2022 UNIVERSAL REGISTRATION DOCUMENT

OVHcloud

Contents

The elements of the annual financial report are identified in the summary using the pictogram /AFR/.
The Statement of Non-Financial Performance is identified by the pictogram /SNFP/.

UNIVERSAL REGISTRATION DOCUMENT

Including the annual financial report **2022**

We are the leading European cloud provider with a global footprint. Our goal is to provide secure, reliable, open and sustainable cloud services to everyone.
We serve our customers, whatever their location.
We provide industry-leading performance and cost-effective solutions to help them better manage, protect and scale their data.

This Universal Registration Document is a reproduction of the official version of the Universal Registration Document, including the annual financial report, which has been prepared in xHTML format and is available on the corporate.ovhcloud.com website.

AUTORITÉ DES MARCHÉS FINANCIERS AMF

The Universal Registration Document was approved on 20 december 2022 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Universal Registration Document after having verified that the information it contains is complete, consistent and comprehensible. The Universal Registration Document bears the following approval number: R. 22 – 040.

Such approval should not be considered as an endorsement of the company that is the subject of this Universal Registration Document.

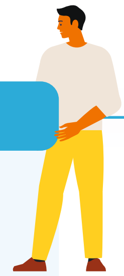
This Universal Registration Document may be used for the purposes of an offer to the public of securities or the admission of securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary and its supplement(s). In this case, the securities note, the summary and all amendments made to the Universal Registration Document since its approval are approved separately in accordance with Article 10 paragraph 3, second subparagraph, of Regulation (EU) 2017/1129.

The Universal Registration Document is valid until 20 december 2023, and, during this period and at the latest at the same time as the securities note and under the conditions of Articles 10 and 23 of Regulation (EU) 2017/1129, must be completed by a supplement in the event of significant new facts or substantial errors or inaccuracies.

This Universal Registration Document includes the annual financial report (*rapport financier annuel*), and the management report (*rapport de gestion*), which includes the corporate governance report (*rapport sur le gouvernement d'entreprise*). Corresponding cross-reference tables are presented in Appendix I of this Universal Registration Document.

Copies of this Universal Registration Document are available free of charge from OVH Groupe, 2, rue Kellerman, 59100 Roubaix, France, and on the websites of OVH Groupe (https://corporate.ovhcloud.com/en/) and the French Financial Markets Authority (www.amf-france.org).

GROUP BUSINESS MODEL /SNFP/



OUR PROFILE

European leader in the cloud

- **+20 years** of existence
- **2,800** employees
- **140** countries in 4 continents
- **€788 million** in revenue in 2022
- **1.6 million** customers
(SMEs, large companies, technology and public companies)
- **33** data centres in **8** countries
- **450,000** servers

BREAKDOWN OF REVENUE BY BUSINESS SECTOR

62%
Private Cloud

16%
Public Cloud

22%
Web Cloud

GEOGRAPHICAL BREAKDOWN OF REVENUE

49%
France

29%
Rest of Europe

22%
Rest of the World

OUR VISION

We are building an **open and trusted cloud**, enabling businesses and society to make the most of the data revolution, while minimising our environmental impacts.

Guaranteeing data freedom and sovereignty

Pioneering the sustainable cloud

Collectively advancing the cloud for the benefit of society

OUR STRATEGY

Accelerating the **transition to new cloud uses and integrated solutions** to support companies worldwide, regardless of their digital maturity.

- **Expansion** of the range of **services** with the development of **PaaS solutions** & innovative services
- **International** expansion, **with a multi-local approach**
- **Development** of new key **customer segments**
- Contribution to Global **Net zero** by **2030**

OUR STRENGTHS

Ideally positioned to capture the rapid growth of the cloud market.

- **INTEGRATED VERTICAL MODEL**
complete control of our value chain
- **PIONEER OF THE SUSTAINABLE CLOUD**
by minimising our impacts
- **CULTURE OF INNOVATION**
integrated into our DNA, serving our offers and our processes
- **PASSIONATE EMPLOYEES**
mobilised around strong values: trust, passion, teamwork, disruption and responsibility

OUR VALUE PROPOSAL FOR OUR STAKEHOLDERS

CUSTOMERS

We offer our customers **cloud solutions** covering **all their uses** – supporting them in their **digital transformation**, enabling them to innovate by building “**cloud native**” applications or helping them leverage the power of data. We offer a complete suite of solutions to meet the growing needs of **multiple** and **hybrid clouds** by guaranteeing our customers **freedom** and **transparency.**

- **Data sovereignty**
- Best **price/performance ratio**
- Pricing **predictability and transparency**
- **Full reversibility** and interoperability
- **Management of the environmental footprint**
- **International presence**

EMPLOYEES

We offer our employees an environment in which **to thrive** by being **fully involved in the Company’s success.**

- Employee engagement score of **7.5/10**
- **20%** of women in management positions
- **73%** of employees trained

SHAREHOLDERS

We offer our shareholders **exposure to a profitable pure player in a fast-growing market,** while contributing to **the construction of European digital independence.**

- **>20%**, long-term growth rate of the cloud market
- **39.0%**, FY2022 adjusted EBITDA margin
- **2.6%** of capital held by employees

PARTNERS

We offer our partners **business opportunities** associated with the **co-construction of an ecosystem of European cloud solutions.**

- **More than 1,000** companies in the OVHcloud Partner programme in 2022
- Open Trusted Cloud: **78** active members
- Marketplace: **350+** solutions

SUPPLIERS

We offer our suppliers **opportunities in a fast-growing cloud market,** a **diversification of their customer portfolio** and the **opportunity to co-innovate** to develop cutting-edge solutions.

- **> 20 %**, medium-term growth rate of the cloud market and OVHcloud’s competitive position
- **65%** of suppliers having signed the supplier code of conduct

CIVIL SOCIETY & ENVIRONMENT

Through our offering, we seek to **innovate in order to design the digital world of tomorrow** and reduce our **impact on the environment,** while **contributing to the digital sovereignty and data protection of European citizens.**

- **137** patent families held at 31/08/2022
- **1.28** PUE
- **0.26** WUE
- **25%**, component reuse rate


OVHcloud

1

PRESENTATION OF THE GROUP

1.1 HISTORY

OVHcloud's position as the leading European cloud provider traces its roots to its founding in 1999 as an internet hosting company in France. Over the past twenty years, OVHcloud has expanded significantly, initially by developing its infrastructure and growing its presence within Europe, and then by diversifying its cloud offerings and expanding its operations globally.

KEY DEVELOPMENTS:

1999	OVH founded by Octave Klaba as one of Europe's first internet hosting companies.
2000	First .fr and .be top-level domain accreditations.
2002	OVH begins manufacturing its own servers.
2003	First use of proprietary water-cooling technology for servers.
2004	Initial geographical expansion into Poland and Spain.
2005	Opening of first data centre, in Roubaix, France.
2006	Opening in Germany. Deployment of proprietary fibre optic network.
2008	Expansion of offering to include telecommunications and internet access. Expansion into Italy, Portugal and the United Kingdom. Additional data centre opened in Roubaix, France.
2009	Continued expansion in Europe, including the Netherlands, Ireland, Finland, Lithuania and the Czech Republic. OVH launches 10 Gbps Baremetal servers.
2010	Expansion into cloud services. Opening of third data centre in Roubaix, France.
2011	OVH becomes Europe's No. 1 web hoster. Fourth data centre opened in Roubaix, France. Launch of Public Cloud offering.
2012-2015	Expansion outside of Europe, including in the United States and Canada. Opening of three new data centres in France and one in Beauharnois, Canada.
2014	Launch of OpenStack Project for Public Cloud and Vrack (a private network on dedicated servers).
2016	Additional data centres in Roubaix, France and Beauharnois, Canada. OVH raises €250 million in capital when KKR and TowerBrook Capital Partners become shareholders.
2017	Acquisition of vCloudAir, VMware's former cloud offering. From 2017-2020, continued geographical expansion by opening data centres in the United States, the United Kingdom, Germany, Poland, Singapore, Australia, France and Canada.
2018	"OVHcloud" is adopted as the Group's new name, emphasising its positioning as a cloud service provider. Michel Paulin is appointed as Chief Executive Officer. Opening of office in India.
2019	OVHcloud introduces Kubernetes technology into its Public Cloud solutions as well as a range of high-performance processing units. It expands its partnerships internationally. OVHcloud receives its *Hébergeur de Données de Santé* (HDS) security certification.
2020	Acquisition of OpenIO and Exten. OVHcloud becomes a founding member of the GAIA-X initiative.
2021	OVHcloud continues to expand its partnerships, announcing collaborations with IBM and Atempo, Atos, Orange Business Services, Capgemini, mongoDB and Thales. OVHcloud receives its SecNumCloud security certification. OVHcloud was listed on the compartment A of Euronext Paris regulated market on 15 October 2021 to finance its growth strategy, including the financing of its geographical expansion, the construction of data centres, the development of new products and external growth transactions where applicable.
2022	Acquisition of ForePaaS. OVHcloud reaches more than 80 available IaaS and PaaS solutions.

1.2 THE CLOUD COMPUTING MARKET

1.2.1 Cloud computing

Cloud computing means providing users with storage, computing and network resources, over the internet, on demand. Cloud resources are located in data centres that house servers and equipment used to process, store and transmit data. Users of cloud computing services can access stored data and instruct processing units to perform computing functions automatically, without the need for human interaction, minimising the computing and storage capacities needed on their devices (such as personal computers, tablets and mobile phones). Wherever they are located, so long as they have an internet connection, users are able to access IT services through the cloud.

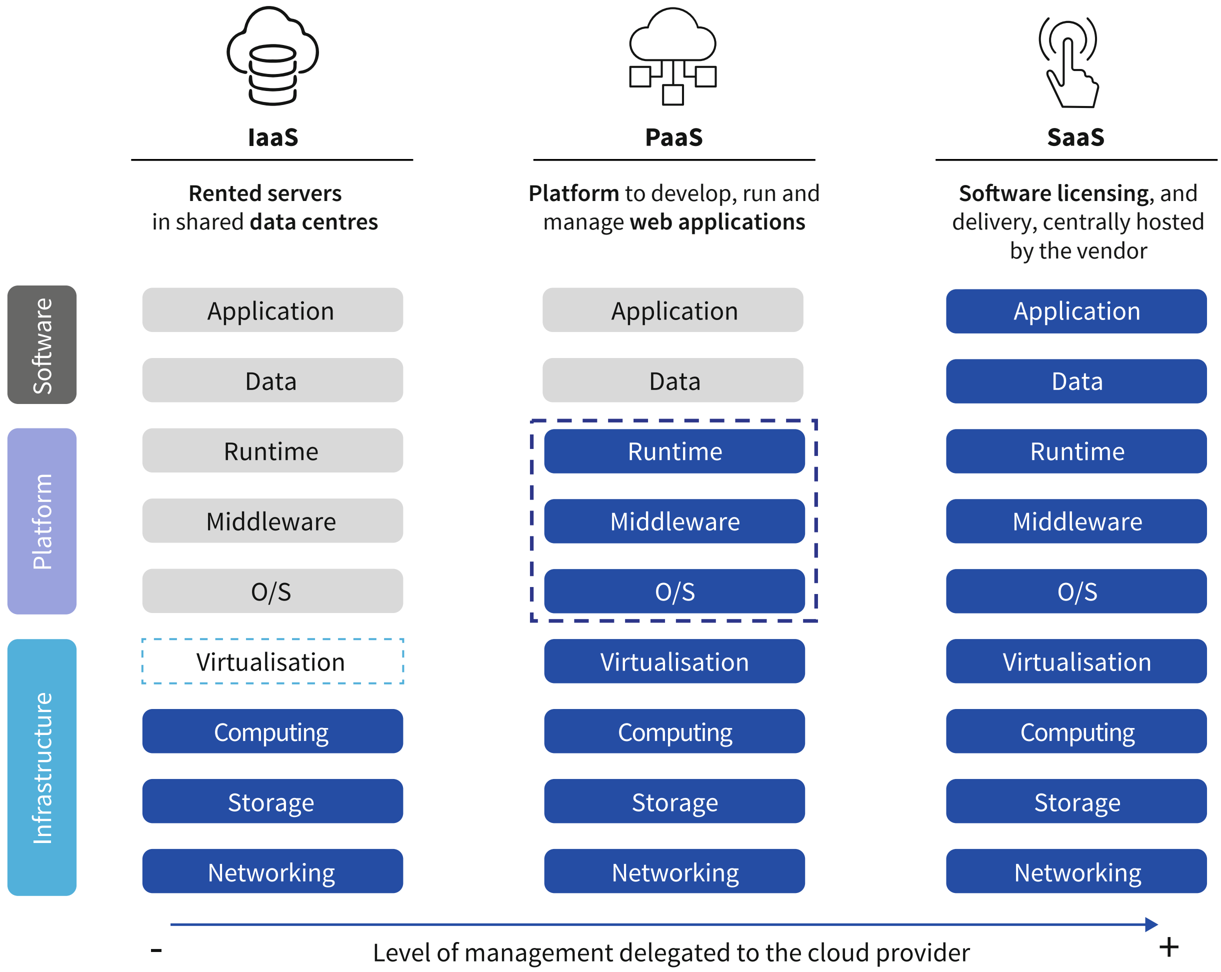
Businesses can establish and operate their own data centres using internal IT staff, or they can outsource some or all functions to cloud service providers such as OVHcloud. For many businesses, the time and financial investment required makes proprietary cloud computing less attractive than outsourcing, which involves paying only for the resources they actually use. Additionally, it can be difficult for businesses that are not specialised in IT services to innovate at the requisite levels in order to ensure that their cloud infrastructure provides them with adequate services and protections, such as data security. Internal IT systems also might not be sufficiently scalable to meet peak-load demands (unless businesses maintain costly excess capacity).

Servers maintained in data centres can be used for multiple functions, each of which is accessed through a "virtual machine" created on the server. The virtual machines are operated and separated from one another through a software platform known as a "virtualisation stack." Each virtual machine can have its own operating system that permits users to develop and run applications. Through a function known as a "hypervisor," the server's capacity is allocated to the virtual machines in accordance with the demands of users. More recently, software applications have been written to be bundled in "containers" that run directly on the operating system of the server itself, coordinated through platforms known as "orchestration" systems, which generally take less space and can provide better performance than hypervisor-based virtualisation stacks.

The ability to create multiple virtual machines in each server or to deploy container-based systems allows a cloud service provider to allocate its capacity among multiple user groups or customers in a secure manner. Service providers can dedicate a server to a single customer (a "Private Cloud" system), allocating the server's capacity among user groups authorised by the customer. Alternatively, a server can be shared among multiple customers (a "Public Cloud" system). Private Cloud customers generally pay monthly charges for dedicated capacity, whether or not they use that capacity. Public Cloud customers generally pay for the capacity they actually use.

In order to optimise the cost of cloud services, many businesses are deploying "hybrid cloud" strategies, in which they combine on-premises or outsourced Private Cloud capacity for their most sensitive functions and data, with Public Cloud capacity for their less sensitive needs. Customers are also deploying "multi-cloud" strategies, purchasing cloud services from several providers. To meet the growing demand for hybrid cloud and multi-cloud services, a cloud provider must offer packages that allow the various solutions to function as an integrated whole.

Cloud computing encompasses a range of services that include providing access to infrastructure (Infrastructure as a Service or “IaaS”), selecting and operating platforms such as operating systems, virtualisation stacks and security systems (Platform-as-a-Service or “PaaS”), and offering applications that are developed and can function on cloud platforms (Software-as-a-Service or “SaaS”). The following graphic illustrates these features:

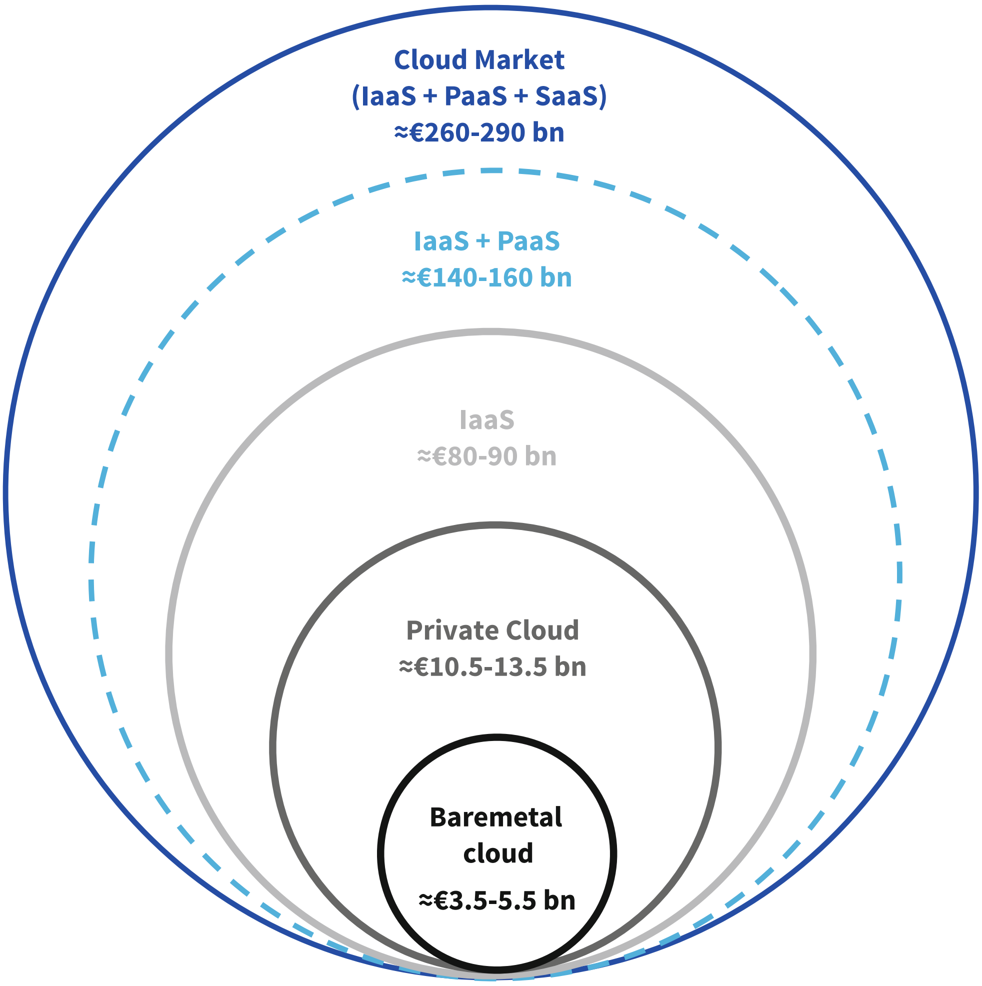


The cloud solutions market also includes web services targeted mainly at individuals and small and medium businesses. The Web Cloud market largely consists of web and domain hosting, including leasing servers for websites, selling secondary services (such as software packages) and domain name registration, renewal and transfer services.

