of intent necessary to carry out the resolutions of the Supervisory Board on behalf of the Supervisory Board. The Audit and Risk Committee supports the Supervisory Board in monitoring the accounting and the integrity of the accounting process, as well as in monitoring the effectiveness and functionality of the internal control system, the risk management system, the compliance management system, and the internal audit system. Furthermore, it supports the Supervisory Board in monitoring the audit of the financial statements, the services provided by the auditor, the audit fees and the additional services provided by the auditor.

The Audit and Risk Committee deals intensively with the annual financial statements and the consolidated financial statements, the combined management report for the company and the group, the non-financial statement and the non-financial group statement, and the Management Board's proposal for the appropriation of net profit. It discusses the audit reports, the audit process, the audit priorities and methodology, and the audit results, including with regard to the internal control system related to the accounting process, with the Management Board and the auditor, and makes recommendations to the Supervisory Board. It regularly assesses the quality of the audit. It discusses the quarterly statements and the half-yearly financial report with the Management Board prior to publication.

The Audit and Risk Committee prepares the proceedings and resolutions of the Supervisory Board for the proposal of the auditor for election at the Annual General Meeting and decisions on corporate governance issues. It also decides on the approval of significant transactions with related parties in accordance with Section 111b (1) of the German Stock Corporation Act (AktG) (so-called related party transactions). There were no such transactions in the reporting period.

The Audit and Risk Committee discusses the assessment of the audit risk, the audit strategy and audit planning, and the audit results with the auditor. The Chairperson of the Audit and Risk Committee also regularly discusses current topics related to the audit and the progress of the audit with the auditor in the presence of all members of the Audit and Risk Committee. The Audit and Risk Committee also regularly consults with the auditor without the Management Board. In 2024, a total of two coordination meetings were held with the auditor.

The Chairperson of the Audit and Risk Committee shall report regularly to the Supervisory Board on the activities of the Audit and Risk Committee. The Chairperson of the Supervisory Board shall be informed immediately of any significant events or findings of the Audit and Risk Committee.

Targets for the composition of the Supervisory Board / status of implementation

The Supervisory Board of the company strives for a composition of the Supervisory Board that enables qualified advice and monitoring of the company's Management Board.

In view of

- the size of the Supervisory Board,

- the business in which the Company operates,
- the size and structure of the Company,
- the scope of the Company's international activities, and
- its current shareholder structure

The Supervisory Board of the company has adopted the following objectives for the composition of the Supervisory Board. These take into account the statutory requirements both with regard to the requirements for individual Supervisory Board members and with regard to the requirements for the composition of the Supervisory Board as a whole and - unless a deviation is expressly declared – the recommendations of the German Corporate Governance Code. In particular, a profile of skills and expertise has been drawn up for the Board as a whole.

The Supervisory Board will take the objectives into account when making proposals to the Annual General Meeting for the election of Supervisory Board members and will ensure that the respective candidates meet the requirements for fulfilling the profile of skills and expertise for the entire board. The specific situation of the company will be taken into account.

The Supervisory Board of the company endeavors to ensure that each member of the Supervisory Board fulfills the following requirements:

General requirements profile

Each Supervisory Board member should have the necessary knowledge and experience to be able to diligently monitor and advise the company's Management Board and assess any risks to the company's business. The Supervisory Board will also ensure that all Supervisory Board members have a personal profile that enables them to uphold the company's reputation in the public eye.

Time availability

All Supervisory Board members should be able to devote the time required for the diligent performance of their mandate over their entire term of office. Supervisory Board members should comply with the requirements of the law and observe the recommendation of the German Corporate Governance Code with regard to the permissible number of Supervisory Board mandates.

Conflicts of interest

Supervisory Board members should not perform any other activities that make the frequent occurrence of conflicts of interest likely. This includes board functions or advisory tasks at major competitors or personal relationships with such competitors.

Age limit for Supervisory Board members

As a rule, members of the Supervisory Board should not have reached the age of 70 at the time of their election or re-election.

Requirements for the composition of the full board

In addition to the individual requirements for Supervisory Board members, the company's Supervisory Board also strives to achieve the following objectives for its composition as a whole in accordance with C.1 GCGC.

Competence profile for the entire board

The members of the Supervisory Board as a whole must have the knowledge, skills and professional experience required to properly perform their duties. The Supervisory Board strives to ensure that the Supervisory Board as a whole covers the broadest possible spectrum of knowledge and experience relevant to the company and in particular fulfills the following requirements:

- In-depth knowledge and experience in the Internet industry, especially in companies that deal with online presences, digitization applications, e-commerce applications and cloud applications and the respective associated infrastructures and technologies;
- Specialist knowledge or experience from other economic sectors;
- entrepreneurial or operational experience;
- at least one member of the Supervisory Board with several years of operational experience gained abroad or in an internationally active company;
- at least one member with expertise in the field of accounting, whereby the expertise in the field of accounting must consist of special knowledge and experience in the application of accounting principles and internal control and risk management systems and must also relate to sustainability reporting;
- at least one additional member with expertise in the field of auditing, whereby the expertise in the field of auditing must consist of special knowledge and experience in the field of auditing and must also relate to the audit of sustainability reporting;
- Expertise on sustainability issues of importance to the company;
- Knowledge and experience in strategy development and implementation;
- in-depth knowledge and experience in controlling and risk management;
- Knowledge and experience in personnel planning and management (human resources);
- -depth knowledge and experience in the field of governance and compliance;
- Expertise on the needs of capital market-oriented companies.
- The Supervisory Board should not include more than two former members of the Management Board. This target has also been met. Furthermore, Supervisory Board members should immediately disclose any current conflicts of interest to the Supervisory Board and resign from the Supervisory Board in the event of permanent conflicts of interest. No such conflicts of interest arose in the reporting year.
- Members of the Supervisory Board should retire from the Supervisory Board at the end of the following Annual General Meeting after reaching the age of 70. This target is also met.
- The Supervisory Board should include at least one woman. This target is met by the membership of Dr. Claudia Borgas Herold and Ms. Vanessa Stuetzle on the Supervisory Board.

Diversity

The Supervisory Board strives to ensure that the Supervisory Board has a diverse composition so that the Supervisory Board as a whole has a sufficient diversity of opinions and knowledge. In its election proposals, the Supervisory Board will take into account the diversity concept defined by the company, which is presented in a separate section below.

Independence

The Supervisory Board aims to ensure that, in its opinion, an appropriate number of at least four of the six members of the Supervisory Board are also independent within the meaning of the criteria set out in the recommendations of the German Corporate Governance Code.

In the year under review, the Supervisory Board addressed the above objectives for its composition, discussed them in particular with regard to the competence profile for the entire board, retained them and further expanded on them. The Supervisory Board aims to fulfill the competence profile it has developed for the entire board.

Zusammensetzung des Aufsichtsrats

In the 2024 fiscal year, the supervisory board of IONOS Group SE consisted of the following members:

Supervisory Board members as of December 31, 2024

- Ralph Dommermuth
  (Chairman of the Supervisory Board since January 2023)
- René Obermann
  (Deputy Chairman since January 2023)
- Dr. Claudia Borgas-Herold
  (Member of the Supervisory Board since January 26, 2023, and member of the Audit and Risk Committee since February 2023))
- Vanessa Stuetzle
  (Member of the Supervisory Board since January 26, 2023, and member of the Audit and Risk Committee since October 2024)
- Kurt Dobitsch
  (Member of the Supervisory Board since January 26, 2023, and Member of the Audit and Risk Committee since February 2023)

Departed in the 2024 fiscal year

- Martin Mildner
  (Member of the Supervisory Board and the Audit and Risk Committee from May 2023 to September 2024)

In the opinion of the Supervisory Board, four out of five members of the current Supervisory Board are independent within the meaning of recommendation C.9 GCGC. There is a business relationship with one member of the Supervisory Board based on rental contracts, but this is not considered material. This is only an indicator; there is no conflict of interest. Furthermore, contracts with other companies of the UI Group are not to be considered external to the Group. Therefore, all members of the Supervisory Board are considered independent within the meaning of recommendation C.7 of the German Corporate Governance Code.