1.2.2 A large and fast-growing market [(1)]

1.2.2.1 Overview of the Private and Public Cloud services market

MARKET SIZE IN 2021



In the Private and Public Cloud services market, OVHcloud is active primarily in the IaaS and PaaS segments. OVHcloud holds leading positions in Europe, based on revenue, in Private Cloud services. OVHcloud is also recognised by IDC and Forrester for the strength of its Public Cloud and Hosted Private Cloud offerings (IDC (September 2020); Forrester (June 2020)). In addition to its strong position in Europe, OVHcloud is expanding its business globally thanks to its network of data centres in North America, Asia and Australia.

The estimated potential growth figures are necessarily subject to uncertainty, and actual growth may prove to be different (possibly significantly so) from the figures below.

(billions of euros)	2021	2022	2026
Of which IaaS	80-90	110-120	270-280
Of which PaaS	60-70	80-90	190-200
Of which SaaS	120-130	150-160	250-260
Global cloud market size	**260-290**	**340-370**	**710-740**

In 2021, the global market for off-premise cloud IaaS, PaaS and SaaS offerings was estimated at approximately €260-290 billion. The IaaS and PaaS markets, which are the addressable markets for OVHcloud, together represented around half of this, or €140-160 billion. This includes an IaaS market of an estimated €80-90 billion and a PaaS market estimated at €60-70 billion.

The IaaS market includes an estimated amount of €10.5 to 13.5 billion in 2021 for Private Cloud services (including Baremetal Cloud which represents €3.5 to 5.5 billion) and the rest for the Public Cloud.

1) As detailed in chapter 7.6 of this Universal Registration Document, estimates relating to Cloud market sizes or trends are based on the Company's analysis of multiple sources, including market research conducted by Bain & Company, Inc. ("Bain") at the request of the Company and information obtained from International Data Corporation (IDC) and Forrester Research, Inc.

(billions of euros)	2021	2022	2026
Of which IaaS	12-16	17-21	44-50
Of which PaaS	11-15	15-19	36-42
Of which SaaS	29-33	35-39	60-66
Size of the European cloud market	**52-64**	**67-79**	**140-158**

Europe accounts for around 20% of the global cloud market. In 2021, the IaaS segment represented a market of around €12-16 billion, with Germany as the largest market (around 17-20%) and France as the second market (around 13-16%). The European PaaS segment has a market size estimated at €11-15 billion in 2021, including approximately €2 billion in France.

OVHcloud aims to become a key player in these markets, as demonstrated by the wealth and, above all, the quality of its products and services.

OVHcloud is convinced that guaranteeing customers access to a cloud service protected against interference by non-European authorities is essential for many public and private organisations that process very sensitive data. Bain & Company has stated that between 15 and 30% of the European data market would be affected by this data sovereignty requirement. There is demand for such a tool notably in the health, finance, telecom and services to companies and citizens, aerospace, automotive, robotics, chemicals and luxury goods sectors. In this respect, it should be recalled that at the end of 2016, OVHcloud was the first cloud operator approved for the hosting of health data in France and obtained the PCI DSS certification for its Hosted Private Cloud product in order to serve the needs of players carrying out payment transactions.

For several years, OVHcloud has been developing a trusted offering, that complies with European Union Member States' security standards. In addition to the SecNumCloud qualification issued by ANSSI (the French cybersecurity standard providing protection against non-European laws), on which we built our Hosted Private Cloud powered by VMware offering in 2021, OVHcloud has had several of its products certified by trusted standards in Italy (Agid), Spain (ENS) and Germany (C5).

OVHcloud also supports the implementation of a certification scheme for cloud services at the European level (EUCS) being defined by ENISA, and actively contributes to the work of Gaia-X for the implementation of labels for which the highest level provides for sovereignty-related criteria.

1.2.2.2 Private and Public Cloud market trends

OVHcloud believes the cloud market's "hypergrowth" trend should continue in the coming years, with the global IaaS and PaaS cloud markets potentially growing at a compound annual rate of over 20% from 2022 to 2026.

OVHcloud believes the market's growth has been driven, and should continue to be driven, by a steady increase in business IT spending, and a continued trend towards outsourcing, particularly with respect to IT spending devoted to the cloud.

Although OVHcloud expects substantial growth in all market segments, the rate of growth may vary by segment, driven by specific usages and customer requirements:

- Public Cloud is expected to be the most dynamic segment, with anticipated annual growth of 25-30% from 2020 to 2026 globally, driven by high scalability and the large range of potential usages of Public Cloud services;
- Private Cloud is also expected to grow substantially, as businesses seek to combine outsourcing and data privacy needs. OVHcloud anticipates annual global growth of 15-20% from 2020 to 2026 for Private Cloud services, including 8-10% for Baremetal Cloud and 17-22% for Hosted Private Cloud. OVHcloud believes this growth will be fuelled by a continued outsourcing trend, the development of hybrid cloud and multi-cloud solutions, and an increasing need for dedicated, secure solutions with robust data privacy protections, which are more difficult to ensure on the Public Cloud.

The PaaS market is expected to grow at a rate of 25% to 30%, led by artificial intelligence and database management, although growth in this market is expected to be broad-based across sub-segments.

The cloud services market is also evolving rapidly, changing some of the main factors driving the market growth, particularly for business customers. While overall growth reflects a need to store and process ever-increasing amounts of data, OVHcloud believes the market is placing a greater emphasis on topics such as data sovereignty, data security and the environmental impact of data centre management.

1.2.2.3 The Web Cloud services market

The web and domain hosting market is estimated at approximately €3.5-4 billion globally, showing growth of approximately 7-8% per year from 2017 to 2020. The European Web Cloud market is estimated at approximately €1-1.5 billion in 2020, of which France accounts for approximately €100 million. OVHcloud operates in the Web Cloud market through hosting websites and domain name registration, as well as through providing internet access services and voice over internet protocol solutions.

The Web Cloud market in Europe is more mature than the Private and Public Cloud market. OVHcloud expects the web and domain hosting market in Europe to continue to grow in the next five years, though perhaps at a slightly slower rate than previously (at approximately 6-7% per year) due, in part, to the impact of the COVID-19 pandemic on small- and medium-sized businesses. The rate of growth of the Web Cloud market in France over the next five years is expected to be similar to that in the rest of Europe, estimated at 5-6% per year.

OVHcloud believes future market growth will be driven by the fact that a web presence is increasingly seen as critical for many businesses, as well as opportunities for both cross-selling and upselling of additional services to existing Web Cloud users.

1.2.3 A European leader in the cloud

The global Private Cloud market is fragmented, with the top five players representing less than half of the market. OVHcloud believes it is one of the two main providers of Private Cloud services in continental Europe, along with IBM Cloud. Other leading Private Cloud providers in Continental Europe include Hetzner (Germany), Rackspace (US/international) and Leaseweb (Netherlands). In 2020, IBM Cloud and Rackspace are the leaders in the United States and Northern Europe (including the United Kingdom), where OVHcloud has a market share that is significant, although under 5% given the market fragmentation.

The Public Cloud market is dominated by the so-called hyperscalers, Amazon Web Services, Google Cloud Platform and Microsoft Azure, which together represented approximately 70% of the worldwide Public Cloud market in 2020. In Continental Europe, the hyperscalers had a Public Cloud market share of approximately 66% in 2020, followed by IBM Cloud at approximately 5% and OVHcloud at approximately 1%. In the United States, the share of the hyperscalers is greater. OVHcloud is in the position of a challenger, along with other providers such as Digital Ocean.

Based on a 2020 customer survey in France and Germany, OVHcloud believes the key factors driving the selection of a cloud services provider include the price/performance ratio, continuity and reliability of service, technical performance, data security/sovereignty and data centre location. The price/performance ratio is the most significant criterion in the Baremetal Cloud segment, while continuity and reliability are of approximately equal importance with price/performance in the Hosted Private Cloud segment, and are the most important factor in the Public Cloud segment.

OVHcloud currently has PaaS offerings in areas such as virtualisation and artificial intelligence integrated with its IaaS offerings, and is in the process of initiating and expanding its presence in the PaaS market. For this reason, OVHcloud does not have a significant market share in identified PaaS offerings, a market currently dominated by the hyperscalers, and, to a lesser extent, Oracle and IBM. As part of its growth strategy, OVHcloud plans to significantly expand the PaaS components of its offerings, develop in the field of artificial intelligence and introduce solutions in areas such as DBaaS or orchestration, which it believes should be very attractive to its target customers comprising large companies and technology companies.

1.3 BUSINESS

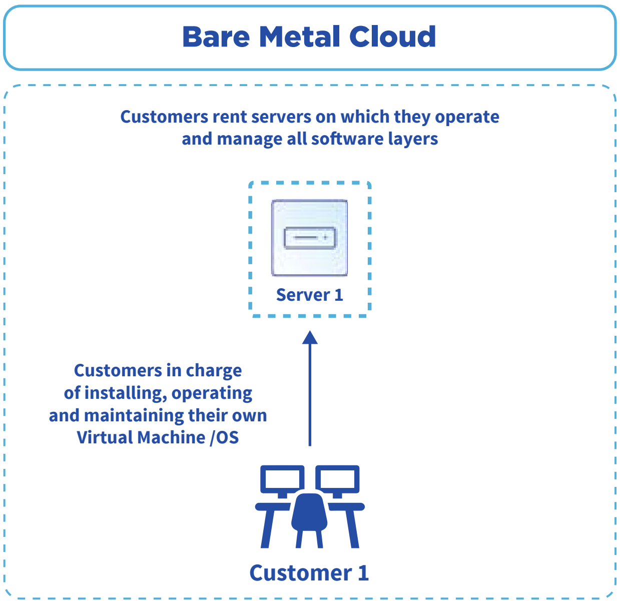
1.3.1 A comprehensive range of solutions

1.3.1.1 Private Cloud

OVHcloud provides two main Private Cloud offerings: Baremetal and Hosted Private Cloud.

Baremetal Cloud

OVHcloud's Baremetal Cloud service provides dedicated physical servers to customers, who have full control over the server, including the choice of operating system. The Baremetal Cloud allows them to have a similar experience to the one they would have with on-premise solutions managed by their internal teams, while taking advantage of the benefits offered by outsourcing.



OVHcloud's main Baremetal Cloud offering sells high-end servers and mid-to-high-level services. OVHcloud also has a lower priced offering marketed under the "Eco" range, with the "So You Start" and "Kimsufi" products, using refurbished servers that provide quality services at a reduced cost, while improving environmental efficiency.

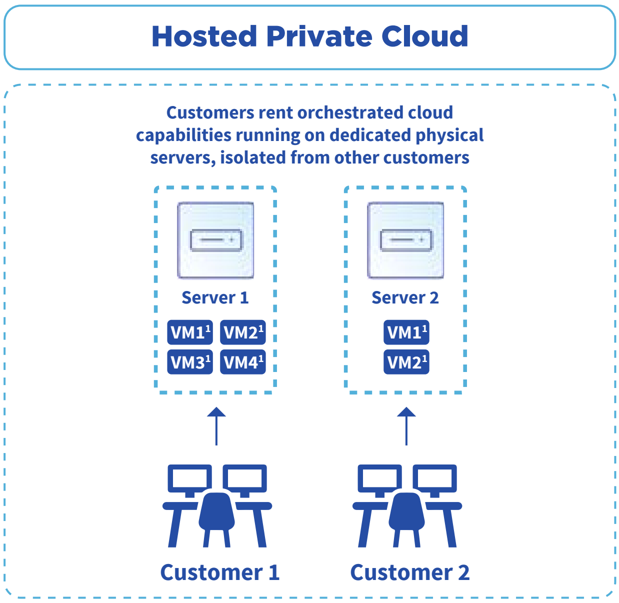
Baremetal Cloud services provide business customers with high-level computing power and strict service level agreements, in a secure environment appropriate for data-sensitive applications. The server can be customised to meet customer requirements and can be operated without a need to allocate the server's capacity to virtual machines through a hypervisor, which allows the customer to use the server's full capacity. Any unused capacity can be deployed within minutes, although the total capacity is limited by that of the dedicated server.

Baremetal Cloud customers pay monthly fees that depend on the performance levels they select. They may also choose options (such as server customisation or data backup) for additional fees.

The main uses of Baremetal Cloud services include the computation of complex data, low latency operations, streaming, online gaming, critical business applications such as ERP and CRM.

Hosted Private Cloud

OVHcloud offers Hosted Private Cloud services to its business customers, providing servers fully managed by OVHcloud, including the operating system and the virtualisation layer, in partnership with VMware or Nutanix offerings.



Note: 1. VM: Virtual Machine

Within its Hosted Private Cloud service, OVHcloud has two main offerings: (i) Essential and (ii) Premier.

- Essential allows customers to benefit from dedicated and virtualised servers, fully managed by OVHcloud, with a 99.9% service level. Essential's customers are mainly medium-sized companies.
- Premier provides high-end dedicated virtualised servers, and includes virtual storage and backup management as well as 24/7 support, with a 99.9% service level The servers are certified to host information from customers in a variety of sensitive sectors, including healthcare in France (HDS certification), Germany, the United Kingdom and Poland, and finance, including credit card payments (PCI DSS certification). Premier's customers are primarily large companies and public sector customers looking to move to a cloud service provider.

OVHcloud's Hosted Private Cloud services provide customers with private access to servers that can be customised to meet the customer's specific requirements. It meets the needs of customers seeking isolation and security, scalable resources and resilience.

The main usages for Hosted Private Cloud services include deployment in hybrid cloud strategies, media encoding, big data analytics and disaster recovery, as well as the storage and processing of sensitive data in key sectors such as healthcare, finance and the public sector.

1.3.1.2 Public Cloud

OVHcloud offers Public Cloud solutions based on open source technologies such as OpenStack (a platform for deploying processing, storage and networking resources) and Kubernetes (a container orchestration platform that has become a market benchmark). The use of these standard platforms provides customers with easy data transfer capability and access to source code, facilitating reversibility and eliminating “vendor lock-in”. This feature of the OVHcloud offering is particularly attractive for customers looking to deploy multi-cloud strategies.

Public Cloud solutions provide users with virtually unlimited computing capacity, with the only constraint being the demands of other users and the total installed capacity of the cloud provider. It is possible to deploy new Public Cloud instances automatically and in seconds. Because Public Cloud service is based on shared servers, customisation options are defined by OVHcloud. Service levels are high given the flexibility of the hardware architecture.

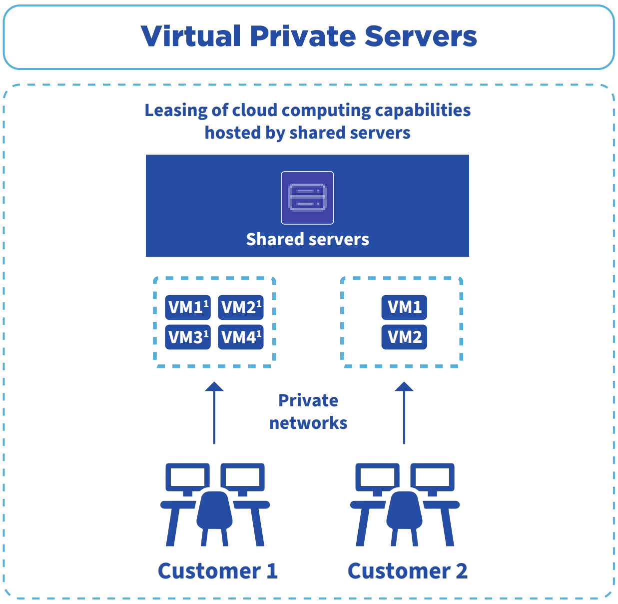
Public Cloud customers pay usage fees for the capacity they actually use. The OVHcloud model offers much more predictability than models used by hyperscalers and many other competitors. In particular, unlike hyperscalers, OVHcloud does not charge additional fees for outgoing data transfers or API calls, except for block and archive storage, and for services located in Asia-Pacific.

The Group’s Public Cloud offering provides three core cloud computing services: computer performance, storage and network capabilities.

Customers of OVHcloud's Public Cloud solutions can choose fully scalable public cloud services on virtual machines that are hosted on shared servers and networks.

OVHcloud’s Public Cloud service is attractive for customers seeking highly scalable resources, with significant peak management demands across multiple access locations, and a high degree of resilience. This service is used for applications with high-demand bursts and services that use large volumes of data, such as video and music streaming.

OVHcloud's Public Cloud customers can also choose from a number of on-demand (SaaS) software running on OVHcloud's Public Cloud servers. In particular, OVHcloud offers its customers access to Microsoft Exchange messaging and calendar solutions, SharePoint data storage and management solutions, and the Office365 business software suite.

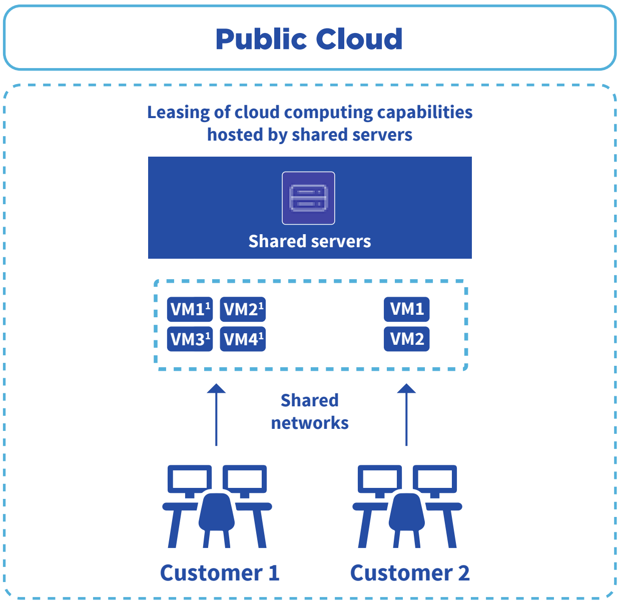


Note: 1. VM: Virtual Machine

Virtual private servers

OVHcloud also offers a virtual private server option, providing IT capabilities located on shared servers, but with virtual machines isolated through the use of virtual private networks.

The virtual private server option is attractive to customers seeking tailored resources, particularly for short-duration operations with volatile workloads and server demand. Virtual private server solutions are used primarily for applications testing and other one-time projects, the management of short-duration peak loads and backup functions.



Platform-as-a-Service (PaaS)

As part of its growth strategy, OVHcloud is developing and implementing a comprehensive PaaS offering that it intends to overlay on its Private Cloud and Public Cloud IaaS products. In addition to developing products in-house, OVHcloud has announced several partnerships and acquisitions, in order to accelerate its development plan, which allows it to offer 81 IaaS and PaaS solutions to its customers at the end of the 2022 financial year, mainly in the following areas:

- Storage. OVHcloud now offers its customers a comprehensive portfolio of storage solutions such as Object Storage S3 (High Performance and Standard), Block Storage, File Storage, Snapshot & Backup and Archive;
- DataBase-as-a-Service. Data management software allows users to manage their databases to enable queries and updates. It includes programmes that execute queries on data and provide visual representation of the data in formats such as spreadsheets, enabling users to build applications faster and automate database management. OVHcloud announced a partnership in April 2021 with MongoDB, and in July 2021 with Aiven to make several types of databases available on the OVHcloud infrastructure;
- AI, Machine Learning & Analytics. Artificial intelligence and analytics solutions include tools and services that support data analysis and presentation. OVHcloud is particularly advanced in high-performance computing solutions for artificial intelligence and machine learning, and intends to continue its development in this area. In April 2022, OVHcloud announced the acquisition of ForePaaS, a company specialising in the field of analytics;
- Security & Encryption. OVHcloud is expanding its offering of identity access management and encryption solutions, including end-to-end encryption that secures customer data in all states. In July 2021, OVHcloud announced the acquisition of BuyDRM, a US specialist company in this area;
- Application platforms. Application platforms are back-end server software solutions that provide developers with a runtime and development environment.

1.3.1.3 Web Cloud & Other

OVHcloud has offered Webcloud services since its founding in 1999. With its leading position in the French market and strong positions elsewhere in Europe, the Web Cloud offering provides a stable, recurring income base and regular growth.

OVHcloud offers three principal solutions to Web Cloud customers:

- Web hosting and domain names. This includes the leasing of capacity on web servers, allowing customers to connect their websites to the internet, as well as domain name registration, renewal and transfers. Customers can choose basic packages offering one or only a few websites, or packages targeted at professionals and developers that wish to host multiple websites, together with email addresses and storage options. OVHcloud offers its customers additional services, such as Secure Socket Layer (SSL) certificates, which enable secure connections between a web server and a browser;
- Telephony and connectivity. Customers can purchase VoIP (Voice over IP) systems enabling uses such as switchboards and interactive voice response systems. OVHcloud also offers customers internet access through ADSL and fibre networks, with basic and professional packages;
- Support and services. OVHcloud offers its customers additional levels of support and service, which include a range of support, expertise and online services. Support offerings may be Business, which corresponds to the level suitable for production environments, or Enterprise, which offers a key account experience for critical production environments. Additional services are offered in the Professional Services offering, which provides access to technical support and advice during infrastructure migration or IT architecture changes.

OVHcloud's main customers in the Web Cloud segment are small and medium-sized businesses, as well as certain individual customers and entrepreneurs. Web Cloud customers are generally seeking secure and reliable web and communications services, to establish their web presence, and to digitise business functions.

1.3.2 Customer segmentation

OVHcloud serves approximately 1.6 million customers, including large corporates, public entities, small and medium-sized companies, and a wide range of individual customers.

The customer base is highly diversified, with the top 50 customers representing approximately 9% of revenue in 2022, and the top 500 customers representing approximately 23% of 2022 revenue.

Technology and software companies

OVHcloud has historically held a strong position with "digital native" or "cloud native" technology companies, as many of these customers have been using cloud services since they were established. This customer group includes software vendors and companies that rely on OVHcloud to host the PaaS and SaaS solutions that they sell to their own customers.

OVHcloud is able to leverage its strong historical relationships with this community based on its price/performance ratio and its ability to design solutions very rapidly. Customers in this segment are attracted primarily by OVHcloud's tailored solutions and service quality, which are essential to ensure the quality of their own businesses, as well as a high degree of data security, and the absence of "vendor lock-in" offered by OVHcloud's solutions.

OVHcloud supports its technology and software customers, accompanying many of them from the start-up phase and the development of the Software-as-a-Service solutions that they provide to their own customers using OVHcloud's cloud solutions. As these customers grow, OVHcloud continues to meet their needs for a full range of solutions as their needs become more complex.

A significant proportion of OVHcloud's technology sector customers subscribe for OVHcloud products and services initially through digital marketing channels, attracted by rapid access to services and the ability to select from a broad range of solutions that can be customised online to address their requirements.

Large corporations, SMEs, and public entities

OVHcloud's large corporate, SME and public entity customer base is in the process of moving massively to the cloud. With these customers, OVHcloud has a unique advantage as a result of its European footprint, offering a data sovereignty guarantee that other major providers are not able to match. In addition to data sovereignty, OVHcloud attracts customers in this segment with one of the best price/performance ratios, based on its vertically integrated industrial model.

OVHcloud reaches its large corporate and public entity customer base primarily through its internal sales force, or through its IT systems integrator partners.

OVHcloud occupies a strong position with small and medium enterprise customers, which rely on OVHcloud for a variety of Private and Public Cloud services, often starting from Web Cloud services and upgrading as part of cloud migration projects. OVHcloud believes its success with this customer segment is driven largely by its price/performance ratio and reliability. Small and medium-sized businesses are reached by a combination of digital marketing channels, as well as mid-sized systems integrators and internal sales forces.

White-Label, resellers and individuals

OVHcloud leverages its technology by providing cloud hosting services to resellers and "white-label" partners that market OVHcloud's solutions to their own customers under their own brand names.

This customer group includes web agencies and other resellers that rely on OVHcloud for services that they market to a variety of their own end-user customers. Web agencies (such as Publicis and GoDaddy) have represented a strong marketing base for OVHcloud historically, contributing to its leading position in the French Web Cloud market. Individual customers are also included in this customer group.

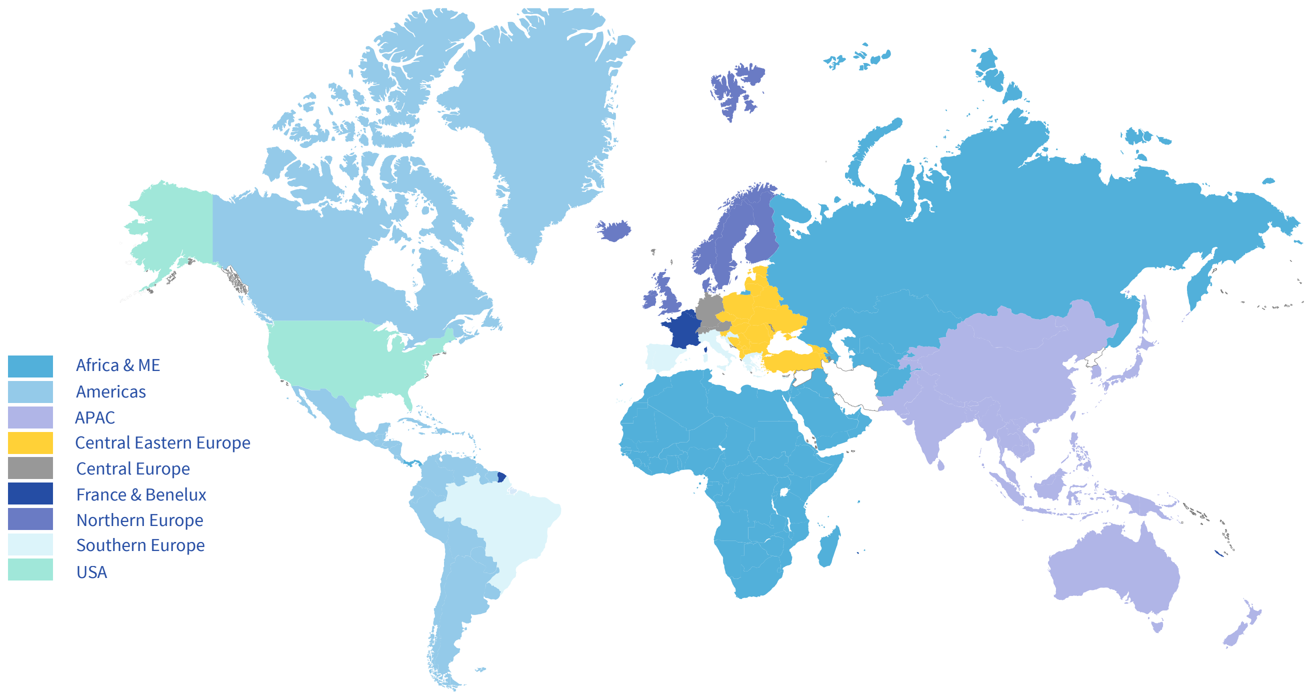
OVHcloud has recently developed its indirect sales strategy by entering into "white-label" partnerships. For example, OVHcloud manages data centres for third parties that in turn provide solutions to their own customers, hosted in the managed data centres. The DataCentre-as-a-Service (DCaaS) offering provides a trusted white-label Public Cloud solution that guarantees data sovereignty and GDPR compliance.

1.3.3 Geographical footprint

OVHcloud has developed a global footprint with a strong customer base in Europe, the United States and Asia. Geographical expansion is a significant part of OVHcloud's growth strategy.

In 2022, OVHcloud generated 49% of its revenue from customers located in France, 29% from customers located elsewhere in Europe, and 22% from customers located in the rest of the world.

As part of its geographical expansion strategy, OVHcloud has established geographical groupings in clusters based on common features such as languages and cloud usage trends. The clusters are illustrated by the following graphic:



Note: 1. Sales cluster covering Africa, the Middle East and Ireland.

The sales clusters operate on the basis of a strategy that combines global efficiency and local service. In its clusters, OVHcloud offers services such as local language e-commerce sites and support, and dedicated partner and start-up programmes, as well as local sales staff attuned to the trends in the markets they serve.

1.4 STRATEGY AND TARGETS

1.4.1 Develop key customer segments

OVHcloud pursues a growth strategy adapted to its three main customer segments: (i) technology and software companies, (ii) large corporates, SMEs and public entities, as well as (iii) White-Label, resellers and private individuals.

Technology and software companies (digital native)

This customer segment is historically favourable for OVHcloud. In order to extend its growth in this segment, OVHcloud has put in place an enhanced digital marketing strategy, including an improved customer experience on the Group's websites with a customer-centric interface, focused on usage and products, a prospect relationship management programme, online support such as chatbots and training courses such as webinars or technical documentation.

In order to continue to enrich this ecosystem, OVHcloud is developing several programmes:

- the Start-up programme helps start-ups grow and develop by providing them with technology credits, resources, training and advice. This programme is particularly useful for start-ups still in the idea-forming stage. The 12-month programme allows the use of up to €10,000 in technology credits and several hours of technical support. Since 2015, more than 1,800 start-ups and scale-ups from all over the world have joined the programme and the ecosystem;
- the Market Place brings together innovative and trusted technology and software companies as part of a SaaS (Software-as-a-Service) marketplace hosted by OVHcloud.

Large corporates, SMEs and public entities

OVHcloud is implementing a three-part strategy to realise growth with large corporates, SMEs, and public entities. As part of this strategy, OVHcloud is addressing the needs of these customers for transformation and support as they consider migrating to the cloud.

- OVHcloud is leveraging its position as a European "trusted cloud" provider, answering security and data sovereignty needs of European companies and public sector entities handling highly sensitive or strategic data. OVHcloud does not use or sell its customers' data, which is stored in the data centres chosen by its customers. It offers the highest level of security with numerous recognised certifications, including the SecNumCloud qualification delivered by the French National Cybersecurity Agency (ANSSI), attesting to the highest level of IT security in Europe for the hosting of sensitive and strategic data in the cloud. OVHcloud has also launched the Trusted Zone Sovereign Solution, which is designed to meet the highest security standards of public sector and critical services operators. It is also one of the founding members of the Gaia-X initiative to help promote a European sovereign cloud. OVHcloud is constantly improving its offers by investing in security and encryption solutions.
- OVHcloud is strengthening its marketing channels to enhance its position with large corporate customers and public entities. As part of this strategy, OVHcloud has strengthened its relationships with its network of almost 1,000 IT partners, reinforcing its position with large system integrators such as Accenture, Capgemini, Sopra Steria and Deloitte and specialised system integrators such as Neurones IT, providing OVHcloud with a strong platform to capture a broader share of the IT spending of their corporate customer base. At the same time, OVHcloud has substantially increased its direct sales force that serves the needs of its large corporate customers, as well as providing enhanced customer support and services to accompany corporate customers in their cloud migration projects.
- OVHcloud has developed specific offerings for small and medium businesses. For this segment, OVHcloud is leveraging its strong relationships with IT advisors and web agencies, while offering maximum flexibility through an automated self-service channel that can be used by customers directly or through their IT advisors. OVHcloud is also enhancing its multi-location, multi-language support offering for small businesses.

White-Label, resellers and individuals

OVHcloud has a long history of commercial success through web agencies that resell OVHcloud solutions, sometimes under their own brand names. For individuals in particular, significant work has been undertaken for several years to offer an optimised digital sales channel, new and improved product offerings, and improved support. This continuous improvement aims to promote the acquisition of new customers along with cross-selling opportunities to existing customers. OVHcloud is also developing a "DataCentre-as-a-Service (DCaaS)" offering for corporates to deliver high performance and data sovereignty for their "on premises" resources.

1.4.2 Target a wider market

OVHcloud is expanding its addressable market by integrating new offers in its cloud solutions. Traditionally, OVHcloud's core solutions have been focused on the IaaS market, which is estimated at €80-90 billion in 2021. By integrating a range of new cloud usages and PaaS solutions in its offerings, OVHcloud is seeking to expand its addressable market to encompass both IaaS and PaaS, which together represented a market estimated at €140-160 billion in 2021. Thanks to the continuous development of new products, through internal development, partnerships or acquisitions, OVHcloud already offers 81 IaaS and PaaS services at the end of August 2022.

New Cloud usage and integration of PaaS solutions

OVHcloud is targeting new and innovative uses of the cloud that should be among the main market growth drivers, in particular high-performance computing for artificial intelligence and machine learning, BDaaS, high-performance storage, security and data encryption. These new cloud usages and PaaS solutions will take advantage of OVHcloud's already existing infrastructure solutions. This development strategy will be achieved through internal development, partnerships and targeted acquisitions.