Skills matrix:

		Ralph Dommer-muth	**René Ober-mann**	**Dr. Claudia Borgas-Herold**	**Vanessa Stuetzle**	**Kurt Dobitsch**
Period of affiliation	Member since	2023	2023	2023	2023	2023
Age limit (70)	Year of birth	1963	1963	1963	1978	1954
Personal suitability	Independence (C. 9 DCGK)		fulfilled	fulfilled	fulfilled	fulfilled
	No overboarding	fulfilled	fulfilled	fulfilled	fulfilled	fulfilled
	Former member of the Management Board					
	No conflicts of interest	fulfilled	fulfilled	fulfilled	fulfilled	fulfilled
Diversity	Gender	Male	Male	Female	Female	Male
	Nationality	German	German	German	German	Austrian
Professio-nal suita-bility	If applicable E-Com, Tech, Internet, Cloud; specialist knowledge and experience in the Internet industry, Digiti-zation applications, ecommerce applica-tions	fulfilled	fulfilled	fulfilled	fulfilled	fulfilled
	Knowledge of cloud ap-plications and the asso-ciated infrastructures and technologies	fulfilled	fulfilled	fulfilled		fulfilled
	Specialist knowledge / experience from other economic sectors	fulfilled	fulfilled		fulfilled	fulfilled

		Ralph Dommer-muth	**René Ober-mann**	**Dr. Claudia Borgas-Herold**	**Vanessa Stuetzle**	**Kurt Dobitsch**
Professio-nal suita-bility	Entrepreneurial or ope-rational experience	fulfilled	fulfilled	fulfilled	fulfilled	fulfilled
	Application of account-ing principles, internal control & risk manage-ment systems, incl. sus-tainability reporting					fulfilled
	Audit of financial state-ments, incl. audit of sustainability reporting					fulfilled
	Expertise on the sus-tainability issues that are important for the company				fulfilled	fulfilled
	Strategy development and implementation	fulfilled	fulfilled		fulfilled	fulfilled
	Controlling and risk management		fulfilled		fulfilled	fulfilled
	Personnel planning and management (HR)	fulfilled				fulfilled
	Governance and Com-pliance	fulfilled	fulfilled		fulfilled	fulfilled
	Expertise on the needs of capital market-ori-ented companies	fulfilled	fulfilled			fulfilled
Internatio-nal experi-ence	e.g., through several years of work abroad or operational experi-ence in an internation-ally active company (e.g., in the field of fi-nancial engineering, telecommunications, M&A)	fulfilled	fulfilled	fulfilled		fulfilled

The members of the Supervisory Board's Audit and Risk Committee have extensive expertise in the areas listed in D.3 of the German Corporate Governance Code, details of which are provided below.

The Chairman of the Audit and Risk Committee, Mr. Kurt Dobitsch, has extensive expertise in the areas of accounting and auditing, including sustainability reporting and its audit, due to his many years of service as former Vice President Europe at Compaq Computer Corporation, as former Managing Director of Access Computer GmbH, and as Chairman of the Supervisory Board of 1&1 AG. His expertise in these areas consists of particular knowledge and experience in the application of international and national accounting principles and internal control and risk management systems with regard to accounting, and particular knowledge and experience in auditing with regard to auditing financial statements.

Ms. Vanessa Stuetzle has been a member of the Audit and Risk Committee since October 1, 2024. Due to her many years of experience in leading positions, including as Chief Executive Officer of the LUQOM GROUP and Lampenwelt GmbH, and previously as Chief Digital Officer and a member of the management board at DOUGLAS, she has knowledge in the areas of e-commerce, tech, marketplace, omnichannel, CRM, retail media sales and data strategy. From 2011 to 2017, she worked for the s.Oliver Group, where she managed the e-commerce and CRM business of all the group's brands as Chief Digital Officer and built one of the largest mono-label shops in Europe in the fashion segment. Furthermore, Ms. Stuetzle has been a member of the Supervisory Board of Hornbach Holding AG & Co. KGaA since July 2022. Her expertise in the areas of auditing, including the audit of sustainability reporting, includes, in particular, knowledge and experience in the sustainability issues relevant to the company.

The Supervisory Board's election proposals for the election of Supervisory Board members should continue to be based on the well-being of the company, taking into account these objectives and the effort to fill out the profile of skills and expertise for the body as a whole. The specific situation of the company is to be taken into account.

Subject to the creation of short fiscal years, the respective term of office of the Supervisory Board members ends at the end of the Annual General Meeting in 2028.

Targets for the share of women on the Supervisory Board, Management Board, and in management positions / implementation status

As a listed company, IONOS Group SE has the following obligations in particular under the German Stock Corporation Act (AktG):

- Determination of targets for the proportion of women on the Supervisory Board of IONOS Group SE by the Supervisory Board (Section 111 (5) AktG).
- Determination of targets for the proportion of women on the Management Board of IONOS Group SE by the Supervisory Board (Section 111 (5) AktG).
- Determination of targets for the proportion of women in the first and second management levels of IONOS Group SE by the Management Board (Section 76 (4) AktG).

The following specifications may each cover a maximum period of 5 years.

After thorough examination, the Supervisory Board and Management Board of IONOS Group SE have adopted the following resolutions:

- The Supervisory Board set the deadline for achieving the current targets for the proportion of women and the proportion of men on the Supervisory Board and Management Board at the end of the Annual General Meeting in 2028, which will decide on the discharge of the Supervisory Board for the 2027 fiscal year. The Supervisory Board will be newly elected at this Annual General Meeting.

- The target for the proportion of women was set at 1/3. The target figure for the proportion of men was also set at 1/3. The Supervisory Board is currently made up of 2 women and 3 men.

- For the Management Board, the target for the proportion of women was set at a minimum of one-third, and for men at a minimum of one-third. As long as the Management Board consists of fewer than three members, the aim is for it to comprise at least one woman and at least one man. The Management Board currently consists of one woman and two men.

- Regardless of this, the selection should always be based on the individual competence profile of the potential board members, whereby the Supervisory Board endeavors to give preference to women in the case of equal qualifications.

- No target has been set for the proportion of women in the first and second management levels below the Management Board because IONOS Group SE, due to its holding structure, has no management levels below the Management Board.

The Supervisory Board and Management Board of IONOS Group SE currently consider the aforementioned targets to be met without exception.

Diversity concept

Diversity aspects are always taken into account in the composition of the Management Board and Supervisory Board. The company considers diversity to be not only desirable, but also crucial to the company's success. Accordingly, the company pursues an appreciative corporate culture in which individual diversity in terms of culture, nationality, gender, age group, educational and professional background, and religion is desired and equal opportunities - regardless of age, disability, ethnic-cultural origin, gender, religion and ideology or sexual identity - are promoted accordingly.

The company strives to ensure that the composition of the Management Board and Supervisory Board is diverse and that they as a whole have a sufficient diversity of opinions and knowledge.

The following criteria in particular should be taken into account:

- The members of the Management Board and the Supervisory Board should complement each other within the respective bodies in terms of their experience and their educational and professional backgrounds in order to develop a good understanding of the current status and the longer-term opportunities and risks associated with the company's business activities.

- The Management Board and Supervisory Board have set targets for the gender quota for the reference period up to the Annual General Meeting in 2028 that decides on the discharge of the Supervisory Board for the 2027 fiscal year. The Supervisory Board is currently composed of two women and three men. Both genders should generally be treated equally based on their qualifications.

- With the exception of the age limit of 68 or 70 years, respectively, as stipulated in B.5 and C.2 of the German Corporate Governance Code, there are no age limits for members of the Management Board and Supervisory Board; instead, the only distinction is made according to the required knowledge and experience.

- Given the current size of the Management Board and Supervisory Board of only three and six members, respectively, no targets have been set with regard to geographical origin. In the case of the Supervisory Board, the requirement for international experience is already taken into account by the fact that at least one member of the Supervisory Board should have several years of operational experience gained abroad or in an internationally active company.

Individual strengths - i.e., everything that makes individual employees unique and distinctive within the company - are what made it possible for the company to become what it is today. A workforce that is made up of a wide variety of personalities offers optimum conditions for creativity and productivity—and therefore also employee satisfaction. The resulting potential for ideas and innovation strengthens the company's competitiveness and increases its opportunities in future markets. In line with this idea, the aim is not only to find a field of activity and function for each employee in which their individual potential and talents can be exploited to the full; the composition of the Management Board and Supervisory Board should also take diversity into account, for example in terms of age, gender or professional experience, in the company's own interests.

The Supervisory Board has determined that the entirety of the statutory and self-imposed provisions relevant to its composition (targets for composition, competence profile, statutory target for the proportion of women, age limit and the other provisions outlined above) should be considered a diversity concept within the meaning of Section 289f (2) no. 6 HGB. The company does not consider diversity targets that go beyond this with additional or more specific criteria to be appropriate. In view of the size of the Management Board and Supervisory Board, a higher number and more specific diversity aspects would cause considerable difficulties in filling the positions appropriately, taking into account all diversity criteria.

In the opinion of the members of the Management Board and Supervisory Board, the diversity concept for the Management Board and Supervisory Board is currently fulfilled.