1.4.3 Extend geographical footprint

OVHcloud will seek to leverage its market leading positions in France and Europe and its substantial asset base to generate growth through geographical expansion. OVHcloud implements this strategy through defined geographic clusters, each with dedicated websites, partnership programmes and sales staff.

In Europe excluding France, OVHcloud relies on its large base of installed assets (located in the United Kingdom, Poland and Germany) and its status as a European supplier offering data sovereignty to develop its revenue. Since 2018, the Group has more than doubled its sales force, and has significantly improved the efficiency of its sales efforts by leveraging its partnerships with leading systems integrators and increasing its white-label offerings.

In the United States and the Americas, OVHcloud believes there are substantial opportunities that play to its strengths.

- In the US market, OVHcloud is experiencing substantial growth after managing a restructuring process following the acquisition of vCloudAir in 2017. It believes there are opportunities to expand its business with US operations of European customers, offering a ring-fenced solution that is segregated from its European offerings. It is also targeting local tech companies and small and medium corporate customers through an enhanced, scalable digital channel, which has generated significant revenues since it was implemented in late 2019. It is also enhancing its direct and indirect marketing channels by establishing and reinforcing relationships with mid-sized IT integrators, and it is increasing its US sales force to address the opportunities available in this market.
- In Canada and Central America, OVHcloud is progressively enhancing its digital and direct sales offerings to complement its traditional indirect channels to seek growth.

In Asia and Australia, where OVHcloud currently has several data centres and where most of its income is generated through digital channels. OVHcloud will study short- and medium-term expansion possibilities in markets with significant growth potential for the cloud market.

1.4.4 Accelerate through targeted external growth

OVHcloud has an external growth policy defined in two types of operations.

Acquisitions of complementary technological bricks

OVHcloud plans to target startups with active customer bases or technologies that would allow synergies with the rest of the OVHcloud portfolio and to accelerate the development of its PaaS offering, such as ForePaaS, a company specialising in the Data Analytics acquired in 2022.

Consolidation of the European market and expansion outside Europe

OVHcloud intends to seek mid-scale external growth opportunities in order to consolidate its European leadership positions. OVHcloud also plans to consider opportunities with mature European cloud or Web Cloud providers that have complementary customer bases and steady financial profiles.

OVHcloud intends to pursue its external growth strategy in a financially responsible manner, targeting a leverage ratio (net financial debt divided by adjusted EBITDA) no higher than 3.0x on the basis of its current assessment of potential acquisition opportunities.

1.4.5 Medium-term targets

The Group has medium-term financial targets and aims to achieve the following by 2025:

- organic revenue growth accelerating to around 25% by FY2025 driven by a shift in business mix, deployment of the “Move to PaaS” strategy, international expansion, the profits from the market shift to hybrid- and multi-cloud and the focus on data sovereignty;
- adjusted EBITDA margin close to 42%, by partly reinvesting economies of scale mainly achieved through better absorption of fixed costs over the period;
- recurring Capex benefiting from productivity improvements and decreasing as a percentage of revenue towards a range of between 14% and 16%; likewise, growth Capex as a percentage of revenue, within a range of 28% to 32%.

1.5 OVHCLOUD'S COMPETITIVE ADVANTAGES

1.5.1 The only European player of this size

OVHcloud is the European leader in the large and rapidly growing cloud services market.

OVHcloud is one of the two main providers of Private Cloud services in Europe. According to Forrester (June 2020), OVHcloud is a leader in Hosted Private Cloud services in Europe based on its current offering, market presence, and strategy. Additionally, as a Europe-based cloud provider, OVHcloud is able to meet the requirements of European customers for data sovereignty and security.

OVHcloud has a growing presence in the Public Cloud market, which is dominated globally by the so-called "hyperscalers" (Amazon Web Services, Google Cloud Platform and Microsoft Azure). It is the only European provider of Public Cloud infrastructure services that was named a contender in the IDC MarketScape (IDC (September 2020)), based on its infrastructure offering.

1.5.2 A comprehensive suite of solutions

OVHcloud has a suite of Private, Public and Web Cloud solutions that positions it to capture the growing demand for multi-cloud and hybrid cloud services that drive the expansion of the cloud market, by serving a wide range of needs and customer segments. OVHcloud's offerings are differentiated from those of other providers, particularly the hyperscalers, through a guarantee of data sovereignty as well as a unique combination of price predictability and performance. These factors provide OVHcloud with an ideal platform to reach key customer segments, including technology and software companies (digital natives), enterprises and public entities, which are increasingly moving to the cloud.

OVHcloud has adopted a dynamic go-to-market strategy designed to take advantage of these capabilities. It reaches tech specialists, SMEs and individuals with a fully automated, self-service and highly scalable digital channel with advanced, self-service management and control tools, offering customers fully automated product delivery within minutes (or within three hours, for Hosted Private Cloud services with the VMWare virtualisation stack). The automated digital channel is also designed to foster international expansion through regional, local-language websites. OVHcloud reaches public entities, large corporates, traditional SMEs and software and tech specialists directly with its own sales force that supports customers as they transition to the cloud. It also uses a partner ecosystem of system integrators to reach enterprises and public sector entities, with specialist advisors that allow OVHcloud to leverage its technology. Through these channels, OVHcloud is positioned to address the diverse needs of a wide range of customer groups, at various stages of development, across sectors, driving its potential for expansion.

1.5.3 Growing demand for data sovereignty

As a European cloud services provider, OVHcloud offers customers the highest level of data privacy protection in the industry. Data privacy is becoming a major concern for customers in Europe, which are required to comply with GDPR restrictions on the transfer of personal data to other countries, including the United States. European customers are also seeking cloud solutions that are not subject to subpoenas and warrants issued by US law enforcement authorities under the US Cloud Act. These constraints are leading European customers to look to alternatives to the US "hyperscalers" and other US-based cloud providers. With its European-based offering, fully segregated from its US operations, OVHcloud offers data sovereignty solutions that are unparalleled among major cloud providers.

OVHcloud's "trusted cloud" offering is also a powerful differentiator outside of Europe. As a pure cloud player, OVHcloud does not compete with its customers and does not use their data to optimise or sell its own products. OVHcloud allows customers to choose the localisation of their data among its 33 data centres around the world. It also offers the highest standards of data protection and security, with a broad range of security certifications essential for attracting customers in sensitive sectors such as financial services, healthcare and government.

1.5.4 Price predictability and transparency with the best price/performance ratio

OVHcloud offers its customers a variety of performance level options, typically at more attractive prices than its principal competitors. Its combination of high performance and attractive pricing has been recognised by customers as a key differentiation factor. OVHcloud offers its customers best-in-class performance features such as service level agreements with guaranteed maximum downtime, numerous recognised security certifications and a high degree of customisation. Additionally, OVHcloud is able to deliver its cloud services within minutes: the provisioning time for its Baremetal Cloud servers is two minutes, and the provisioning time for its Hosted Private Cloud servers is 90 minutes. In comparison, the advertised provisioning time for IBM Cloud's Baremetal offering is 20 minutes, and the advertised provisioning time for its Hosted Private Cloud offering is between two hours and four hours.

OVHcloud's pricing advantage is visible in all of its offerings, with attractive monthly fees and service option prices in its Private Cloud offerings, and a predictable, all-inclusive Public Cloud pricing model with no extra charges for services such as outgoing data transfer (with certain exceptions), which customers find to be an attractive alternative to less predictable pricing packages offered by the hyperscalers and other cloud providers. For example, OVHcloud's 1-GPU pricing in the main Continental European markets is up to two to three times lower than the prices advertised by the hyperscalers, at no additional cost for outgoing traffic, as of 31 August 2022.

1.5.5 A vertically integrated model

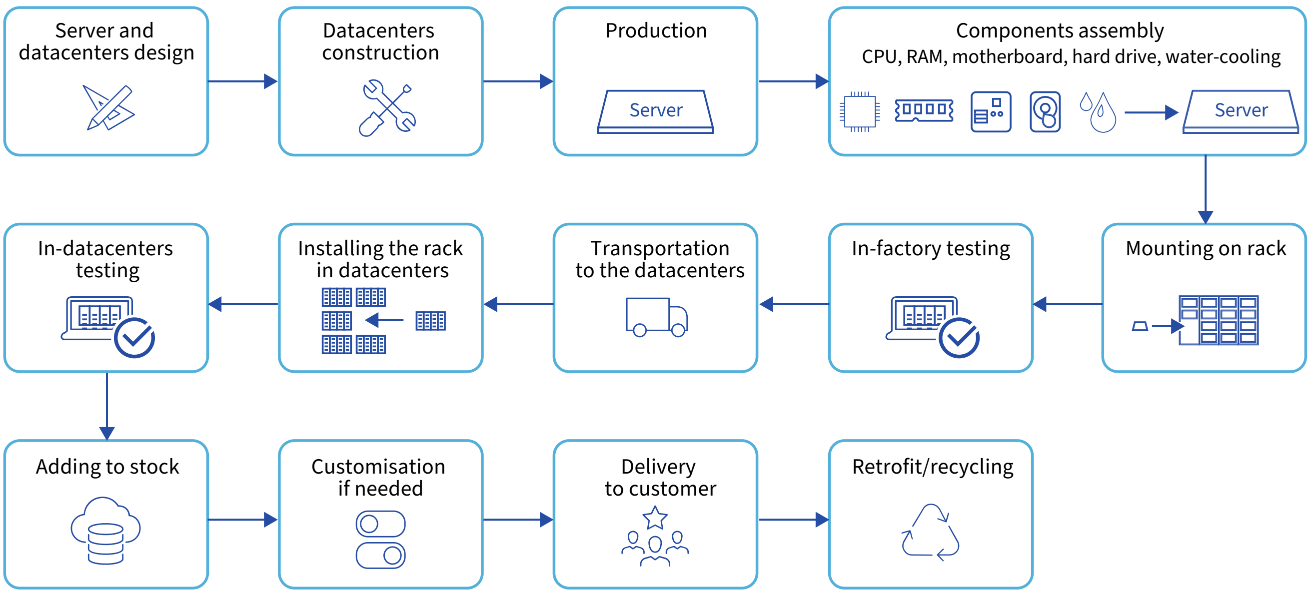
Competitive advantage from a vertically integrated model for operational efficiency, driven by proprietary technology

OVHcloud operates under a unique, vertically integrated production model encompassing server manufacturing, data centre operations, network resources and IT infrastructure management. Supported by proprietary technology, this enables OVHcloud to create a substantial cost advantage that differentiates it from other providers and facilitates its price leadership. The vertically integrated model is also a driver of OVHcloud's performance, agility and sustainable innovation.

OVHcloud's operations are sustainable due to their design. It uses a proprietary water-based cooling system for its servers that eliminates the need for air-conditioning, has industry-leading power usage effectiveness ratings and has committed to a target of increasing renewable energy use, particularly in France and Canada (where its manufacturing sites are located). While OVHcloud's commitment to sustainable operations is more than two decades old, its strength in this area is gaining importance for customers that are increasingly questioning the environmental impact of data centres. OVHcloud believes this trend is likely to continue as corporate customers strive to meet announced commitments to carbon neutrality, and that this should favour providers such as OVHcloud with high environmental performance ratings.

Vertically integrated, sustainable production model

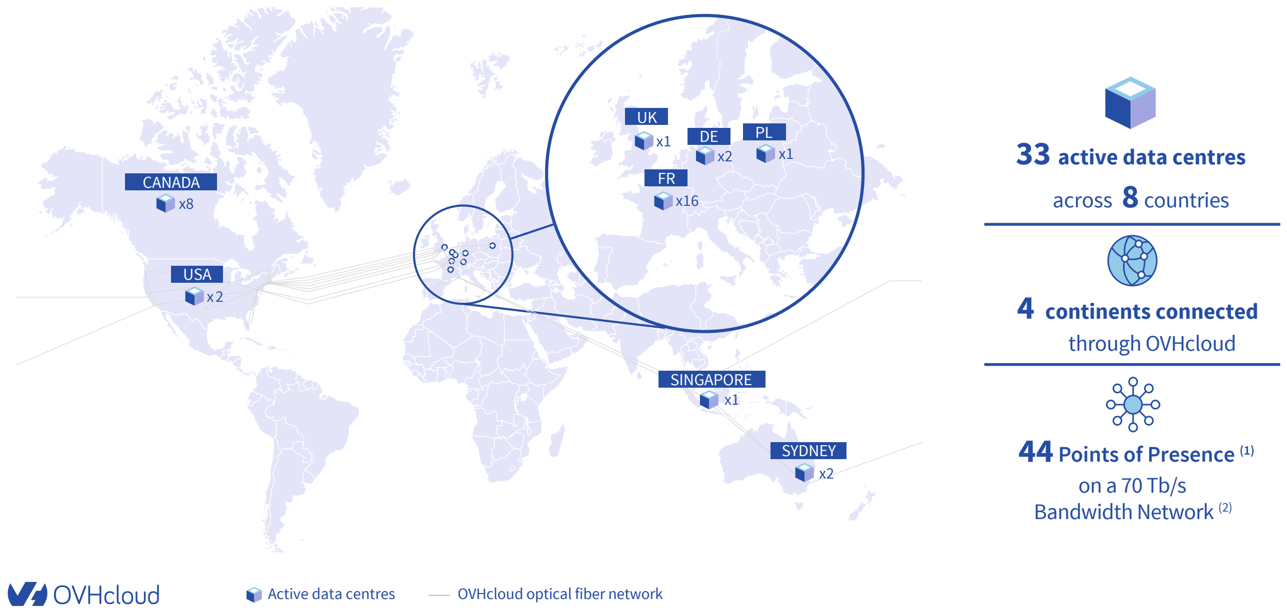
OVHcloud is involved in each step of both server and data centre lifecycles, as illustrated by the graphic above. OVHcloud's vertically integrated supply chain includes server manufacturing, data centre operations, network provisioning and IT infrastructure management. By designing and assembling all of its servers in-house, OVHcloud is able to optimise server design and bypass intermediaries, as well as to reduce costs, increase customisation, reduce delivery time, and increase lifecycle management efficiency through retrofitting servers. OVHcloud's proprietary technology and in-house operations in a variety of geographic markets have contributed to its strong vertical integration.



OVHcloud has two dedicated production sites – in France and in Canada – for assembling different hardware components into servers. Once the various components have been assembled, they are transported to the data centre and customised as necessary prior to delivery to the customer.

Because OVHcloud manufactures its servers in-house, it is not dependent on a third-party manufacturer, which reduces the risk of supply chain disruption.

In addition, by owning and operating its data centres, OVHcloud has more control over each stage of the production process, which, in turn, allows its customers more opportunities for customisation. With data centres spread over 33 sites in eight countries around the world, OVHcloud is able to deliver servers to its customers in a short time frame: in OVHcloud's European and North American sites, it takes approximately 14 days from server production to delivery. OVHcloud's data centres are generally housed in former industrial buildings, which has provided a cost advantage and has reduced its environmental impact by repurposing existing resources.



Source: At 31 August 2022, Company.

(1) A point of presence is a point at which the network establishes a connection with the internet.

(2) Tera bits per second.

OVHcloud uses a proprietary water-cooling technology at its data centres, which it pioneered and has used for over 20 years. OVHcloud's water cooling technology combines water-cooled servers with air-cooled data centres, thereby removing the need for air conditioning, which has significant environmental and cost benefits. It uses direct water cooling to remove the heat from CPUs, and air – which is then cooled inside the rack using water through a heat exchanger – to remove the heat from other components. The heated water is then cooled using dry cooling towers. In addition to being highly energy and water efficient, OVHcloud's water cooling technology also has relatively low maintenance costs.

By internalising its design and operations, OVHcloud is able to leverage its proprietary cooling technologies, which creates not only a cost advantage, but also reduces its environmental impact, as this technology consumes less energy than other cooling techniques.

1.5.6 Innovation based on an ecosystem of partners and a systematic approach

An ecosystem strategy

OVHcloud has deployed an ecosystem strategy that makes it a driving force behind European "open-source" technologies. The partnership ecosystem approach allows OVHcloud to leverage a wide range of technical and business experts and deliver value to customers. Being deeply committed to open source communities allows OVHcloud to speed the development of its own solutions, while remaining on top of its customers' expectations.

OVHcloud's ecosystem is deployed across its activities. Its go-to-market strategy includes partnerships with more than 350 key systems integrators and managed services providers that integrate OVHcloud solutions in their customer offerings. Through its open trusted cloud programme, numerous providers of software applications benefit from a label offered by OVHcloud, certifying their compliance with European data sovereignty standards. OVHcloud's marketplace programme provides Web Cloud customers with access to over 300 fully digital SaaS and PaaS solutions. All of these partnership programmes leverage OVHcloud's capabilities to expand the range of offerings available to a broad range of customers.

OVHcloud's network of partners and system integrators also improves the accessibility of its solutions. The continuous dialog with its community of customers enables OVHcloud to design and rethink its products to ensure consistency between technology updates and market expectations.

A systematic approach

OVHcloud takes a systematic approach to its research and development process to ensure that its innovations are "S.M.A.R.T." ":

- ***S**imple*. First, OVHcloud endeavours to confirm that its solutions are able to be implemented quickly and easily, and that they are time-saving for its customers;
- ***M**ulti-local*. OVHcloud believes that product and offering solutions should be local to everyone, everywhere. It also works to adapt its offerings to the needs, wants and constraints of customers with respect to data safety and local regulations;
- ***A**ccessible*. OVHcloud targets solutions that are affordable and accessible to a wide range of customers. It also focuses on a transparent pricing model;
- ***R**eversible*. To increase flexibility, OVHcloud assesses whether its innovations are reversible, open and interoperable to ensure that it is not limiting its direction in the future. It also provides robust and reliable technologies and ensures that customers are not "locked-in" and do not pay for bandwidth;
- ***T**ransparent*. Lastly, OVHcloud treats all of its customers equally. It offers its solutions to every customer and is committed to clarity in all of its customer communications and to predictable pricing.

OVHcloud's "S.M.A.R.T." approach applies at every stage of its research and development process. Prior to implementing a new solution, the concept must be structured and proved as customer-centric. Then, it is designed as a customer-ready concept and has a streamlined development process. Finally, it is delivered to customers.

OVHcloud targets innovative solutions with strong potential to add to its revenue-generating capacity. As a general matter, in order for an idea to be developed, it must be expected to generate a minimum of €1 million in monthly recurring revenue.

Thanks to this systematic and streamlined approach, OVHcloud is at the forefront of the innovative cloud usages that are at the origin of a significant portion of the cloud market's growth.

Patents

In order to support its research and development initiatives, OVHcloud is proactive about seeking the patents necessary to protect its intellectual property. At 31 August 2022, OVHcloud held 137 patent families, which can be broadly grouped into the following categories:

- *Software*. Software patents cover software-related technologies that are used in the context of installing, deploying, configuring, operating, monitoring and maintaining servers and equipment operated in data centres. These software-related technologies cover a wide variety of fields, such as, network orchestration, storage configuration and management, power supply management, health monitoring, artificial intelligence technics used in the context of operating data centres and higher level software applications, such as web applications. They comprise the largest percentage of OVHcloud's portfolio: at 31 August 2022, these represented approximately 37% of patents;
- *Cooling*. Cooling patents cover technologies relating to systems and methods for extracting heats from electronic components, in particular from servers operating in racks stacked into data centres. The covered technologies span from extracting thermal energy from the electronic components to rejecting extracted thermal energy into an outside environment. This category includes air cooling, liquid cooling and immersive cooling. At 31 August 2022, these represented approximately 33% of OVHcloud's portfolio of patents;
- *Electronic*. Electronic patents cover technologies relating to electronic components facilitating deployment and operation of servers in data centres. These electronic components provide functionalities such as data exchange interfaces, power supply and/or cooling control. These patents represented approximately 13% of OVHcloud's portfolio of patents at 31 August 2022;
- *Mechanical*. These patents, which represented approximately 17% of OVHcloud's patent portfolio at 31 August 2022, cover technologies relating to the structural design of racks, support for racks, tools to be used in the context of rack installation and structural components for heat exchangers.

1.5.7 Values fostering a collaborative, entrepreneurial culture

OVHcloud was founded in 1999 by Octave Klaba, its current Chairman, who developed the business from its origins as a web hosting group to its current position as a leading cloud provider. Its Chief Executive Officer Michel Paulin has extensive experience leading technology and telecommunications businesses, with more than 35 years in the segment. The other members of the senior management team have extensive experience in some of the most dynamic growth businesses, providing the Group with a solid and experienced leadership team that is well-positioned to drive the realisation of OVHcloud's strategic growth plan.

1.6 LEGISLATIVE AND REGULATORY ENVIRONMENT

1.6.1 Legislation and regulations in the European Union

As a French cloud service provider, OVHcloud is subject to European regulations across a wide number of areas, including information technology ("IT") services, cybersecurity, online content moderation and data protection. OVHcloud may also be subject to sectoral regulatory regimes applicable to certain customers and generally applicable regulations such as contract laws and consumer protection policies.

1.6.1.1 Cybersecurity

OVHcloud is subject to European regulations aimed at strengthening cybersecurity across the European Union (the "**EU**"). Transposed into French law on 26 February 2018, Directive (EU) 2016/1148 of 9 July 2016, established requirements for cloud service providers with respect to security of network and information systems. According to French law [1] transposing Directive (EU) 2016/1148, cloud service providers are classified as digital service providers. As a digital service provider, OVHcloud must guarantee a level of information security adapted to the relevant risks and adopt appropriate organisational and technical measures. In the event of a security incident having a significant impact on the provision of services, a declaration must be made with the French National Cybersecurity Agency ("**ANSSI**"). The French Prime Minister may also open investigations upon receipt of information of a non-compliance by the digital service provider with security obligations. Fines for non-compliance with security obligations range from €50,000 to €100,000.

The ANSSI has adopted security standards for cloud service providers [2]. In particular, cloud companies must set up a security policy for information relating to the service and carry out a risk assessment covering the entire service. If applicable security standards are met, the ANSSI delivers a qualification called "SecNumCloud" certifying an enhanced level of security for storage of sensitive information. In October 2022, ANSSI extended a security visa to OVHcloud for the "SecNumCloud" qualification for its Hosted Private Cloud, valid until December 2023. For the protection of critical information systems, the ANSSI recommends that operators of essential services (*e.g.* gas supply companies, airline carriers, health institutions, banks) use security products and services with an ANSSI security visa.

The role of the European Union Agency for Cybersecurity (the "**ENISA**") was strengthened by Regulation (EU) 2019/881 of 17 April 2019 (the "**Cybersecurity Act**"). The ENISA is tasked with establishing and maintaining a European wide cybersecurity certification scheme applicable to cloud service providers, including a comprehensive set of rules, technical requirements, standards and procedures. In July 2020, ENISA published a proposal that would enable cloud service providers to obtain certifications across the EU attesting to the level of security of their services.

The European Commission unveiled in September 2022 its proposed *Cyber Resilience Act* ("**CRA**"). This proposal fixes a series of general and organizational requirements in terms of cyber security for products containing elements digital (for example: software, hardware products, data processing). It aims to adopt a common base within the European Union to limit cyber-attacks. The "CRA" applies differently to actors in the supply chain: manufacturers, importers or distributors. the text must still be examined by the European Parliament and then by the Council of the European Union; during this procedure, which may take up to two years, the current text will most likely be led to evolve. It is therefore still premature to comment on the potential impacts of this text on OVHcloud.

1.6.1.2 Data protection

General principles

OVHcloud's business involves the storage and transfer of substantial quantities of personal data, which must be done in manner that is consistent with the provisions of the GDPR as supplemented by applicable national data protection laws. The GDPR came into force in May 2018 and established requirements applicable to the processing of personal data by businesses established in the EU, or which offer products and services to individuals in the EU, or which monitor the behaviour of persons as far as such behaviour takes place within the EU. The GDPR places organisations under strict obligations in terms of security and reporting, strengthens the rights of individuals and increases the enforcement powers of supervisory authorities. Any action involving any information on an identified or identifiable individual will fall in the scope of the GDPR.

The GDPR distinguishes between (i) controllers, which, alone or jointly, determine the purposes and means of processing and (ii) processors, which process personal data on behalf, and under instructions, of a controller. In certain situations, multiple parties involved in the processing of personal data may qualify as joint controllers where they jointly determine the purposes and/or means of processing. While controllers are primarily responsible for the processing, processors may be directly liable to individuals and regulators for their own breaches of the GDPR or where they acted outside or contrary to lawful instructions of the controller.

OVHcloud is subject to the GDPR and national data protection laws when it processes personal data in the context of the activities of its EU establishments or otherwise conducted in the EU. OVHcloud generally qualifies as a processor when it provides services to customers, as it processes the data provided, and used, by its customers. In this case, OVHcloud's customers then qualify as controllers, and OVHcloud acts pursuant to their instructions.

OVHcloud also qualifies as a controller when it processes its customers' data for its own purposes, in particular for the purposes of (i) managing the customer relationship, including commercial activities, customer information and support, claims, payment and loyalty programme membership, (ii) managing the delivery of its services, including maintenance, development and system security, (iii) preventing fraud, payment default and use of its cloud services in ways that do not comply with applicable laws and regulations or the terms and conditions, (iv) complying with applicable laws and regulations, such as the obligation to archive and retain certain customer data, and (v) enforcing its rights.

1) *Loi n°2018-133 of February 26, 2018.*
2) *ANSSI "Référentiel d'exigences" of March 8, 2022.*

A breach of the GDPR by a controller may lead to administrative fines of up to the higher of €20 million or 4% of the global annual revenue of the controller from the preceding year, while the breach of most obligations incumbent on processors is subject to a lower (but still significant) level of administrative fines of up to the higher of €10 million or 2% of the annual revenue from the preceding year. However, the breach of obligations relating to transfers of personal data outside the EU may be sanctioned by the highest level of fines regardless of whether it is committed by a controller or processor.

Key processor obligations

OVHcloud is acting as a processor whenever personal data are stored on its infrastructure on behalf of, and at the instruction of, its customers. Processors are responsible for (i) complying with their customers' instructions, although the processor shall immediately inform the controller if, in its opinion, an instruction infringes the GDPR, (ii) implementing technical and organisational measures that ensure a level of security appropriate to the risks inherent to the data processing, and (iii) assisting the controller with the notification of breaches and in responding to individuals' requests.

Controllers and processors must enter into an agreement setting out mandatory provisions prescribed by Article 28 of the GDPR. That agreement must set out details of the processing to be conducted by the processor on behalf of the controller, such as the duration of the processing, its purpose, categories of data to be processed, obligations of the controller and those of the processor, including: ensuring that processing is conducted by individuals subject to a confidentiality obligation, implementing appropriate security measures and making available to the controller any and all information needed to show compliance and/or to facilitate audits and inspections authorised by the controller.

In May 2018, OVHcloud updated its general terms and conditions of service with the inclusion of a data processing agreement, which it amended in 2020. Consistent with the provisions of Article 28 of the GDPR, this data processing agreement sets forth the conditions under which OVHcloud is entitled as a processor to carry out the processing of personal data on behalf of, and on instructions from, its customers. The latest version of the general terms and conditions provides that OVHcloud customers are responsible for compensating data subjects (such as the customers' own customers) for any breach of processing obligations, and may subsequently recover from OVHcloud any portion of the compensation for which OVHcloud is properly liable.

Key controller obligations

OVHcloud also acts as a controller whenever it determines the purposes for which, and means by which, personal data is processed. It also acts as a controller when collecting personal data on its employees. Data controlling includes activities such as management of customer relationships, support and maintenance activities, sales prospecting, accountancy or managing accounts receivable. For specific activities (including mailing, marketing analysis or surveys), OVHcloud may also rely on third-party providers acting under its instructions.

Controllers are responsible in particular for (i) implementing technical and organisational measures to protect the data, (ii) ensuring the processing of data in a lawful and transparent manner to the customers, (iii) using only processors that can provide sufficient guarantees to implement appropriate technical and organisational measures in such a manner that processing will meet the requirements of EU Laws [(1)] and, in particular, the GDPR, and (iv) notifying the supervisory authority of any breaches likely to result in a risk to the rights and freedoms of natural persons and the relevant data subjects.

Pursuant to Article 13 of the GDPR, OVHcloud's processing activities are subject to mandatory disclosure obligations. Therefore, OVHcloud informs its customers and regularly updates the information disclosed to them on a regular basis to ensure transparency of its processing activities. In addition, OVHcloud discloses these obligations to data subjects, users and customers through its data processing agreements and several other policies, such as its cookie policy and privacy policy.

Compliance tools

In order to ensure compliance with applicable data protection regulations, OVHcloud has implemented a personal information management system based on the ISO 27701 standard.

In addition, as a founding member of the Cloud Infrastructure Service Providers in Europe (the "**CISPE**"), OVHcloud participated in the drafting of a transnational code of conduct of good practices for cloud infrastructure service providers (the "**CISPE Code of Conduct**") in order to ensure both compliance with GDPR and protection of customers' personal data.

On 19 May 2021, the European Data Protection Board (the "**EDPB**"), an independent body of the European Union established by the GDPR and composed of representatives of the national supervisory authorities of the EU Member States and the European Data Protection Supervisor, adopted an opinion 17/2021 under Article 64 of the GDPR on the draft decision presented to the EDPB by the French supervisory authority (the "**CNIL**") concerning the CISPE Code of Conduct. In the draft opinion, the European Data Protection Supervisor confirmed that it believes the CISPE Code of Conduct complies with the GDPR and fulfils the requirements set forth in Articles 40 and 41 of the GDPR. In its decision 2021-065 dated 3 June 2021, the CNIL approved the CISPE Code of Conduct.

OVHcloud is also relying on the CISPE Code of Conduct, with its certified offerings *Baremetal Cloud* and H*osted Private Cloud powered by VMWare*, to ensure and demonstrate compliance of its IaaS activities.

Cross-border transfers

As a cloud service provider operating 33 data centres worldwide in 12 locations (in France and the European Union, the United Kingdom, North America, Singapore and Australia), OVHcloud is subject to restrictions imposed on cross-border transfers, including those imposed by the GDPR.

Personal data can be transferred freely within the EU and the European Economic Area (the "**EEA**"), provided that such transfers meet the criteria applicable to all processing of personal data under the GDPR. For example, the controller must inform individuals of the transfer and the data must not be further processed for purposes incompatible with the initial purposes.

1) Such as Regulation (EU) 2018/1725 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data and repealing Regulation (EC) N° 45/2001 and Decision N° 1247/2202/EC.

Transfers of personal data outside of the EEA must take place only to the extent that an adequate level of protection can be ensured, through an adequacy decision issued by the European Commission or through appropriate safeguards or based on certain derogations set forth in Article 49 of the GDPR. Appropriate safeguards include: (i) parties entering into a set of standards contractual clauses (“**SCCs**”) issued by the European Commission, (ii) binding corporate rules adopted by entities belonging to the same group of companies, (iii) a code of conduct approved by applicable data protection authorities, or (iv) approved certification mechanisms.

The fact that servers are located within the EEA is not sufficient to assume that no personal data is being transferred outside of the EEA. Pursuant to the EDPB’s recommendations 01/2020 of 18 June 2021 (“**Recommendations 01/2020**”), if personal data is technically accessible from a country outside the EEA, such personal data is deemed transferred to that third country under the GDPR. In that case, an adequate level of protection must be ensured in the same manner as if servers were located outside of the EEA. OVHcloud therefore limits such processing and handles such transfers accordingly.

In order to carry out processing operations, and unless otherwise stipulated in the general terms of service, only European and Canadian entities of OVHcloud can process the data stored by European customers in the data centres located in the EU. On 20 December 2001, the European Commission issued an adequacy decision declaring that Canadian law offers an adequate level of protection for personal data transferred from the European Union to recipients subject to the Canadian Personal Information Protection and Electronic Documents Acts (“**PIPEDA**”), which is the case for OVHcloud’s Canadian entities. As a result, these processing activities performed remotely by Canadian entities do not require additional safeguards.

Further to its decision to leave the EU, the United Kingdom entered into a Trade and Cooperation Agreement with the EU on 24 December 2020, allowing personal data to continue to flow freely between them for a transitional period of up to 6 months, during which the European Commission would examine the possibility of granting the United Kingdom a decision recognising that it has an adequate level of data protection, which would allow data to permanently flow freely from the EU to the United Kingdom. On 28 June 2021, the European Commission adopted the adequacy decision on the GDPR recognising a level of data protection substantially equivalent to the level guaranteed by the European legislation and allowing the free flow of personal data from the EU to the UK for a period of four years.

Data transfers between the European Union and the United States

While the United States has not been recognised as offering an adequate level of personal data protection by the European Commission so as to enable the free transfer of personal data to the United States from the EU, the European Commission decided in July 2000 that US companies that agreed to comply with the principles of the so-called “EU-US Safe Harbour” scheme were allowed to freely import data from the EU. On 6 October 2015, the EU-US Safe Harbour system was invalidated by the Court of Justice of the European Union (the “**CJEU**”) in its Maximilian Schrems v. Data Protection Commissioner (“**Schrems I**”) ruling due to the access granted to US public authorities (including law enforcement authorities) to the content of electronic communications.

In July 2016, the European Commission and the United States adopted another scheme called the “EU-US Privacy Shield” as a successor to the EU-US Safe Harbour. On 16 July 2020, the CJEU issued its decision in the Data Protection Commissioner v. Facebook Ireland and Schrems (“**Schrems II**”) case, which invalidated the EU-US Privacy Shield for transfers of personal data from the EU to entities certified under this mechanism in the United States of America (the “**United States**”). As in Schrems I, US surveillance laws were deemed by the CJEU to provide US authorities with access to personal data in a manner not compliant with the guarantees of the GDPR and the EU Charter of Fundamental Rights.