General Meeting

The Annual General Meeting is the decision-making body for the shareholders of IONOS Group SE. The annual and consolidated financial statements are presented to the shareholders at the Annual General Meeting. The shareholders decide on the appropriation of the balance sheet profit and vote on other issues stipulated by law, such as the discharge of the Management Board and Supervisory Board and the election of the auditor. Each share carries one vote. Shareholders who register in good time and are entered in the share register on the day of the Annual General Meeting are entitled to attend the Annual General Meeting. Shareholders may also exercise their voting rights at the Annual General Meeting by proxy. The company provides a proxy for this purpose, who votes in accordance with the shareholders' instructions, insofar as he has been instructed to do so by the shareholders.

Governance functions

At IONOS Group SE, the governance functions are part of an integrated “GRC” organization that includes the functions of corporate governance, corporate risk management, internal control system, and corporate compliance. The GRC functions are under the unified leadership of the Chief Financial Officer (CFO) of IONOS Group SE.

Internal Control System and Risk Management System

To ensure the long-term success of IONOS Group SE, it is essential that the risks associated with business activities are effectively identified, analyzed, and eliminated or mitigated by means of appropriate control measures and controls. The internal control system and the risk management system ensure that risks are handled responsibly. In particular, they are designed to recognize risks early on, assess, control and monitor them throughout the Group. The systems are constantly being developed and adapted to changing circumstances. The Management Board regularly informs the Supervisory Board about existing risks and how they are being handled, as well as the effectiveness of internal controls. The appropriateness and effectiveness of the internal control system and the risk management system have been determined by the Supervisory Board in its entirety.

The main features of the internal control system and the risk management system with regard to the accounting process of the company and the Group are described in detail in the combined management report for the company and the Group in accordance with Sections 289 (4) and 315 (4) HGB. There, the Management Board also reports in detail on existing risks and their development.

Compliance

In order to ensure compliance with legal requirements and internal company guidelines, the Management Board of IONOS Group SE has implemented a group-wide risk-oriented compliance management system (CMS) whose primary goal is to prevent or at least minimize actual violations and corresponding risks. Actual violations should be uncovered, remedied and, depending on their severity, sanctioned. The centerpiece is a central code of conduct. The code of conduct applies to all board members and employees of the IONOS Group SE and ensures that the value system is consistently and continuously applied across the board.

The Compliance department is responsible for the specific design of the CMS. In certain areas of the company, such as HR, the Compliance department is supported by functional compliance managers.

The overarching goal of all compliance activities is to prevent compliance violations. This goal is to be achieved by means of appropriate measures tailored to the company's risk situation and taking effect at all three levels of action—prevention, detection and response. The focus is on corruption prevention, policy management, the establishment of confidential reporting channels, and the protection of whistleblowers.

Financial disclosures / transparency

It is the declared aim of IONOS Group SE to inform institutional investors, private shareholders, financial analysts, employees and the interested public about the company's situation through regular, open and up-to-date communication on an equal footing.

To this end, all material information, such as press releases, ad hoc disclosures and other mandatory disclosures (such as directors' dealings or voting rights notifications), as well as all financial reports, are published in accordance with legal requirements. IONOS Group SE also provides extensive information on the company's website (www.ionos-group.com). Documents and information on the company's Annual General Meetings and other financially relevant information can also be found there.

IONOS Group SE reports to shareholders, analysts and representatives of the press four times per fiscal year on business developments and the financial and earnings position in accordance with a fixed financial calendar. The financial calendar is published and regularly updated on the company's website and in accordance with legal requirements.

In addition, the Management Board issues ad hoc disclosures without delay on circumstances that are not publicly known and could have a significant impact on the share price.

As part of investor relations, the management meets regularly with analysts and institutional investors. In addition, analyst conferences are held to present the half-year and annual figures, to which investors and analysts also have access by telephone.

Accounting and auditing

The IONOS Group's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS, as adopted by the EU), taking into account Section 315e of the German Commercial Code (HGB). By contrast, the annual financial statements of IONOS Group SE, which are relevant for dividend and tax purposes, are prepared in accordance with the provisions of the German Commercial Code (HGB). The annual and consolidated financial statements are audited by independent auditors. The auditor is elected by the Annual General Meeting. The Supervisory Board issues the audit mandate, determines the focal points of the audit and the audit fee, and verifies the independence of the auditor.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft has been the auditor for IONOS Group SE and the Group since the 2022 fiscal year. The audit partners responsible for the audit are Mr. Christian David Simon and Mr. Erik Hönig.

Remuneration of Management Board and Supervisory Board

The remuneration of the members of the Management Board and the Supervisory Board is each presented in a detailed remuneration report for the 2024 fiscal year in accordance with Section 162 AktG together with the associated auditor's report, which is published on the company's website at https://www.ionos-group.com/investor-relations/publications/reports.html. and is accessible there. The applicable compensation system is presented in detail in the appendix to this compensation report in accordance with Section 87a (1) and (2) sentence 1 AktG and the last compensation resolution of the Annual General Meeting is also reproduced in accordance with Section 113 (3) AktG. Information on the compensation of the Management Board and Supervisory Board can also be found in the notes to the consolidated financial statements for the 2024 fiscal year under note 43.

Declaration of compliance with the recommendations of the German Corporate Governance Code pursuant to Section 161 AktG

On December 19, 2023, the Management Board and Supervisory Board of IONOS Group SE issued the following Declaration of Conformity in accordance with Section 161 AktG and subsequently published it on the company's website (www.ionos-group.com) and in the Federal Gazette.

The Management Board and Supervisory Board of IONOS Group SE declare in accordance with Section 161 of the German Stock Corporation Act:

The Management Board and Supervisory Board of IONOS Group SE declare that IONOS Group SE has complied with the recommendations of the German Corporate Governance Code ("Code") in the version dated April 28, 2022, which took effect upon publication in the Federal Gazette on June 27, 2022, and the last declaration of conformity dated December 19, 2023, with the exceptions stated in each case, and will continue to comply with the recommendations of the Code in the future with the following exceptions:

Section D.4
Formation of a nomination committee

In addition to the Audit and Risk Committee, the Supervisory Board does not form any other committees, but performs all other tasks as a whole. The Supervisory Board considers this to be appropriate, as efficient discussions in plenary sessions and an intensive exchange of opinions are possible even with a six member Supervisory Board. The Supervisory Board therefore sees no need to set up a nomination committee.

Section G.1 to G.5
Remuneration of the Management Board - remuneration system

With the submission to the Annual General Meeting in May 2023, the remuneration system became the basis for service contracts with members of the Management Board. The remuneration system developed takes into account the recommendations in G.1 to G.5 of the Code without any restrictions. Existing service contracts with members of the Management Board have already complied with the requirements of the remuneration system since the company's shares were first listed on the stock exchange. According to Section G.1 of the Code, the remuneration system should specify, among other things, the maximum amount of total remuneration that may not be exceeded (maximum remuneration). The current remuneration system contains such a maximum remuneration. Maximum remuneration is also shown separately for Management Board member Achim Weiß, CEO of the IONOS Group. However, Mr. Weiß's maximum remuneration may still change as a result of exercising a special right of termination for change of control (see also below) or applying an "early vesting rule" described in the remuneration system and may therefore be significantly higher than the basic maximum remuneration specified for him in the remuneration system. In this respect, a deviation from Section G.1 of the Code is declared purely as a precautionary measure.

Section G.10
Remuneration of the Management Board - Long-term variable remuneration

According to G.10 of the Code, the variable remuneration amounts granted to members of the Management Board should be invested primarily in shares in the company or granted on a share-based basis. In addition, the respective Management Board member should only be able to dispose of such amounts after four years. Share-based remuneration is offered as part of the Stock Appreciation Rights (SARs) program as a long-term remuneration program for the Management Board. The term of this program is 6 years in total. Within these 6 years, the respective member of the Management Board can exercise a portion (1/3) of the SARs allocated at certain times - but not before 3 years. This means that a member of the Management Board can already dispose of part of the long-term variable remuneration after 3 years. Full exercise of all SARs is possible for the first time after 5 years.

The Supervisory Board is of the opinion that this system of long-term compensation for Management Board members within the United Internet Group has proven its worth and sees no reason to further postpone the possibility of disposing of compensation earned under the program. The Supervisory Board believes that the link to the share price of IONOS Group SE and the option to surrender its shares to fulfill the entitlements under the program already ensure that the Management Board member participates appropriately in the risks and opportunities of IONOS Group SE. Because the program is designed for a term of 6 years and the SARs awarded are allocated pro rata over this period and after 3 years at the earliest, the Supervisory Board believes that an optimal commitment effect and incentive control have been achieved in the interests of IONOS Group SE, which makes it unnecessary to further postpone the first disposal option.

Section G.14
Remuneration of the Management Board - change of control regulations

In accordance with G.14 of the Code, commitments for benefits in the event of premature termination of the employment contract by the Management Board member due to a change of control should not be agreed. The employment contracts of ordinary members of the Management Board and the remuneration system for them do not provide for such benefits. Only for the member of the Management Board, Achim Weiß, who is also CEO of IONOS, do the remuneration system and contractual agreements provide for the provisions described in the remuneration system in the event of a change of control. In particular, this leads to a special right of termination for Mr. Weiß's employment contract and, if exercised, to an early vesting of SARs allocated to him. In this respect, the company deviates from G.14 of the Code. The Supervisory Board is of the opinion that this regulation is justified against the background of Mr. Weiß's trusting relationship with the medium-sized anchor shareholder of IONOS Group SE, and was also necessary against this background to ensure Mr. Weiß's continued work for the IONOS Group.

7. Remuneration report

With the Act on the Implementation of the Second Shareholders' Rights Directive (ARUG II), Directive (EU) 2017/828 of the European Parliament and of the Council of May 17, 2017, was transposed into national law. In this context, the legislator introduced new statutory provisions for listed companies regarding remuneration reporting, which apply to fiscal years beginning on or after January 1, 2021.

The remuneration report is a separate report that is not linked to the financial statements. The main disclosures required to date, in particular the itemized reporting of the compensation of the Management Board and the main features of the compensation system, have been removed from the combined management report and transferred to the new remuneration report in accordance with Section 162 of the German Stock Corporation Act (AktG).

The remuneration system and the disclosure of the remuneration of the members of the Management Board and the Supervisory Board for the 2024 fiscal year in accordance with Section 162 AktG can be found in the “Remuneration Report 2024”, which is published on the company's website at https://www.ionos-group.com.

Information on Management Board and Supervisory Board remuneration can also be found in the notes to the consolidated financial statements under note 43.

8. Dependent company report

The Management Board declares in accordance with Section 312 of the German Stock Corporation Act (AktG) that the company did not carry out any legal transactions with the controlling company or one of its affiliated companies or at the behest or in the interest of these companies during the fiscal year. Furthermore, no measures were taken or omitted at the behest or in the interest of these companies.

Montabaur, March 21, 2025

Achim Weiß   Britta Schmidt   Dr. Jens Reich

IONOS Group SE, Montabaur
Balance Sheet as of December 31, 2024

Assets		31.12.2023 €	31.12.2023 €
A. Fixed Assets			
I. Property Plant and Equipment			
Other equipment, operating and office equipment	884.00		1,215.00
		884.00	1,215.00
II. Financial Assets			
1. Shares in affiliated companies	156,060,001.00		156,060,001.00
2. Loans to affiliated companies	364,100,000.00		364,100,000.00
		520,160,001.00	520,160,001.00
		520,160,885.00	520,161,216.00
B. Current Assets			
I. Receivables and other Assets			
1. Receivables from affiliated companies	8,980,738.33		8,465,524.63
2. Other Assets	173,378.58		2,411,661.50
		9,154,116.91	10,877,186.13
II. Cash and Cash Equivalance		4,309.96	0.00
		9,158,426.87	10,877,186.13
C. Prepaid Expenses and Deferred Charges		22,616.27	16,220.43
		529,341,928.14	531,054,622.56

Equity and Liabilities		31.12.2024 €	31.12.2023 €
A. Eigenkapital			
I. Capital Issued			
1. Subscribed capital (conditional capital: €20,000,000)	140,000,000.00		140,000,000.00
2. less notional value of treasury shares	-463,565.00		0.00
		139,536,435.00	140,000,000.00
II. Capital Reserve		369,211,871.77	383,511,753.59
III. Accumulated deficit		-10,082,472.88	-7,608,583.11
		498,665,833.89	515,903,170.48
B. Povisions			
1. Tax Provision	1,011,861.00		0.00
2. Other Provisions	18,936,413.99		9,608,659.54
		19,948,274.99	9,608,659.54
C. Verbindlichkeiten			
1. Trade Payables	6,527.15		57,669.24
2. Liabilities to affiliated companies	1,109,402.90		437,157.19
3. Other Liabilities	9,611,889.21		5,047,966.11
of which from Taxes €9,489,213.21 (prior year: €5,043,670.08)			
		10,727,819.26	5,542,792.54
		529,341,928.14	531,054,622.56

IONOS Group SE, Montabaur
Profit and Loss Statement for the Period from January 1 to December 31, 2024

	2024 €	2023 €
1. Revenues	17,997,486.63	3,242,919.34
2. Other operating income	1,024,934.01	34,916,525.35
of which from currency conversion €0,00 (Vorjahr: €1.443,16)		
3. Cost of material:		
Expenses for purchased services	-338.49	-310.59
4. Personnel expenses		
a) Salary and wages	-15,946,881.75	-10,072,169.02
b) Social security contributions and expenses for pensions and other employee benefits	-14,569.74	-12,661.47
5. Amortization of intangible assets and depreciation of property, plant and equipment	-331.00	-110.00
6. Other operating expenses	-4,019,665.28	-18,858,026.33
of which from currency conversion €-304,68 (Vorjahr: €-1,96)		
7. Income from loans of financial assets	37,016.84	36,915.70
of which from affiliated companies €37.016,84 (Vorjahr: €36.915,70)		
8. Interests and similar expenses	-539,679.99	-3,833,420.06
of which to affiliated companies €-387.953,73 (Vorjahr: €-228.670,06)		
9. Income taxes	-1,011,861.00	-14,518.97
10. Earnings after taxes	-2,473,889.77	5,405,143.95
11. Other taxes	0.00	-324.00
12. Net Loss (prior year: Net Income)	**-2,473,889.77**	**5,404,819.95**
13. Loss carried forward	-7,608,583.11	-13,013,403.06
14. Accumulated loss	**-10,082,472.88**	**-7,608,583.11**

IONOS GROUP SE, MONTABAUR

HRB 25386

NOTES FOR THE FISCAL YEAR 2024

1. General Information on the Annual Financial Statement

The annual financial statements of IONOS Group SE for the 2024 fiscal year were prepared in accordance with Article 61 of the SE Regulation in accordance with the statutory provisions of Sections 242 et seq. and 264 et seq. HGB and the relevant provisions of the German AktG.

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

The fiscal year is the calendar year.

In order to improve the clarity of presentation, disclosures on the affiliation to other items and, in some cases, notes thereto have been made in these notes.

A cash pooling agreement has been in place between IONOS Group SE and IONOS Holding SE since June 2022. IONOS Holding SE is in turn included in the cash pooling of United Internet AG.

IONOS Group SE has its registered office in Montabaur. It is entered in the commercial register of the local court of Montabaur under HR B 25386. The company operates purely as a holding company.

The company concluded a control agreement with IONOS Holding SE, Montabaur, dated November 24, 2022.

The shares of IONOS Group SE have been listed on the regulated market of the Frankfurt Stock Exchange since February 8, 2023.

From May 2024, IONOS Group SE bought back a total of 850,000 Treasury shares, which were openly deducted from the company's share capital in the amount of the notional value of €1 per share. The repurchase price of €464k in excess of the notional value was offset against the offsettable capital reserve. In August, September and October 2024, a total of 386,435 Treasury shares were issued to eligible employees as part of the first tranche of the employee share ownership program. Some of these shares were transferred to other IONOS companies.

As of December 31, 2024, United Internet AG held 63.8% and WP XII Venture Holdings II SCSp, Luxembourg / Luxembourg 8.7% of the shares in IONOS Group SE.

27.2% are in free float as of December 31, 2024. In addition, IONOS Group SE holds 0.3% of its own shares.

2. Accounting and Valuation Methods

The annual financial statements were prepared on the basis of the following accounting and valuation methods, which are unchanged from the previous year.

2.1 Property, Plant and Equipment

In principle, all property, plant and equipment is depreciated over its expected useful life. If the fair value of individual fixed assets falls below their carrying amount, additional impairment losses are recognized if the impairment is expected to be permanent. If the reasons for the impairment loss no longer apply in part or in full in subsequent years, the impairment loss is reversed in the amount of the reversal of the impairment loss but at most up to the value that would have resulted if the impairment loss had not been recognized.