In Schrems II, the CJEU upheld SCCs as a valid safeguard for cross-border data transfers, but imposed stricter requirements. Parties must ensure that (i) the surveillance and data monitoring laws of the country to which personal data is transferred enable them to perform the obligations set out in the SCCs or (ii) additional safeguards are added to such SCCs to that effect. On 4 June 2021, the European Commission issued new SCCs for international transfers. The new SCCs reflect the requirements under the GDPR and take into account the Schrems II ruling. While the new SCCs can serve as a valid safeguard for cross-border data transfers, responsible parties must still carry out an examination of the legislation and practice of the third country where data is transferred and additional supplementary measures may be necessary. On 18 June 2021, the EDPB adopted the final version of its Recommendations 01/2020 setting out possible additional safeguards that companies may use to supplement SCCs to transfer personal data to a country where the law or practice are not sufficient to guarantee an “essentially equivalent” level of data protection to that of the EU, which is the case for the United States. Recommendations 01/2020 indicate that no such supplementary measure could be envisioned for transferring personal data to cloud services that are not encrypted or pseudonymised. This may cause significant obstacles for cloud service providers that transfer data in a non-encrypted or non-pseudonymised form to certain countries, including to the United States.

OVHcloud's non-US entities do not transfer their customers’ data to the United States. The data centres located in the United States do not host any of the services provided by OVHcloud's non-US entities. Additionally, OVHcloud’s US entities do not participate in the services provided by OVHcloud’s non-US entities. As a result, the invalidation of the “EU-US Privacy Shield” should have no impact on such services.

Finally, OVHcloud follows developments relating to to the negotiations on *Privacy Shield 2* between the European Commission and the United States following the signature by the President Biden of an Executive Order on October 7, 2022 aimed at responding the shortcomings raised by the Court of Justice of the Union European in its judgment of July 16, 2020 called "*Schrems II*" which leads to the cancellation of the *Privacy Shield* as well as the projects of legislative developments in the United Kingdom and India.

1.6.1.3 Free movement of non-personal data

Regulation (EU) 2018/1807 of 14 November 2018 (“**Free Flow of Non-Personal Data Regulation**”) aims to ensure the free flow of non-personal data between EU Member States (the “**Member States**”) and IT systems in the EU. Non-personal data is either (i) data not linked to identified or identifiable individuals, or (ii) anonymised personal data. This regulation enables the storage and processing of non-personal data anywhere in the EU, prohibits data localisation and ensures the availability of data for regulatory control.

The Free Flow of Non-Personal Data Regulation also provides that the European Commission must encourage the development of self-regulatory codes of conduct to facilitate portability between service providers. To that end, OVHcloud participated in the drafting of two voluntary codes of conduct on switching cloud service providers and data portability through the working group on switching cloud providers and data porting ("**SWIPO**"). Published in July 2020, the Codes of Conduct for Infrastructure-as-a-Service (IaaS) and Software-as-a-Service (SaaS) provide guidance for cloud service providers and customers on switching cloud provider and porting non-personal data. The adoption of such codes of conduct aim at reducing the risks of vendor lock-in (*i.e.*, situations where customers are dependent on a particular provider due to significant switching costs) by cloud service providers. They also provide guidance for customers on the transfer of non-personal data.

1.6.1.4 Online content moderation

As a hosting service provider, OVHcloud has to comply with a number of laws on content moderation, including those moderating terrorist content, child sexual abuse material, hate speech and the infringement of intellectual property rights.

European legislation on digital services (Digital Services Act, "DSA")

Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a single market for services and amending Directive 2000/31/EC ("Regulation on digital services") entered into force on November 18, 2022. This new framework aims to harmonize the rules applicable in the different Member States of the Union European Union and replaces the one adopted in 2000 with regard to liability of intermediaries with regard to illegal content while maintaining the fundamental principles of freedom of expression and freedom to provide services. The regulation also establishes new obligations of diligence and transparency for hosting services such as that OVHcloud, both vis-à-vis the authorities and users, by particular on the processing of reports of illegal content. He also increases the level of penalties that can be imposed in the event of breach of the obligations established by the regulations, with fines of up to 6% of the turnover intermediary service provider's annual global business report. A certain number of measures are applicable on a deferred basis over the next two years and involve the adoption of texts at the national level. OVHcloud will carefully monitor their publication in order to comply with its obligations.

1.6.1.5 Fight against anti-competitive practices on digital markets

European legislation on digital markets (Digital Markets Act, "DMA")

Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 ("Digital Markets Regulation") aims to make the digital sector fairer and more competitive, by introducing preventive measures for large companies as access controllers on the market European. In particular, the regulation provides for several obligations and prohibitions against online platforms in a position of access controllers and strengthens the powers of sanction of the European Commission, which will be assisted by a committee advisory committee and a high-level group. So, for example, the access controllers must allow users to easily uninstall pre-installed software on their devices and easily unsubscribe from an essential platform service such as a cloud service. Access controllers will no longer be able to impose software such as internet browsers or default search engines, reuse personal data of a user for the purpose of targeted advertising without their consent explicit.

Applicable from 2 May 2023, the companies concerned must report to the European Commission and put themselves in compliance no later than March 2024. The legislation gives the Commission the exclusive power to monitor compliance with their obligations, and new sanctions, including a fine up to 10% of total worldwide turnover made by the company during the previous financial year.

The adoption of this new legislation is a positive step to regulate the practices of the dominant digital players on the European market, but its effectiveness will depend on the means that the European Commission will devote to the service of compliance with it. OVHcloud will pay particular attention to the details expected on the staff who will be dedicated to the control of obligations of access controllers

1.6.1.6 Other applicable regulations and initiatives

Telecommunications sector

OVHcloud entities are telecommunications operators in four (4) Member States: Belgium, France, Germany and Spain. OVHcloud is subject to specific obligations when providing telecommunication services. Because the EU and its Member States have been regulating the telecommunications sector for many years, there are a variety of different implementing measures, guidelines and authorities across the EU. OVHcloud entities are also telecommunications operators in the United Kingdom and Switzerland, which have their own telecommunications regulations. The United Kingdom has also implemented the requirements of the European Electronic Communications Code into its national regulatory framework prior to Brexit.

The Directive (EU) 2018/1972 of 11 December 2018 established the European Electronic Communications Code. Although this directive has not yet been transposed in all Member States where OVHcloud acts as an operator, several other directives applicable in the telecommunications sectors, such as Directives 2002/19/EC, 2002/20/EC, 2002/21/EC and 2002/22/EC of the European Parliament and of the Council, have been substantially amended. Directive 2018/1972 was transposed into French law in May 2021 (1). The key objective of this European Electronic Communications Code is to create a comprehensive set of updated rules to regulate electronic communications and protect EU citizens when they communicate through traditional or web-based services, encourage competition between telecommunication operators, and ensure that national regulatory authorities are protected against external intervention or political pressure.

1) *Ordonnance n°2021-650 of May 26, 2021.*

Health sector

As a cloud service provider, OVHcloud is subject to obligations when providing services to organisations in the health sector. For example, French law requires health data hosting providers (*i.e.*, any person hosting personal health data collected in the course of prevention, diagnosis, care or social and medical monitoring activities on behalf of natural or legal persons having produced or collected such data or on behalf of the patients themselves) to comply with specific obligations. Such obligations include receiving proper certification or receiving prior approval from public authorities as per the French Public Health Code, and entering into an agreement with customers in the health sector, setting out mandatory provisions prescribed by L. 1111-8 of the French Public Health Code. OVHcloud is also subject to the requirements of other jurisdictions in which it operates, such as Italy, Poland, Germany and the United Kingdom.

In 2016, OVHcloud benefited from the "health data host" accreditation and, since 2018, it has operated a management system that allows several of its cloud offerings to comply with the requirements of this accreditation. In 2019, OVHcloud obtained the French HDS (*hébergeur de données de santé* – health data host) certification for its Hosted Private Cloud offering. In 2020, this certification was extended to OVHcloud's dedicated servers, and it was extended to OVHcloud's Public Cloud offering and Trusted Exchange in 2021.

Financial sector

Companies in the financial sector (including credit institutions and investment firms) may also be subject to industry specific obligations that may reflect on OVHcloud in the context of the provision of its services. In particular, in 2019, the European Banking Authority ("**EBA**") issued "Recommendations on outsourcing to cloud service providers" applicable to outsourcing arrangements. These recommendations create obligations with respect to security of information systems and audit rights for the benefit of the outsourcing banks, which they must impose on their cloud service providers when using their services. OVHcloud aims to offer contractual conditions applicable to financial service operators that ensure that customers are able to implement an outsourcing policy which is compliant with the EBA's recommendations and with local European regulations.

Financial service operators may also require OVHcloud to comply with specific national regulations. For instance, OVHcloud may have to comply with French regulations such as of the French Prudential Supervision and Resolution Authority ("**ACPR**") on essential outsourced services such as banking operations. Companies outsourcing essential services must ensure that service providers guarantee the protection of confidential information, implement back-up mechanisms in the event of significant difficulties affecting service continuity and provide the ACPR, in carrying out its missions, with access to essential outsourced information. With respect to internal procedures for managing information system security, the American Institute of Certified Public Accountants ("**AICPA**") delivered SOC I-II type 2 certifications to OVHcloud.

With respect to bank data hosting and the reduction of card fraud, OVHcloud's premier Hosted Private Cloud is compliant with the Payment Card Industry Data Security Standard ("**PCI DSS**"). OVHcloud's data centres in France, Canada, the United Kingdom, Germany and Poland comply with PCI-DSS.

On 27 November 2022, the European Commission adopted a Regulation on Digital Operational Resilience for the Financial Sector ("**DORA**"). This regulation follows a proposal by the 2020 European Commission imposes a number of requirements on cloud outsourcing arrangements in the financial sector. The proposed regulation covers a broad range of regulated financial entities, including credit institutions (such as banks), central securities depositaries, insurance companies and certain fund managers, among other entities. It imposes a number of risk management requirements on these financial entities relating to information and communications technology, some of which apply directly to outsourced cloud activities.

In particular, financial sector entities covered by the proposed regulation are required to take a number of steps to address risks in their relationships with third parties, such as cloud service providers, including ensuring that their cloud services contracts provide a full description of the services provided with qualitative and quantitative performance targets, and include provisions governing integrity, security, protection of personal data, recovery in case of failure, rights of inspection and audit, and termination provisions with clear exit strategies. The proposed regulation contemplates the approval of standardised contractual terms by the European Commission.

In addition, the regulation imposes a new oversight framework on critical third-party service providers (including cloud service providers), subjecting them to individual oversight plans adopted by European financial regulatory bodies responsible for supervision of banks, securities markets or insurance companies, depending on which such sector primarily uses the services of the relevant provider. The determination of which services are critical depends on their potential systemic impact, the dependence of financial entities on them for critical functions and the availability of alternatives. The oversight plan can impose requirements in areas such as security and quality, contractual terms, and subcontracting, with financial penalties imposed in case of non-compliance, up to 1% of global revenue of the service provider in the most recent year. The oversight bodies have broad inspection and auditing rights and investigative powers. The adopted regulation also prohibits financial entities from using a service provider from a country outside the EU for critical cloud functions.

Environmental and industrial risks

Many of OVHcloud's data centres are located in former industrial buildings, some of which are classified as presenting environmental or other risks under applicable French legislation. OVHcloud's data centres outside of France may also be classified as presenting environmental risks under local regulations. In order to comply with the applicable regulations, OVHcloud is sometimes required to submit applications and receive authorisations to operate. In connection with the application process, OVHcloud may be required to take certain remedial measures.

Additionally, operations permits are required in most countries where OVHcloud operates its data centres. The regulations primarily concern air emissions, industrial waste management, water and effluent management, fire risk management and noise management.

1.6.2 Legislation and regulations in the United States

Because OVHcloud has a US subsidiary, as well as customers and data centres in the United States, it is also subject to US regulations applicable to cloud service providers at the local, state and federal levels. These regulations include those intended to enhance data privacy and security, as well as those that grant data access rights for purposes of national security. In addition to state laws across the US that require notice to customers in the event of a data breach in which their personally identifiable information has been disclosed, the two main US regulations relevant to OVHcloud are the Cloud Act (as defined below), which applies at the federal level, and the California Consumer Privacy Act, which applies at the state level in California. OVHcloud believes that only its US subsidiary is subject to these rules, as it segregates its non-US activities from those conducted by its US subsidiary.

The Cloud Act

The United States Clarifying Lawful Overseas Use of Data Act (the "**Cloud Act**") is a US federal law, effective since March 2018, which amended the Stored Communications Act of 1986 to permit US law enforcement to access electronic information held by businesses that are subject to US personal jurisdiction, including cloud service providers, in connection with a criminal investigation. US law enforcement may access such electronic information regardless of whether it is stored inside or outside of the United States. Under the Stored Communications Act, OVHcloud's US subsidiary may be compelled to provide certain electronically stored information in the subsidiary's possession, custody or control to US law enforcement authorities pursuant to a court order, warrant or subpoena. OVHcloud has structured its corporate organisation and business activities so that electronic information stored on servers maintained by non-US Group subsidiaries should not be considered to be in the possession, custody or control of the US subsidiary. As of the date of this Universal Registration Document, OVHcloud is not aware of any case law with respect to this issue. Accordingly, such electronic information generally should not be subject to compelled disclosure under the Stored Communications Act.

The Cloud Act also allows the US government to enter into data-access agreements with foreign states through which the participating states' law enforcement can request information held by businesses subject to the partner country's jurisdiction. As of the date of this Universal Registration Document, the US government has a bilateral agreement with the United Kingdom pursuant to which US law enforcement officials can obtain electronic information stored by cloud companies subject to UK jurisdiction, and UK law enforcement officials can likewise obtain electronic information stored by cloud companies subject to US jurisdiction, such as OVHcloud's US subsidiary. OVHcloud is closely following the new potential decision from the European Commission with respect to the US-UK bilateral agreement and will implement any additional technical and organisational measures that may be required. Additionally, OVHcloud does not currently host any customer data in the UK, unless such customer expressly chooses a service located in OVHcloud's UK data centre. Furthermore, the ability of OVHcloud's UK-based team to access European customers' data in European data centres is restricted and controlled.

The US government may enter into agreements similar to the US-UK bilateral agreement with other countries, which may allow US law enforcement to access electronic information held by Group subsidiaries that are subject to such partner state's jurisdiction, and for the partner state government to access electronic information held by OVHcloud's US subsidiary. In particular, since 25 September 2019, the European Union and the United States have entered into negotiations on a future treaty to facilitate access to digital evidence.

California Consumer Privacy Act

As of 1 January 2020, the California Consumer Privacy Act (the "**CCPA**") requires businesses, such as OVHcloud's US subsidiary, that process personal data of California residents to provide notices to these residents disclosing their privacy practices. The CCPA also grants California resident customers the right to access or delete certain personal information collected by OVHcloud and gives them more control over the use and sale of their personal information. California residents who believe certain types of personal information have been used in violation of the CCPA would have the right to bring a legal claim against OVHcloud. The CCPA will be amended by the California Privacy Rights Act (the "**CPRA**"), which will come into effect as of 1 January 2023 and will be enforced as of 1 July 2023. The CPRA, among other changes, expands customers' rights surrounding certain of their sensitive personal information and creates a state agency for the implementation and enforcement of the CCPA and CPRA.

Virginia Consumer Data Privacy Act

On 2 March 2021, Virginia's Consumer Data Privacy Act (the "**CDPA**"), which will come into effect as of 1 January 2023, was passed. The CDPA will grant Virginia residents additional control over their personal data, including the right to delete certain personal information collected by businesses, such as OVHcloud's US subsidiary. They will also have the right to withhold their personal information from certain types of data processing.

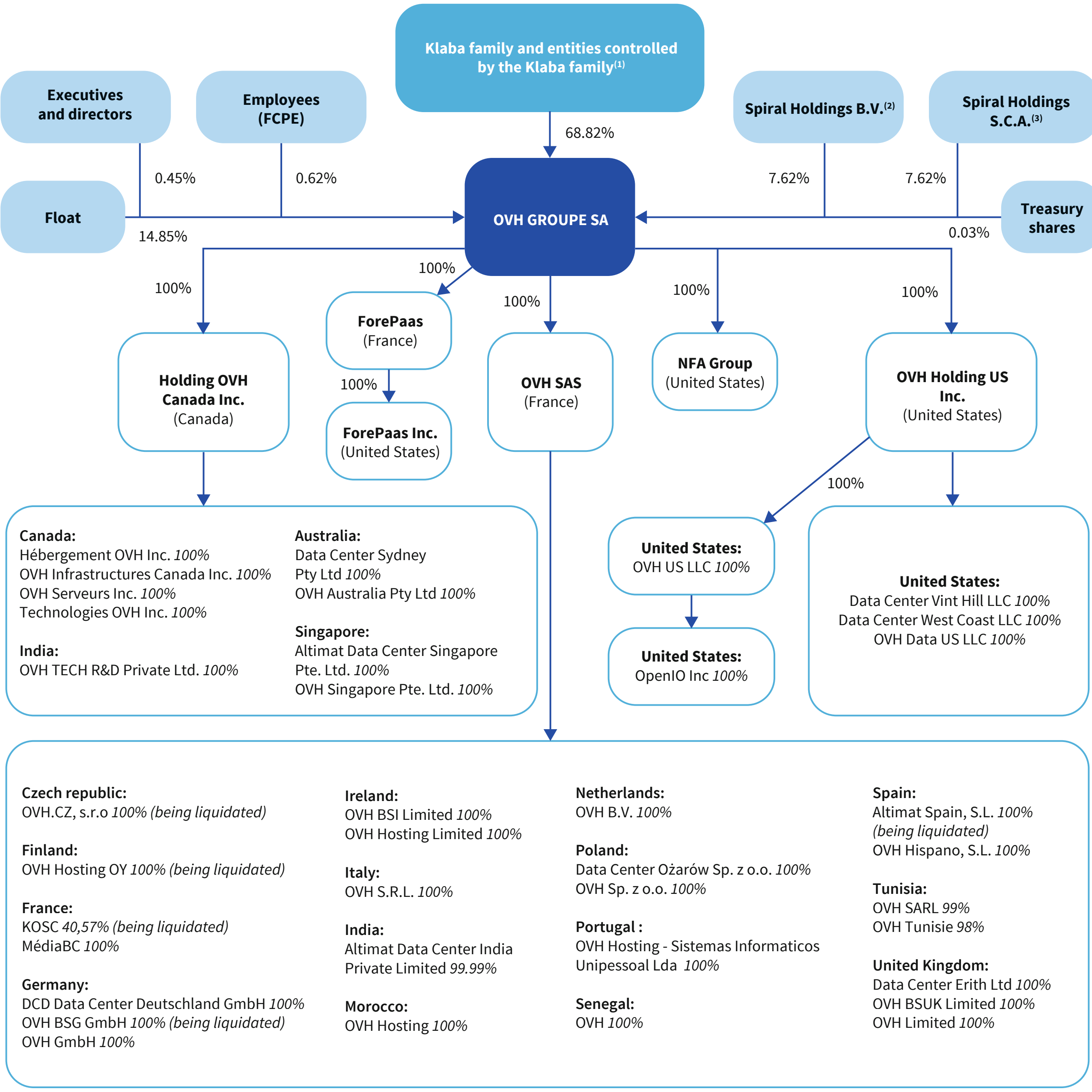
1

1.7 GROUP ORGANISATION

1.7.1 Simplified organisational chart

Simplified organisational chart on the date of this Universal Registration Document

The simplified organisational chart below shows the legal organisation of the Company and its consolidated subsidiaries as of the date of this Universal Registration Document. The percentages indicated below represent the percentages of share capital. There was no significant change in the capital ownership since end of august 2022.