The depreciation methods and useful lives applied are shown in the following overview:

Property, Plant and Equipment	Method of Depreciation / Useful Life
"Other equipment, factory and office equipment"	
▪ Office equipment	Linear 3 – 15 Years

2.2 Financial Assets

Shares in affiliated companies are recognized at the lower cost or fair value. Loans are generally recognized at nominal value. If financial assets are expected to be permanently impaired, they are written down to the lower fair value in accordance with the modified lower cost or market principle.

2.3 Receivables and Other Assets

Receivables and other assets are generally recognized at their nominal value. Recognizable risks are taken into account through individual or general value adjustments.

2.4 Cash and Bank Balances

Cash in hand is measured at nominal value. Bank balances are recognized at nominal value.

2.5 Prepaid Expenses and Deffered Charges

Prepaid expenses are recognized as an expense over the term of the service.

2.6 Provisions

Appropriate provisions are recognized for uncertain liabilities and risks from impending losses on the basis of prudent business judgment in the amount required to settle them (i.e., including future cost and price increases).

Provisions with a remaining term of more than one year are discounted at the average market interest rate of the past seven fiscal years corresponding to their remaining term.

Provisions in the amount of the pro rata fair value of the obligations are recognized for the employee stock option plans of IONOS Group SE as of the balance sheet date. The obligations are remeasured at each balance sheet date from the time they are granted until they are settled. The fair value is determined using recognized financial models (Monte Carlo simulation).

The fair value is recognized as personnel expenses pro rata temporis over the vesting period.

The following assumptions based on the remaining term of the individual agreement are used to determine the fair value as of the reporting date:

risk-free interest rate	1.8% - 2.6% (previous year: 1.5% – 2.3%)
dividend yield	0.2% (previous year: 0.2%)
volatility	35% (previous year: 33.2%)
Probability of fluctuation	0% (previous year: 0%)

2.7 Liabilities

Liabilities are recognized at their settlement amount.

2.8 Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are generally translated at the mean spot exchange rate on the reporting date. If the remaining term is more than one year, the realization principle (section 252 (1) no. 4 sentence 2 HGB) and the acquisition cost principle (section 253 (1) sentence 1 HGB) are observed.

The notes to the income and expenses from currency translation shown in the income statement include both realized and unrealized exchange rate differences.

2.9 Current and Deferred Taxes

Income taxes

Current taxes are measured at the amount expected to be refunded by the tax authorities or paid to the tax authorities. The calculation of the amount is based on the tax rates and tax laws applicable on the balance sheet date.

Deferred taxes

For the determination of deferred taxes due to temporary or quasi-permanent differences between the carrying amounts of assets, liabilities and prepaid expenses and deferred income under commercial law and their tax carrying amounts or due to tax loss carryforwards, these are measured at the company-specific tax rates at the time of the reduction of the differences and the amounts of the resulting tax burden and tax relief are not discounted.

Deferred tax surpluses are not capitalized in exercise of the recognition option available for this purpose, as an overall difference analysis was carried out.

Any deferred tax assets are mainly based on valuation differences relating to personnel provisions and tax loss carryforwards. Any deferred tax liabilities result from the formation of tax reserves. They are valued at the applicable tax rate of 31.11%.

Value added tax

The company is entitled to deduct value-added tax on expenses and assets in accordance with Section 15 UStG. IONOS Group SE has been the parent company of the IONOS Group for VAT purposes since 2022.

2.10 Global Minimum Taxation

The regulations on global minimum taxation have been applied to the United Internet Group, in whose consolidated financial statements IONOS Group SE is included, since January 1, 2024. A comprehensive analysis of the financial figures for the current fiscal year revealed that, as things stand, no country within the group qualifies as a low-tax country for Pillar Two purposes. Consequently, no additional tax burden is expected in the 2024 fiscal year.

3. Notes to the Balance Sheet

3.1 Development of Fixed Assets

The disclosures required by Section 284 (3) HGB on the development of the individual fixed asset items are presented separately in the statement of changes in fixed assets as Appendix 1 to the Notes, showing additions, disposals, transfers and write-ups as well as depreciation and amortization in the fiscal year.

3.2 Financial Assets

The company's financial assets amounted to €520,160k as of the balance sheet date (previous year: €520,160k).

As in the previous year, IONOS Group SE held shares in the affiliated company IONOS Holding SE in the amount of €156,060k (previous year: €156,060k) as at the balance sheet date. These shares are recognized at cost.

As of the balance sheet date, the loan to IONOS Holding SE amounted to €364,100k (previous year: €364,100k).

Depreciation and accumulated amortization amounted to €0k, as in the previous year.

The disclosures required by Section 284 (3) HGB on the development of the individual fixed asset items are presented separately in the statement of changes in fixed assets as Appendix 1 to the Notes, showing additions, disposals, transfers and write-ups as well as depreciation and amortization in the fiscal year.

The disclosures on shareholdings required by Section 285 No. 11 and No. 11 b HGB are presented separately as Appendix 2 to the Notes.

3.3 Receivables and Other Assets

Receivables from affiliated companies amounting to €8,981k (previous year: €8,465k) mainly relate to receivables from STRATO GmbH (formerly: STRATO AG, €3,678k) and IONOS SE (€3,528k). These mainly include receivables from the VAT group and from the transfer of shares in IONOS Group SE. In the previous year, receivables from affiliated companies included a receivable from internal cost allocation in the amount of €6,984k.

Receivables and liabilities are netted for each company, insofar as a netting situation pursuant to Section 387 et seq. BGB is given.

Other assets amounting to €173k (previous year: €2,412k) include receivables from capital gains tax and a solidarity surcharge of €173k (previous year: € 173k). In the previous year, this item mainly included receivables from the pro rata on-charging of IPO costs to WP XII Venture Holdings II SCSP in the amount of €2,238k.

As in the previous year, receivables from affiliated companies and other assets have a remaining term of up to one year.

3.4 Cash and Bank Balances

This item includes receivables from banks in the amount of €4k (previous year: €0k).

3.5 Prepaid Expenses and Deferred Charges

Prepaid expenses of €16k (previous year: €0k) mainly include software fees already paid for future periods.

3.6 Share Capital and Shares

As of December 31, 2024, the share capital amounted to €140,000k (previous year: €140,000k).

463,565 Treasury shares with a notional value of €1 per share were deducted from the share capital of IONOS Group SE as of December 31, 2024.

IONOS Group SE did not hold any Treasury shares as of December 31, 2023. On 8 May 2024, the Management Board of IONOS Group SE, with the approval of the Supervisory Board, initially resolved to acquire up to 850,000 Treasury shares via the stock exchange on the basis of the authorization granted by the Extraordinary General Meeting on 26 January 2023 to acquire Treasury shares. This corresponds to approx. 0.6% of the share capital of €140,000k. The buy-back program was to be carried out from mid-May 2024 until 28 February 2025 at the latest.

As part of the buyback program announced on May 8, 2024, IONOS Group SE acquired a total of 850,000 Treasury shares in the period from May 17 to July 25, 2024, thereby completing the share buyback program. The purchase price excluding incidental acquisition costs amounted to €22,319k.

As part of the employee share purchase program, 386,435 Treasury shares were issued by 31 December 2024. 463,565 Treasury shares with a notional value of €1 per share were deducted from the share capital of IONOS Group SE as of December 31, 2024.

As of December 31, 2024, shareholdings in the company's capital were held by United Internet AG (89,369,097 shares or 63.8% of the share capital according to the voting rights notification dated December 6, 2024) and WP XII Venture Holdings II SCSp, Luxembourg / Luxembourg (12,130,903 shares or 8.7% of the share capital according to the voting rights notification dated December 6, 2024). As far as the Management Board is aware, there are no other reportable shareholdings.

The share capital is fully paid up.

Authorized Capital

By resolution of the Extraordinary General Meeting on January 26, 2023, the Management Board is authorized to increase the share capital of IONOS Group SE by August 31, 2026, with the approval of the Supervisory Board, once or in partial amounts by a total of up to €56,000k by issuing new no-par value shares against cash and/or non-cash contributions. The Management Board was also authorized to decide on the exclusion of shareholders' subscription rights.

Conditional Capital

By resolution of the general meeting on May 15, 2023, the share capital of IONOS Group SE was conditionally increased by up to €20,000,000 (Conditional Capital 2023), divided into up to 20,000,000 registered shares. The conditional capital increase will only be carried out to the extent that the holders or creditors of options or conversion rights or those obliged to convert from issued options or convertible bonds, issued or guaranteed by IONOS Group SE or a subsidiary of IONOS Group SE based on the authorization granted by the board of directors through the general meeting's resolution on May 15, 2023, until August 31, 2026, exercise their options or conversion rights or fulfill their obligation to convert, or, if IONOS Group SE exercises a choice, to grant shares of IONOS Group SE in whole or in part instead of paying the due amount, unless a cash settlement is granted or its own shares or shares of another listed company are used to fulfill the obligation. The new shares will be issued at the option or conversion price determined in accordance with the above authorization resolution. The new shares will participate in profits from the beginning of the fiscal year in which they are created; to the extent legally permissible, the board of directors, with the approval of the supervisory board, may also determine the profit participation of new shares for a past fiscal year. The board of directors is authorized, with the approval of the supervisory board, to determine the further details of the implementation of the conditional capital increase.

3.7 Capital Reserve

The capital reserve decreased to €369,212k as of the balance sheet date (previous year: €383,512k) due to the repurchase of Treasury shares and the issue of shares as part of the employee share ownership program.

	In €k
As of 01.01.2024	383.512
Repurchase of own shares	-21.469
Effects from the issue of shares as part of the employee participation program	7.169
As of 31.12.2024	369.212

3.8 Balance Loss

The net loss for the fiscal year 2024 amounts to €2,474k (previous year: €5,405k (net income)). Together with the loss carryforward from the previous year of €7,609k, this results in a balance loss of €10,082k (previous year: €7,609k).

3.9 Tax Provision and Other Provisions

As of the balance sheet date, IONOS Group SE reports tax provisions of €0k (previous year: €1,330k).

The other provisions are allocated as follows:

	31.12.2024	31.12.2023
	In €k	In €k
Other Personal Provisions	16,712	7,779
Bonuses	1,050	850
Financial Statement and Audit costs	898	697
Supervisory Board remuneration	186	177
Vacation entitlements	37	72
Miscellaneous	53	8
Legal and Consulting costs	0	26
	18,936	9,609

The item Other Personal Provisions primarily includes provisions for stock-based compensation:

- Stock Appreciation Rights €12,371k (previous year: €3,301k),
- Long Term Incentive Plan €4,131k (previous year: €4,408k).

The provision for LTIP was utilized in the 2024 fiscal year in the amount of €4,420k in the form of the issue of Treasury shares, and €4,142k was allocated to the new LTIP program through profit or loss.

The new remuneration package for the members of the Management Board includes long-term, share-based remuneration in the form of a virtual stock appreciation rights plan (SAR Plan 2023), under which virtual stock appreciation rights (SARs) are granted. As of the balance sheet date, the provision for SARs amounted to €12,371k, of which €9,070k was allocated to the income statement.

The other provisions have a remaining term of up to five years.

3.10 Liabilities

The following breakdown provides information on the composition and remaining term of the liabilities:

	Remaining Term			Remaining Term		
Type of Liability	31.12.2024 Total In €k	Up to one year In €k	More than one year In €k	31.12.2023 Total In €k	Up to one year In €k	More than one year In €k
Trade Payables	7	7	0	58	58	0
Liabilities to Affiliated Companies	1,109	1,109	0	437	437	0
of which to Shareholders	0	0	0	0	0	0
Other Liabilities	9,612	9,612	0	5,048	5,048	0

As in the previous year, there are no liabilities with a remaining term of more than five years.

Trade payables in the amount of €7k (previous year: €58k) mainly include liabilities from consulting costs.

Liabilities to affiliated companies in the amount of €1,109k (previous year: €437k) mainly include liabilities from cash pooling in the amount of €620k (previous year: €0k) and liabilities as part of the VAT group in the amount of €186k (previous year: €403k).

Receivables and liabilities are reported net for each company, insofar as an offsetting situation pursuant to Section 387 et seq. BGB is given.

Other liabilities in the amount of €9,612k (previous year: €5,048k) mainly include VAT liabilities in the amount of €9,428k (previous year: €4,982k).

None of the liabilities are collateralized.

4. Notes to the Profit and Loss Statement

4.1 Revenues

In the 2023 financial year, IONOS Group SE reported revenue of €17.997k (previous year: €3.243k). All the revenue was generated in Germany.

Revenue with affiliated companies in the amount of €17.997k (previous year: €3.242k) resulted from internal cost allocation. The costs of the Management Board members are primarily passed on to IONOS Holding SE

The company reports external revenue from the rental of underground parking spaces in the amount of €338k (previous year: €311k).

4.2 Other Operating Income

Other operating income is broken down as follows:

(all amounts in €k)	01.01.-31.12.2024	01.01.-31.12.2023
Other operating Income	**1.025**	**34.917**
of which from internal recharges / recalculations	907	960
of which from the reversal of provisions	79	15.997
of which others	39	8
of which income relates to other periods	0	11.949
of which income from recharging IPO expenses	0	6.002
of which currency translation	0	1

The income from intragroup recharges comprises recharges to other group companies without surcharges.

The item income from the reversal of provisions mainly includes income from the reversal of a provision for recruitment costs. In the previous year, the item income from the reversal of provisions mainly included income from the measurement of the LTIP provision in the amount of €15,410k.

In the previous year, the position income relating to other periods mainly included income from passing on the IPO costs of the financial year 2022 (€11,868k).

4.3 Cost of Material

The cost of materials in the amount of €338k relates to the rental of underground parking spaces (see item 4.1 Revenue).

4.4 Personnel Expenses

The company's personnel expenses amounted to €15,961k in the reporting year (previous year: €10,085k) and consisted of expenses for wages and salaries of €15,947k (previous year: €10,072k) and social security contributions of €14k (previous year: €13k).

Personnel expenses relate to the remuneration of the members of the Management Board of IONOS Group SE.

The company had no employees in the 2024 financial year or in the previous year.

4.5 Other Operating Expenses

Other operating expenses mainly include the following expenses:

(all amounts in T€)	01.01.- 31.12.2024	01.01.- 31.12.2023
Other operating expenses	**4.020**	**18.858**
of which internal recharges / rebilling	907	959
of which costs for financial statements and auditing	898	843
of which legal and consulting cost	724	4.602
of which external work (internal)	321	7.967
of which expenses relating to other periods	268	1.003
of which advertising expenses	236	505
of which other personnel expenses	219	209
of which external work	125	66
of which repairs and maintenance	113	78
of which insurance, contributions	72	2.446
of which others	137	180

Internal third-party work includes expenses from the internal cost allocation of other Group companies. In the previous year, the expenses from internal third-party work resulted from the change in the valuation of the LTIP provision and the associated offsetting in the amount of €7,701k.

The legal and consulting costs of €724k (previous year: €4,602k) include expenses for legal and tax advice as well as Supervisory Board remuneration. In the previous year, the consulting costs were mainly related to the company's IPO.

Expenses relating to other periods in the amount of €268k (previous year: €1,003) mainly include consulting costs this year; in the previous year, they mainly included IPO costs.

Expenses from intra-group recharges include recharges to other group companies without surcharges.

As in the previous year, the insurance and premiums item amounting to EUR72k (previous year: €2,446k) mainly includes insurance premiums for directors and officers insurance (previous year: €2,420k). In the previous year, however, this item included in particular special effects due to the IPO.

4.6 Income from Loans of Financial Assets

Income from loans of financial assets in the amount of €37k (previous year: €37k) exclusively includes interest from the loan to IONOS Holding SE.

4.7 Interest and similar Expenses

Other interest and similar expenses of €540k (previous year: €3,833k) include expenses of €388k (previous year: €228k) in connection with cash pooling with IONOS Holding SE and fees of €152k (previous year: €3,605k) from taking out a loan of €800,000k with a bank consortium through IONOS Holding SE

4.8 Income and Expenses relating to other Periods

In the reporting year, other operating income includes income relating to other periods in the amount of €79k (previous year: €27,946k). This relates to income from the reversal of provisions in the amount of €79k (previous year: €15,997k). In the previous year, this item also included prior-period income of €11,949k, which was incurred exclusively in the context of passing on the IPO costs of the previous year to the company's shareholders.

Other operating expenses include expenses relating to other periods in the amount of €268k (previous year: €1,003k). Expenses relating to other periods mainly include consulting expenses from 2023 (€148k); in the previous year, these mainly included IPO costs of €978k.

5. Other Notes

5.1 Cash Pooling

IONOS Group SE has been connected to the group's own cash pool of United Internet AG via IONOS Holding SE since June 2022.

There are agreements between certain companies of the United Internet AG, Montabaur, Group and Commerzbank AG, Frankfurt am Main, on the implementation of a cash pooling system in which the daily account balances are transferred to a liquidity account.

IONOS Holding SE is not jointly and severally liable for the credit line of United Internet AG or other Group companies.

5.2 Other Financial Obligations

As of the balance sheet date, other financial obligations amounted to €156k (previous year: €0k) with a term until 2039.

Financial obligations from rental agreements amounted to €92k.