(1) The Klaba family includes Messrs Henryk, Octave and Miroslaw Klaba, Mrs. Halina Klaba, as well as entities controlled by the Klaba family. As at 31 August 2022, the reporting date, these entities were Digital Scale SAS, Deep Code SAS, Yellow Source SAS, Bleu Source SAS, Innolys SAS and Invest Bleu SAS. Digital Scale SAS and Yellow Source SAS are controlled by Octave Klaba. Deep Code SAS and Bleu Source SAS are directly controlled by Miroslaw Klaba. Octave Klaba and Miroslaw Klaba each hold 50% of the share capital and voting rights of Innolys SAS. Invest Bleu is controlled by Henryk Klaba and Halina Klaba.
(2) Entity indirectly owned by investment funds managed or advised by TowerBrook Capital Partners.
(3) Entity indirectly owned by investment funds and other entities managed or advised by KKR.

1.7.2 Subsidiaries and equity interests

Main subsidiaries

At the date of this Universal Registration Document, the main direct and indirect subsidiaries of the Company are described below:

- **OVH SAS** is a French simplified stock company (*société par actions simplifiée*) having its registered office located at 2, rue Kellermann, 59100 Roubaix, France, and registered with the Lille Métropole Trade and Companies Register under number 424 761 419. The Company directly holds 100% of the share capital and voting rights of OVH SAS. OVH SAS' main businesses include data centre hosting activities, provision of cloud services, manufacturing of computers and peripheral devices, marketing activities as well as research and development;
- **OVH Infrastructures Canada Inc.** is a Canadian stock company (*société par actions*) having its registered office located at 50, rue de l'Aluminerie, Beauharnois Québec J6N0C2, Canada, and registered with Canada's business registries under number 1167756403. The Company indirectly holds 100% of the share capital and voting rights of OVH Infrastructures Canada Inc., through its holding company OVH Canada Inc. OVH Infrastructures Canada Inc.'s main business includes data centre hosting activities.
- **OVH Holding US Inc.** is an American stock company, registered under n°5103215, whose head office is located at 2915 Ogletown Road, Newark, DE, 19713. The Company holds 100% of the capital and voting rights of OVH US companies LLC, Datacenter Vint Hill LLC, Datacenter West Coast LLC and OVH Data US LLC whose principal activity of these companies is data center hosting.

Acquisitions during the period

ForePaaS

On 21 April 2022, OVHcloud announced the acquisition of ForePaaS, the unified French platform specialising in "data analytics", "machine learning" and artificial intelligence projects for companies. The 23 employees of the ForePaaS teams and its founders have joined the Group's workforce to jointly build a family of solutions, which will actively contribute to the deployment of OVHcloud's growth acceleration strategy through the enhancement of its Platform-as-a-Service (PaaS) offering. The acquisition price of €17.8 million was paid in full in cash. The purchase agreement also provides for a contingent earn-out clause of a maximum of €4.6 million, based on the achievement of operational targets.

Restructuring

Altimat Italy S.R.L., a subsidiary of OVH SAS, was liquidated on 22 August 2022.

BuyDRM was merged into NFA Group Inc. with effect from 6 October 2022.


OVHcloud

2

RISK FACTORS AND INTERNAL CONTROL

2.1 RISK FACTORS /AFR/

2.1.1 Mapping and summary table of the main risks

Risk category	Description of the risk
Risks related to OVHcloud's strategy and market	Non-realisation of the anticipated benefits of its acquisition strategy (*) Difficulties in the development of new products or services in an increasingly competitive market Risks related to the international expansion of OVHcloud OVHcloud's growth depends on increased IT spending and cloud usage by businesses Risks related to the implications of climate change
Risks related to OVHcloud's business	Supply chain risks (*) Risks related to a major interruption of OVHcloud services (*) Risks related to an incident on OVHcloud's physical infrastructures- (*) Risks related to the commercial development of OVHcloud Risks related to the launch of new projects
Human resources risks	Risks related to difficulties in recruiting and integrating new recruits Risks related to the development and retention of key people Risks related to occupational, physical or mental accidents
Financial and accounting risks	Tax risks Liquidity risks Risks related to currency exchange rates and interest rates Risks related to fraud Inflation-related risks
Legal and compliance risks	Risks related to non-compliance with certain laws and regulations Risks related to regulatory changes OVHcloud may not be able to protect its intellectual property rights.
Systems security risks	Risks related to the interruption of an internal IT system or tool Risks related to cybersecurity Risks related to data protection, loss or theft
Other risks	OVHcloud has entered into, and may continue to enter into, certain related-party transactions.

Risk management is closely monitored by Group management. The main mission of risk management is to identify, evaluate and prioritise (based on potential impact and probability of occurrence) risks, as well as to assist Group management in choosing the most appropriate risk management strategy and, in order to limit the remaining significant risks, to define and monitor the related action plans.

CSR risks are covered in Appendix II "Statement of Non-Financial Performance" ("*Déclaration de Performance Extra-Financière*" of this Universal Registration Document.

2

Risk mapping

The Group has developed a risk map in order to prevent the major risks relating to its activity, with the support of an external consultant specialising in these subjects. The risk mapping process, which was initiated in 2020, has made it possible to identify the main risks to which the Group is exposed and to assess their potential impact, taking into account their criticality, *i.e.* their potential severity and probability of occurrence.

The process of risk mapping involves the management of all Group activities and functions to a large extent, enabling the targets and challenges of all stakeholders to be taken into account. The exercise consists in particular of identifying the most significant risks for the Group, grouped into different families (strategy and markets, operational, human resources, financial, regulatory and legal, information systems). A description of the risks and their causes is provided, and for each of these risks, the probability of occurrence, their potential impact on the Group, and their current level of control are assessed. Following the assessment of the control of these risks, action plans are defined.

Progress in implementing the action plans is the responsibility of the Company's Executive Committee, which reviews them every two months. Risk mapping and action plans are presented to the Company's Audit Committee twice a year.

2.1.2 Main risks identified and system for managing these risks

The risk factors described below are, as of the date of this Universal Registration Document, those which the Company considers are likely to have a material adverse effect on OVHcloud, its business, financial position, results or outlook. The list of risks presented in this chapter is not exhaustive; other risks that are unknown or that OVHcloud does not consider to be significant at the date of this Universal Registration Document could have such an adverse effect.

In accordance with Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended, this chapter presents the risks identified as part of OVHcloud's significant risk mapping, which assesses their materiality (*i.e.* their potential impact and likelihood of occurrence), after taking into account the plans to mitigate these risks.

Within each risk category listed below, the risks that OVHcloud considers to be the most significant at the date of this Universal Registration Document are listed first and marked with an asterisk (*).

2.1.2.1 Risks related to the OVHcloud strategy and market

Non-realisation of the anticipated benefits of its acquisition strategy (*)

Description of the risk

OVHcloud expects to make acquisitions in order to expand its service offering portfolio (particularly in the area of software platform services) and geographic footprint. Acquisitions and other similar transactions and arrangements involve significant challenges and risks.

In general, when OVHcloud makes acquisitions, it is exposed to the risk that they will not contribute to the implementation of OVHcloud's strategy, that OVHcloud will receive an unsatisfactory return on its investment or that it pays too high a price, including due to liabilities or conditions that were not identified during the due diligence process prior to the acquisition. There is also the risk that OVHcloud will have difficulty integrating and retaining new employees, new business systems and new technologies, or that the acquisition distracts management from other OVHcloud activities. It may take longer than expected to realise the full benefits from these transactions and arrangements, such as increased revenue or enhanced efficiencies, or the benefits may ultimately be smaller than OVHcloud expected. These events could adversely affect OVHcloud's business, financial position and operating results.

Management of the risk

Within OVHcloud, the strengthening of the financial teams dedicated to acquisitions makes it possible to improve the sourcing of potential acquisitions and to have a regular link with the banks and the Company's ecosystem, to ensure the proper monitoring of changes in the market.

Dedicated teams from several departments are involved throughout the acquisition process in order to anticipate and monitor project developments. A systematic and comprehensive approach to the various teams is carried out during the acquisition process. A regular review is maintained during the integration phase to ensure the smooth running of the integration process. OVHcloud has made several acquisitions in recent years, which has strengthened the processes while improving the expertise of OVHcloud teams to select and integrate the acquired companies and assets. For instance, the successful integration of ForePaaS, acquired in April 2022, translates by the departure of any of the 23 employees present at the time of the acquisition, allowing ForePaaS and OVHcloud to deliver as planned the product development.

The success of these transactions and arrangements will depend in part on OVHcloud's ability to leverage them to enhance its existing cloud offerings or develop compelling new ones.

Difficulties in the development of new products or services in an increasingly competitive market

Description of the risk

The markets in which OVHcloud operates are rapidly evolving and highly competitive. In order to be competitive in these markets, OVHcloud must continually innovate and adapt its offers to changing customer needs. A significant part of the anticipated growth of the cloud market depends on innovations in areas such as graphic processing units, containerisation, hyper-convergence and edge computing. OVHcloud's ability to grow and win customer business will depend to a significant extent on its capabilities in these and other developing areas, in which many of OVHcloud's competitors have (and are likely to continue to have) leading offerings. OVHcloud believes the pace of innovation in cloud products and services is likely to continue to accelerate as customers increasingly base their purchases of cloud offerings on their needs for new and upgraded features that are expected to drive a significant share of future market growth. The future success of OVHcloud depends on its ability to continue to innovate in response to these demands (which means continuing to invest in technologies, services and partnerships) and increasing customer adoption of its cloud offerings.

Additionally, as the markets in which OVHcloud operates continue to mature and new technologies and competitors enter such markets, competition might intensify. Many of OVHcloud's competitors are much larger, well-known international cloud companies, including the so-called "Hyperscalers" (Amazon Web Services, Google Cloud Platform and Microsoft Azure), as well as other established cloud providers such as IBM Cloud and, in Asia, Alibaba Cloud. In Europe, OVHcloud also competes against cloud specialists such as Hetzner, Leaseweb and iomart, and many emerging cloud providers. As OVHcloud expands its offering of software platforms, it will also compete to a greater degree with other companies in these markets, such as Salesforce, Oracle, IBM and SAP. New competitors are likely to continue to enter the market as it evolves. For example, Microsoft, Orange and Capgemini announced the formation of the partnership (Bleu), which aims to offer sovereign data cloud solutions that could compete with those of OVHcloud.

Many of OVHcloud's competitors, particularly outside Europe and in the public cloud space, have greater brand awareness, larger customer bases, extremely aggressive business practices and greater financial, human or technical resources, than OVHcloud. These same competitors are likely to be able to respond more quickly than OVHcloud to new markets and developments in terms of opportunities, technologies, standards, customer requirements and purchasing practices. The Hyperscalers, in particular, are among the largest and best known information technology companies in the world, with established relationships on a global, regional and local scale, and brand recognition that OVHcloud is unlikely to be able to achieve. The Public Cloud market, which is dominated by the Hyperscalers, is expected to be the fastest growing segment of the cloud market. If OVHcloud is unable to compete effectively against the Hyperscalers, its growth prospects could be adversely affected.

If OVHcloud is unable to enhance its cloud offerings to keep pace with market evolutions, or if competitors emerge that are able to deliver competitive offerings at lower prices, more efficiently, more conveniently or more securely than OVHcloud's cloud services, OVHcloud's business, financial position and operating results could be adversely affected.

Management of the risk

OVHcloud positions itself against its competitors on the basis of various factors, including: price, performance, multi-cloud and hybrid cloud trends, customer support, scalability, reliability, data sovereignty, security, sustainable development, energy efficiency and compatibility with existing standards.

In order to continue to offer new solutions and maintain its positioning, OVHcloud has an open development strategy. For example, the Company can build on open source software and acquire new technological bricks by integrating companies such as ForePaaS, acquired in 2022. OVHcloud also has internal teams to develop its product roadmap and the Company can forge partnerships with recognised players in their fields, such as MongoDB or Nutanix, if it considers that the products are standards expected by its customers. During its fiscal year 2022, OVHcloud invested 92.2 million euros in research and development, as detailed in note 4.10 of chapter 5 of the this Universal Registration Document.OVHcloud also has an integrated industrial production tool and dedicated research and development teams that enable it to quickly adapt its manufacturing and supply needs to support product changes.

Risks related to the international expansion of OVHcloud

Description of the risk

As part of its growth strategy, OVHcloud is seeking to expand its income from other regions, including in Continental Europe (outside France), Northern Europe and the United States.

OVHcloud may face significant challenges in its efforts to expand its international income. Outside its home market of France, OVHcloud has lesser brand recognition and does not benefit from the historical web hosting market leadership that it enjoys in France, reducing opportunities for cross-selling. Market dynamics and customer preferences in international markets are likely to be different from those of OVHcloud's traditional markets and local policies of economic patriotism can make it difficult to access new territories. Certain markets that OVHcloud targets (such as the United States market) are dominated by hyperscalers, and the expansion of OVHcloud in these markets will depend on its ability to market its products to customer segments that it believes are users of this type of service, such as smaller companies ("level 2") and systems integrators. Even if OVHcloud is able to expand internationally, managing international operations requires a more structured organisation and greater resources than managing operations in OVHcloud's home market, which will increase OVHcloud's overhead expenses even if there is a not a corresponding increase in income generated from these new markets.

OVHcloud could be faced with geopolitical tensions in certain countries or regions that would limit its ability to develop its commercial offering locally. OVHcloud could also suffer a nationalisation of its assets or abusive legal attacks. Accordingly, OVHcloud might not meet its international expansion targets, and even if it does, there can be no assurance that the profitability of its expanded international activities will be satisfactory.

Management of the risk

OVHcloud has developed several programmes and initiatives to limit the risks associated with its international expansion. The creation of commercial clusters allows OVHcloud to have local teams, experts in their regions with knowledge of local specificities, in order to define the commercial or product offers that are most in line with the expectations of local customers. This organisation also makes it possible to control and anticipate any changes in the markets, both by the end customer and by local public authorities.

The Company has also set up a programme dedicated to assessing and monitoring projects to open new data centres ("GEOS programme"). This programme involves all the teams concerned by a project to open a data centre and makes it possible to anticipate potential obstacles.

Situation in Ukraine

With regard to the current geopolitical situation between Russia and Ukraine, the Group is constantly monitoring its domestic customers in Russia, Belarus and Ukraine. As of the date of this Universal Registration Document, the Group states that it strictly complies with the regulations in force. Furthermore:

- revenue generated in Russia, Belarus and Ukraine represents approximately 1.5% of the Group's revenue as at 31 August 2022;
- the Group does not have any employees in Ukraine, Russia or Belarus;
- the Group has no service providers (individuals) based in Ukraine;
- it has no infrastructure in these three countries;
- there is no material risk of recovery of receivables due at 31 August 2022.

OVHcloud's growth depends on increased IT spending and cloud usage by businesses

Description of the risk

OVHcloud expects that a significant portion of its growth will result from the rapid growth of the cloud market segments in which it operates. Continued market growth depends on businesses continuing to increase their spending on outsourced IT infrastructure, and devoting a greater share of their IT spending to the cloud.