As of 31 December 2024, there is an order commitment of €64k (previous year: €0k) for goods and services, of which €64k (previous year: €0k) will be recognized as intangible assets or property, plant and equipment in the 2025 financial year.

In the previous year, there were no other financial obligations and no purchase commitment.

5.3 Management Board

The Management Board of IONOS Group SE consists of the following three members in the financial year and as of December 31, 2024:

- Achim Weiß (Chief Executive Officer, Professional Business Hosting, Chairman of the Management Board), Berlin
  No member of statutory supervisory boards or other supervisory bodies

- Dr. Jens-Christian Reich (Chief Commercial Officer, Deputy Chairman of the Management Board), Heidelberg
  No member of statutory supervisory boards or other supervisory bodies

- Britta Schmidt (Chief Financial Officer), Munich
  No member of statutory supervisory boards or other supervisory bodies

The total remuneration in accordance with Section 285 HGB for the members of the Management Board amounted to €2,695k in the reporting year (previous year: €19,596k).

The total remuneration in the 2024 reporting year includes fixed remuneration of €1,731k (previous year: €1,404k) and variable remuneration excluding share-based payments of €964k (previous year: €908k). The variable remuneration for the 2024 financial year has not yet been paid out as of December 31, 2024, and is included in a provision.

The remuneration package includes long-term, share-based remuneration in the form of a virtual stock appreciation rights plan (SAR plan 2023), under which virtual stock appreciation rights (SARs) are granted, as well as a replacement bonus for the LTIP available in the past.

5.4 Supervisory Board

The company's Supervisory Board consisted of the following members as of December 31, 2024:

- Ralph Dommermuth (Chairman of the Supervisory Board)
  Entrepreneur, company founder and Chairman of the Management Board of United Internet AG, Montabaur
  Member of statutory supervisory boards or other supervisory bodies:

  - 1&1 Versatel GmbH, Düsseldorf
  - IONOS Holding SE, Montabaur
  - 1&1 Mail & Media Applications SE, Montabaur
  - 1&1 Telecommunication SE, Montabaur

- René Obermann (Deputy Chairman of the Supervisory Board)
  Managing Director of Warburg Pincus Deutschland GmbH, Berlin
  Member of statutory supervisory boards or other supervisory bodies:

  - Airbus SE, Leiden, Netherlands (Member of the Board of Directors)

- Dr. Claudia Borgas-Herold (Member of the Supervisory Board)
  Entrepreneur, Managing Director of borgas advisory GmbH, Kilchberg, Switzerland

- Martin Mildner (member of the Supervisory Board) (until September 30, 2024)
  Chief Financial Officer, ProSiebenSat.1 Media SE, Hamburg

- Vanessa Stuetzle (Member of the Supervisory Board)
  Chief Executive Officer, LUQOM Group, Berlin
  Member of statutory supervisory boards or other supervisory bodies:

  - Chief Executive Officer, LUQOM Group, Berlin
  - Hornbach Holding AG Co. KGaA, Neustadt
  - Hornbach Management AG, Trifels

- Kurt Dobitsch (Member of the Supervisory Board)
  Entrepreneur, Markt Schwaben
  Member of statutory supervisory boards or other supervisory bodies:

  - 1&1 AG, Montabaur (Chairman of the Supervisory Board)
  - 1&1 Mail & Media Applications SE, Montabaur (Chairman of the Supervisory Board)
  - IONOS Holding SE, Montabaur
  - Nemetschek SE, Munich (Chairman of the Supervisory Board)
  - Bechtle AG, Gaildorf
  - Singhammer IT Consulting AG, Munich

The members of the Supervisory Board will receive remuneration from the company for the first time in the 2023 financial year. Supervisory Board remuneration consists of fixed annual remuneration and attendance fees and amounted to €234k in 2024 (previous year: €182k). It also includes remuneration for work on the Audit and Risk Committee.

There are no subscription rights or other share-based remuneration for members of the Supervisory Board.

5.5 Related Party Transactions

No transactions were conducted with related companies or persons at non-standard market conditions in the financial year.

5.6 Notes on Employees

The company had no employees in the 2024 financial year or in the previous year.

5.7 Contingencies

Due to the integration of IONOS Group SE into the two-tier cash pooling system of the parent company United Internet AG, the offsetting of liabilities from cash pooling of the United Internet Group companies against the parent company's credit balance results in a positive balance, which means that there is no joint and several liability risk.

Beyond this, the Management Board is not aware of any facts that could have a material impact on the company's business activities, financial circumstances or business results.

5.8 Group Relationships

IONOS Group SE prepares consolidated financial statements for the smallest group of companies as of the balance sheet date.

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

Both consolidated financial statements are prepared in accordance with Section 315e HGB, in accordance with International Financial Reporting Standards (IFRS) as adopted by European law. The consolidated financial statements are published in the Company Register and are also available on the websites of the Company Register, IONOS Group SE and United Internet AG.

5.9 Subsequent Events Report

On January 20, 2025, the Management Board of IONOS Group SE resolved to launch a share buyback program and to acquire up to 1,500,000 Treasury shares (corresponding to approx. 1.1% of the share capital of €140,000,000) via the stock exchange. The volume of the buy-back program amounts to a total of up to €40m (excluding acquisition costs). The Supervisory Board has approved the resolution.

The buy-back program is to be carried out until 31 December 2025 at the latest and can be used for all purposes specified in the authorization granted by the Annual General Meeting.

No other events of special significance occurred at IONOS Group SE after the balance sheet date of December 31, 2024, that had a material impact on the company's net assets, financial position and results of operations with an effect on accounting and reporting.

5.10 Auditor’s Fee

The total fee charged by the auditor for the financial year is not disclosed, as it is included in the disclosures in the consolidated financial statements of IONOS Group SE.

In addition to the audit of the financial statements, assurance services were mainly provided in connection with covenant notifications, the audit of the electricity price brake, and audit support in connection with the billing carve-out project.

5.11 Declaration pursuant to § 161 AktG

On December 17, 2024, the Management Board and Supervisory Board of IONOS Group SE issued the declaration required by Section 161 of the German Stock Corporation Act (AktG) and made it permanently available on the website at www.ionos-group.com.

IONOS Group SE

Montabaur, March 21st, 2025

Achim Weiß | Dr. Jens-Christian Reich | Britta Schmidt

182 IONOS Group SE, Montabaur
Development of Fixed Assets
as o 31. Dezember 2024

Attachment 1 to the Notes

	Acquisition and Production Costs					Accumulated Depreciation and Amortization					Book values	
	01.01.2024 €	**Additions €**	**Disposals €**	**Transfer €**	**31.12.2024 €**	**01.01.2024 €**	**Additions €**	**Disposals €**	**Transfer €**	**31.12.2024 €**	**31.12.2024 €**	**31.12.2023 €**
I. Fixed Assets												
1. Other equipment, operating and office equipment	1,325.00	0.00	0.00	0.00	1,325.00	110.00	331.00	0.00	0.00	441.00	884.00	1,215.00
	1,325.00	0.00	0.00	0.00	1,325.00	110.00	331.00	0.00	0.00	441.00	884.00	1,215.00
II. Financial Assets												
1. Shares in affiliated companies	156,060,001.00	0.00	0.00	0.00	156,060,001.00	0.00	0.00	0.00	0.00	0.00	156,060,001.00	156,060,001.00
2. Loans to affiliated companies	364,100,000.00	0.00	0.00	0.00	364,100,000.00	0.00	0.00	0.00	0.00	0.00	364,100,000.00	364,100,000.00
	520,160,001.00	0.00	0.00	0.00	520,160,001.00	0.00	0.00	0.00	0.00	0.00	520,160,001.00	520,160,001.00
	520,161,326.00	**0.00**	**0.00**	**0.00**	**520,161,326.00**	**110.00**	**331.00**	**0.00**	**0.00**	**441.00**	**520,160,885.00**	**520,161,216.00**

IONOS Group SE, Montabaur **Attachment 2 to the Notes**

List of Shareholdings

	Share of Capital	Equity of the company as of 31.12.2024	Net Income / Net Loss 2024
	in %	k€	k€
Unmittelbar gehaltene Anteile			
IONOS Holding SE	100.00	828,828	148,561
Mittelbar gehaltene Anteile			
1&1 Cardgate LLC, Philadelphia, Pennsylvania / USA (8)	100.00	7	-92
1&1 Internet Development SRL, Bukarest / Romania (5)	100.00	2,953	1,402
A1 Media USA LLC, Philadelphia, Pennsylvania / USA (8)	100.00	208	-61
Arsys Internet E.U.R.L., Perpignan / France (8)	100.00	168	2
Arsys Internet S.L.U., Logroño / Spain (8)	100.00	121,055	7,844
AZ.pl Sp. z o.o., Stettin / Poland (8)	100.00	938	839
CM4all GmbH, Cologne (8)	100.00	0	2,330
Content Management Inc., Boston, Massachuetts / USA (8)	100.00	0	3
Cronon GmbH, Berlin (12) (13)	100.00	157	0
Domain Robot Enterprises Inc., Vancouver / Canada (4) (8)	100.00	51	0.1
DomCollect International GmbH, Montabaur (2) (8)	100.00	25	0
Fasthosts Internet Ltd., Gloucester / United Kingdom (8)	100.00	11,251	9,371
HBS Cloud Sp. z o.o., Stettin / Poland (8)	100.00	18	2
home.pl S.A., Stettin / Poland (8)	100.00	56,463	8,856
Immobilienverwaltung AB GmbH, Montabaur (8)	100.00	446	46
InterNetX, Corp., Miami , Florida / USA (8)	100.00	244	65
InterNetX GmbH, Regensburg (2) (8)	100.00	4,469	0
InterNetX Holding GmbH, Regensburg (8)	100.00	38,368	31,805
IONOS Cloud Holdings Ltd., Gloucester / United Kingdom (8)	100.00	76,907	-8
IONOS Cloud Inc., Newark , New Jersey / USA (8)	100.00	639	-1,146
IONOS Cloud Ltd., Gloucester / United Kingdom (8)	100.00	8,975	3,009
IONOS Cloud S.L.U., Madrid / Spain (8)	100.00	6,279	1,829
IONOS Datacenter SAS, Niederlauterbach / France (8)	100.00	2,272	126
IONOS Inc., Philadelphia, Pennsylvania / USA (8)	100.00	23,287	4,522
IONOS (Philippines), Inc., Cebu City / Philippinen (6) (8)	100.00	847	71
IONOS S.A.R.L., Saargemünd / France (8)	100.00	-161	-271
IONOS SE, Montabaur (11) (14)	100.00	390,319	0
IONOS Service GmbH, Montabaur (1) (8)	100.00	240	0
PrivateName Services Inc., Richmond / Canada (4) (8)	100.00	0	0
PSI-USA, Inc., Las Vegas, Nevada / USA (8)	100.00	-745	-633
Schlund Technologies GmbH, Regensburg (2) (8)	100.00	25	0
Sedo GmbH, Cologne (2) (8)	100.00	13,428	0
Sedo.cn Ltd., Shenzhen / VR China (4) (8)	100.00	0	0
Sedo.com LLC, Cambridge, Massachusetts / USA (8)	100.00	25,709	4,607
STRATO GmbH, Berlin (11) (14)	100.00	9,695	0
STRATO Customer Service GmbH, Berlin (12) (13)	100.00	200	0
Tesys Internet S.L.U., Logroño / Spain (8)	100.00	3,042	495
united-domains GmbH, Starnberg (1) (8)	100.00	431	0
united-domains Reselling GmbH, Starnberg (3) (8)	100.00	25	0
we22 GmbH, Cologne (8)	100.00	3,603	-18
we22 Solutions GmbH, Berlin (8)	100.00	2,109	516
World4You Internet Services GmbH, Linz / Austria (8)	100.00	3,995	3,460
premium.pl Sp. z o.o., Stettin / Poland (7)	75.00	617	24
DomainsBot S.r.l., Rom / Italy (8) (9)	49.00	1,062	203
Street Media GmbH, Berlin (8) (10)	28.70	19	-6
Stackable GmbH, Pinneberg (8) (10)	27.54	1,340	-1,051
Worcester Six Management Company Ltd., Birmingham / United Kingdom (8)	< 20,00	-	-

(1) Profit transfer with IONOS SE, Montabaur
(2) Profit transfer with InterNetX Holding GmbH, Regensburg (direct/indirect)
(3) Profit transfer with united-domains AG, Starnberg
(4) No operating activities
(5) United Internet Corporate Services GmbH (1,00%)
(6) Hüseyin Dogan (0,008%), Britta Schmidt (0,008%), Debra Sitoy (0,008%), Gelfa M. Lobitana (0,008%), Pierre Pauline M. Yrastorza (0,008%)
(7) Przemyslaw Pawel Bojczuk (25,00%)
(8) is held directly/indirectly via IONOS SE, Montabaur
(9) contains DomainsBot Inc, Dover, Delaware / USA
(10) Based on the published figures as at September 30, 2022 / December 31, 2022
(11) is held indirectly via IONOS Holding SE, Montabaur
(12) is held indirectly via STRATO GmbH, Berlin
(13) Profit and loss transfer with STRATO GmbH, Berlin
(14) Profit transfer with IONOS Holding SE, Montabaur
(15) Based on the published figures as at December 31, 2023

RESPONSIBILITY STATEMENT

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

Montabaur, March 21, 2025

The Management Board

Achim Weiß	Britta Schmidt	Dr. Jens-Christian Reich

INDEPENDENT AUDITOR'S REPORT

To IONOS Group SE, Montabaur

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of IONOS Group SE, Montabaur, which comprise the balance sheet as at 31 December 2024, and the statement of profit and loss for the financial year from 1 January to 31 December 2024 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of IONOS Group SE, which is combined with the group management report, for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other information" section of our auditor's report.

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

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024 in compliance with German Legally Required Accounting Principles and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the "Other information" section of our auditor's report.

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

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the annual financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

❶ Measurement of shares in affiliated companies and loans to these affiliated companies

Our presentation of this key audit matter has been structured as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matter:

❶ **Measurement of shares in affiliated companies and loans to these affiliated companies**

① In the annual financial statements of the Company shares in affiliated companies amounting to EUR 156.1 million are reported under the "Financial assets" balance sheet item. In addition, EUR 364.1 million in loans to these affiliated companies was also recognized. Together, the carrying amount of the total exposure amounts to EUR 520.2 million (98.27% of total assets).

Shares in affiliated companies and loans are measured in accordance with German commercial law at the lower of cost or fair value. The fair values are calculated using dividend discount methods as the present values of the financial surpluses according to the planning projections prepared by the executive directors. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the capitalization rate calculated individually for the respective affiliated company. On the basis of the values determined and supplementary documentation, no write-downs were required for the financial year.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors of the future financial surpluses, and on the respective discount rates and rates of growth used. The valuation is therefore subject to material uncertainty. Against this background and due to the highly complex nature of the valuation and its material significance for the Company's net assets and results of operations, this matter was of particular significance in the context of our audit.

② As part of our audit, we evaluated the methodology employed by the Company for the purposes of the valuation of shares in affiliated companies and loans to those affiliated companies, among other things. In particular, we assessed whether the fair values of the material equity investments had been appropriately determined using the dividend discount method in compliance with the relevant measurement standards. We based our assessment, among other things, on a comparison with general and sector-specific market expectations as well as on the executive directors' detailed explanations regarding the key value drivers underlying the expected financial surpluses. In the knowledge that even relatively small changes in the discount rate and the growth rates applied can have a material impact on values, we focused our testing in particular on the parameters used to determine the discount rate and growth rate applied, and assessed the calculation model. We concluded by assessing whether the values calculated in this way were properly compared against the corresponding carrying amounts, in order to ascertain any impairment losses or reversals of impairment losses.

Taking into consideration the information available, in our view the valuation parameters and underlying assumptions used by the executive directors are suitable overall for the purpose of appropriately measuring shares in affiliated companies and the loans to those affiliated companies.

③ The Company's disclosures relating to financial assets are contained in the section "Accounting and Valuation Methods" and the section "Notes to the Balance Sheet – Financial assets" of the notes to the financial statements, and in the annexes "1 – Development of fixed assets" and "2 – List of Shareholdings" to the notes to the financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

- the section “1.4 Main focus areas for products and innovations” of the management report

- the disclosures marked as unaudited in the sections “2.2 Business development” and ”4. Internal control and risk management system” of the management report

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in the section “6. Declaration on company management” of the management report

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

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

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control of the Company and these arrangements and measures (systems), respectively.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

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

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

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file IONOS_Group_SE_JA+ZLB_ESEF-2024-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Annual Financial Statements and on the Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF-documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the annual financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 15 May 2024. We were engaged by the supervisory board on 2 December 2024. We have been the auditor of the IONOS Group SE, Montabaur, without interruption since the financial year 2022.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

REFERENCE TO AN OTHER MATTER– USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Christian David Simon. .

Düsseldorf, 21 March 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Erik Hönig Wirtschaftsprüfer [German Public Auditor]	Christian David Simon Wirtschaftsprüfer [German Public Auditor]

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