While cloud spending has increased significantly in recent years, there can be no assurance this trend will continue in the future. The rate of growth in spending will depend on a number of factors that are beyond OVHcloud's control, including overall business spending and investment levels, decisions relating to the allocation of such spending to cloud projects, the level of confidence of businesses in cloud services (which could be adversely impacted by any service incidents in the market), the development of new cloud-based services, regulatory developments, sustainability concerns (given the significant use of electricity and water in data centres) and other factors.

Even if the cloud market continues to grow as a general matter, the rate of growth could be lower in the product and geographic segments that generate most of OVHcloud's income. In FY2022, 62% of OVHcloud's income was realised in the Private Cloud market, which has grown, and is expected to continue to grow, at a less robust pace than the Public Cloud market. In addition, 78% of OVHcloud's revenue for the 2022 financial year was generated in France and elsewhere in Europe, which is a significantly smaller cloud market than the United States. Businesses in Europe have been slower to adopt cloud solutions than in other markets (such as the United States). If they do not increase their cloud spending, the growth of the market in Europe could turn out to be lower than expected.

OVHcloud's revenue growth will also depend on the growth rate of the Web Cloud market, which includes website hosting, domain name registration, telephony and other services. The Web Cloud market is more mature than the cloud market generally, and is expected to grow at a slower rate than the cloud market in the coming years.

As a consequence, OVHcloud's overall revenue growth could be lower than that of the cloud market generally, and lower than that of other cloud market participants. Slower revenue growth could negatively impact OVHcloud's profitability and financial position, as well as the market price of its shares.

Management of the risk

OVHcloud reduces these risks by diversifying its geographical presence, its offerings and the profile of its customers. OVHcloud is the European cloud leader and has a global footprint with a commercial presence in 140 countries. In 2022, OVHcloud generated 49% of its revenue in France, 29% in Europe (excluding France) and 22% in the rest of the world. In addition, OVHcloud offers its customers a varied range of products and services that meet different needs and are not exposed to the same economic dynamics. Lastly, the growth strategy focused on key account customers enables OVHcloud to strengthen its diversification with customers with greater financial strength and significant development prospects in the cloud.

Risks related to the implications of climate change

Description of the risk

Due to the geographical scope of its operations and sites, the Group could be exposed through various causes to:

- Occurrence of extreme natural disasters such as floods, earthquakes, extreme droughts, "giant" fires, landslides, cyclones or tsunamis;
- Tightening of regulations on energy management (electricity), water use and building construction standards;
- Occurrence of occasional or permanent shortages (water, electricity, etc.).

This risk is exacerbated by climate change, which has a direct impact on the frequency and severity of these events. Large-scale or repetitive natural disasters can also lead to exceptional situations of disruption of the external physical infrastructures and means of communication on which OVHcloud depends to carry out its activity, and cause damage to the infrastructures for which it is responsible. OVHcloud may thus temporarily be unable to implement its services according to the conditions defined by the contracts. The Group may have to compensate for unavailability by means of costs that exceed forecasts. For example, the multiplication of heat wave events could increase the operating cost of the Group's cooling systems.

Management of the risk

The implementation of OVHcloud services requires constant vigilance and anticipation. In addition to regulatory requirements, OVHcloud offers solutions to actively manage risks related to natural disasters, in particular with its hyper resilience plan, through:

- The CSR function integrated into the Group Strategy Department and represented on the Group Management Committee;
- The integration of environmental innovation into R&D projects (reduction of energy consumption or reduction of the need for natural resources such as water);
- Diversification of energy supplies including low-carbon energy;
- Deployment of a comprehensive risk management process:
  - identification and assessment of the exposure of sites to natural disasters;

- risk mitigation through the implementation of corrective and preventive actions;
- duplication of production and operating resources through the redundancy of equipment, facilities and services;
- analysis with customers of the vulnerabilities of the deployed infrastructures and support and advice on optimisation;
- acquisition and development of new solutions focused on business continuity recovery.

The risk related to natural disasters is reduced thanks to: (i) the choice of site locations in order to limit their exposure, (ii) the analyses of the various scenarios allowing the implementation of adapted prevention plans, as well as (iii) the development of business continuity plans. Site audits and insurance systems supplement the measures for managing this type of risk.

2.1.2.2 Risks related to OVHcloud's business

Supply chain risks (*)

Description of the risk

OVHcloud could be exposed to the failure of a key supplier or to difficulties in sourcing key components. OVHcloud servers use components from major global manufacturers such as Intel and AMD for microprocessor chips, Micron Technology and Samsung for memories, Arista and Cisco for network equipment and Seagate and Toshiba for hard drives. The global market for components is currently experiencing shortages and delays, as a result of increased demand arising from greater use of information technology during the Covid-19 crisis.

The Company could experience disruptions in its supply chains, for example related to the continuation or worsening of the Covid-19 pandemic or to geopolitical tensions, which would impact server production and data centre operations. There are a limited number of suppliers of electronic components worldwide, and certain of them are located in markets in East Asia that are subject to potential disruption for geopolitical reasons. Despite regular, high-level contacts, the size of OVHcloud on the global market limits its ability to sign generalised delivery agreements.

If OVHcloud is unable to obtain a sufficient number of electronic components, it may dismantle existing servers and reuse electronic components to manufacture new servers. The re-utilised electronic components may have lower performance features, and may experience more disruptions, than new processors. This may lead to impaired service quality or service disruptions, which could increase the risk of customer churn and reputational harm, and cause a negative impact on OVHcloud's business, financial position and operating results, and it could specifically bring OVHcloud to increase its stock or the production costs of its servers.

Management of the risk

Thanks to its vertically integrated model, OVHcloud can control the entire value chain. OVHcloud builds precautionary inventories, in order to be able to withstand temporary disruptions, and has a well-organised purchasing organisation.

OVHcloud's model also allows it to plan and anticipate certain orders and guarantees flexibility. Finally, the purchasing teams continue to develop commercial relationships with OVHcloud suppliers in order to negotiate supply contracts at the global level.

In addition, OVHcloud has a recycling policy based on a logistics chain allowing the reuse of components and equipment. In this context, OVHcloud recovers the components from equipment considered to be at the end of its life, subjects them to tests and then reuses those it believes could be used inside new equipment.

Risks related to a major interruption of OVHcloud services (*)

Description of the risk

OVHcloud relies on access to sufficient and reliable electric power, internet, telecommunications and fibre optic networks to successfully operate its business. In addition, OVHcloud's proprietary water-cooling system for its servers requires OVHcloud to have access to substantial volumes of water at its data centres. Any interruption in these services could result in OVHcloud not being able to provide customers with its cloud offerings at adequate performance levels, or at all. For example, in 2017, the electric power supply was interrupted at one of OVHcloud's Strasbourg data centres, and the backup power supply did not function properly, resulting in a service outage for approximately three hours. In addition, in the context of an energy shortage, OVHcloud is exposed in certain countries to a risk of electricity shedding that could lead to a temporary interruption of its services. Any interruption in these services could result in OVHcloud not being able to provide customers with its cloud offerings at adequate performance levels, or at all.

OVHcloud's solutions rely on third-party software and open-source software maintained by organisations of which OVHcloud is only one of many members. For example, OVHcloud's Hosted Private Cloud solutions rely on virtualisation software provided by VMWare, and its Public Cloud solutions rely on the OpenStack and Kubernetes platforms. In addition, OVHcloud depends on the availability of licenses for software used by its business customers, such as Office365. If there are vulnerabilities, bugs or corruptions in this underlying software, or if the software ceases to be available, or if competing software gains greater market acceptance, OVHcloud may suffer disruptions or other performance and quality problems. If the software upon which OVHcloud depends experiences these or other deficiencies, or if licenses are unavailable or contain restrictions, OVHcloud's competitive position may decline and customer churn may increase, either of which would have an adverse impact on OVHcloud's reputation and profitability.

In its service contracts, OVHcloud typically commits to its customers that its platform will maintain a minimum level of availability, through service-level agreements (SLAs). For example, OVHcloud undertakes to maintain a service level of 99.9% availability for the Premier offers in the Hosted Private Cloud segment. In OVHcloud's Public Cloud offerings, OVHcloud commits to maximum recovery times in case of outages. If these outages are caused by a problem outside of OVHcloud's control, it could be difficult for OVHcloud to meet its SLA commitments.

Although OVHcloud considers that it has put in place adequate safeguard measures depending on the services subscribed, these may prove insufficient to prevent an interruption of service. Additionally, OVHcloud may face costs associated with repairing such service disruption. All of the above consequences could have a negative impact on OVHcloud's business, financial position and operating results.

Management of the risk

Thanks in particular to its water-cooling model, OVHcloud is constantly trying to reduce its electricity and water consumption. The effectiveness of this model can be found in the PUE (Power Usage Effectiveness) ratio, which reached 1.28 in 2022, as detailed in Chapter 3 of this Universal Registration Document. In the same way, since water-cooling is carried out in a closed circuit, OVHcloud consumes much less water for the operation of its data centres compared to a traditional data centre cooled by an air conditioning air-cooling system. This performance is reflected in the WUE (Water Usage Effectiveness) ratio, which reached 0.26 l/kWh.

OVHcloud also provides for several redundancy measures in the event of power outages, for example with the implementation of several electricity delivery points in its data centres or with the presence of a diesel generator on site that can be activated in the event of an outage.

In order to be able to intervene as quickly as possible in the event of a breakdown, OVHcloud has organised its technical support to be available 24 hours a day, seven days a week, in a “follow the sun” organisation. An NOC (Network Operating Centre) team is always present to ensure the availability of the internet network and intervene if necessary.

Lastly, OVHcloud develops its software in Open Source, which it considers to be a significant advantage in ensuring the quality and availability of the software developed. The number of independent developers or other companies working together on this software is a guarantee for the robustness and quality of the code. All of this work is generally public, which also allows for auditability and transparency in the code.

Risks related to an incident on OVHcloud's physical infrastructures (*)

Description of the risk

Many of OVHcloud’s data centres and server manufacturing facilities are housed in former industrial buildings. Depending on the age of these buildings, the industry of the former occupant and the industries of neighbouring facilities, certain of OVHcloud’s facilities may have existing structural and environmental defects that may present safety and compliance risks or require OVHcloud to spend significant amounts on remediation.

Some of OVHcloud’s data centres and manufacturing sites engage in activities that are classified as presenting environmental or other risks under applicable French legislation. In many such cases, OVHcloud is required to obtain permits from competent governmental authorities before commencing operations. The application process is costly and time consuming, and OVHcloud could be required to remedy defects and risks as a condition to obtaining the necessary authorisations. In this respect, the application for authorisation for the Roubaix site submitted in 2019 was the subject of additional requests from the authorities during its investigation, and authorisation was granted in 2021, a few months after the additional information requested was provided. With respect to the other sites, the Company is not aware of any refusals by the administration, has not been forced to close any data centres, and has not been subject to any sanctions. While all required applications have been submitted or are in process with a view to OVHcloud obtaining such authorisations, it cannot be certain that such authorisations will be granted. The administration’s requests may require investments in compliance to reduce the potential impact of claims related to classified activities (for example: fires or water pollution). If it operates activities in sites that are subject to administrative authorisations, until these authorisations are formally granted, OVHcloud could be subject to administrative sanctions or be obliged to suspend its classified activities on the sites concerned, which could lead to a loss of customer service and impact OVHcloud's income and reputation.

Additionally, OVHcloud may incur liability based on various building conditions. For example, some of OVHcloud’s facilities may contain, or may have contained, hazardous substances, or may not be in compliance with current health and safety standards or building codes.

Lastly, OVHcloud has been, and may be in the future, subject to litigation in relation to the state of its facilities or nuisances (such as noise and heat) generated from such facilities. It is currently subject to claims of this nature with respect to its data centre in the nineteenth *arrondissement* of Paris, and while the financial impact of these claims is not expected to be significant, OVHcloud may need to modify its operations to resolve them. If any of this litigation cannot be resolved in a timely and cost-effective manner, OVHcloud’s business, financial position and operating results may be harmed.

OVHcloud’s Paris data centre hosts applications that are essential to the OVH Groupe’s internal operations. If an incident were to affect this site, the consequences could be significant for the Company. Thus, OVHCloud has begun the migration of all the services it contains on other sites. This migration, which is currently underway, should be completed during the first quarter of 2023 and will strengthen the applications concerned.

OVHcloud’s data centres could be affected by destructive natural events that would impact the Company’s activities.

Management of the risk

While OVHcloud commissions environmental and safety audits before acquiring sites for data centres, it cannot be certain that these audits will reveal all defects and risks, or that the cost of remedying any such defects and risks will be consistent with the amounts budgeted by OVHcloud for such purpose.

Although OVHcloud’s policy is to seek to remedy any risks that are identified, doing so could be costly and time-consuming, and failure to make necessary repairs and to complete any other required work could damage OVHcloud’s reputation, subject it to liability and disrupt its business.

More generally, OVHcloud carries out reviews of facilities with its insurers in order to prevent potential risks in advance.

Following the Strasbourg fire, OVHcloud is implementing a “hyper resilience” plan in order, among other things, to take security standards in its data centres beyond the regulatory standards and insurers' recommendations.

The data centres have 24/7 physical security, a highly regulated and controlled access policy, and have dedicated anti-intrusion systems.

Strasbourg incident

During the night of 9-10 March 2021, a major fire broke out at one of OVHcloud’s four data centres in Strasbourg, France. A judicial appraisal was conducted by the Court of Justice of Strasbourg by order on 27 April 2021 following an interim summary issued by the Company and its insurer AXA to determine the origin of the fire and the possible aggravating factors. Based on the information currently available, it appears that the fire started in an energy room housing electrical equipment. To date, the forensic appraisal is still ongoing, the mission of the forensic appraisers having been extended until 30 August 2023.

As a result of the fire, OVHcloud was required to cut off electricity at the entire site, closing all four Strasbourg data centres. The data centre at which the fire occurred was destroyed, and a second data centre was partially damaged. While OVHcloud transferred as many customers as possible to other data centres, many customers lost service for a significant time period. In addition, because data backup services are optional, paid services for most customers, some of OVHcloud's customers did not have them, and those that had not carried out their own backups experienced a permanent loss of data.

The fire and its consequences had a significant financial impact on OVHcloud and could have additional consequences that may impact the financial statements for future periods. At 31 August 2022, the balance of the provision amounted to €24.5 million. The provision was determined in conjunction with the Company's advisors, after studying customer claims by exposure category, even though not all the claims received have yet been settled or adjudicated.

OVHcloud has declared to its insurers, as part of its property damage and civil liability insurance policies, the incident related to the Strasbourg fire and its consequences, including losses from customer claims. In September 2021, OVHcloud's insurers paid it a single lump-sum indemnity of €58 million for direct damage caused by the fire.

Legal proceedings related to the Strasbourg incident

OVHcloud has become, and may continue to become, the subject of legal actions initiated by customers that have suffered alleged losses as a result of the fire, including actions for damages for loss of service and loss of data. While OVHcloud's customer contracts contain clauses limiting OVHcloud's liability, customers may argue that their losses are not covered by these clauses, or that the clauses are unenforceable.

At 31 August 2022, OVHcloud had received a limited number of complaints and requests for information from customers alleging to be affected by the Strasbourg incident, a significant portion of which were received in the first three months following the fire. Customers, located primarily in France and to a lesser extent in other European countries, are requesting information about the data stored on the OVHcloud servers, recovery of any lost data and, in some cases, monetary compensation. The requests for compensation are generally for small individual amounts, or are not quantified.

OVHcloud believes that, in a significant proportion of cases, customer claims are unfounded, and that in most other cases the commercial gestures already spontaneously granted to customers largely compensate for any prejudice suffered by them. OVHcloud has endeavoured to find an amicable agreement to settle customer claims whenever possible.

OVHcloud may be required to pay certain amounts as part of settlement agreements, or as a result of definitive legal decisions. In addition, OVHcloud incurs certain costs related to the management of this litigation and these agreements. In this respect, OVHcloud does not consider that the total cost of appraisal costs, procedural costs and customer claims has changed since 31 August 2021. At 31 August 2022, the balance of the provision amounted to €24.5 million. The provision was determined in conjunction with the Company's advisors, after studying customer claims by exposure category, even though not all the claims received have yet been settled or adjudicated.

Risks related to the commercial development of OVHcloud

Description of the risk

The majority of OVHcloud's customer contracts are short-term and can generally be cancelled by the customers with little or no prior notice. In the Public Cloud segment, OVHcloud's income is generated through usage fees, and customers are not required to maintain any minimum level of usage. In the Private Cloud segment, OVHcloud's customers generally subscribe on a monthly basis, and can cancel their subscriptions at any time (subject in certain cases to minimum engagement durations). Accordingly, OVHcloud bears the risk of customer churn, which could occur or accelerate at any time. If OVHcloud's customers cancel their contracts or reduce their use of OVHcloud's services, OVHcloud's income and profitability will be adversely impacted.

OVHcloud markets its service offerings in part through third parties such as system integrators and other IT consultants, as well as through web agencies, which propose OVHcloud's services to their own customers. OVHcloud's income growth plans depend in part on its ability to successfully expand income generated through this marketing channel. It cannot be certain that it will be able to achieve its target. When OVHcloud markets its services through third parties, it gives up a measure of control over the process, and it depends on the third party's relationship with its customers in order to attract those customers. OVHcloud's relationships with its third party marketing partners are not exclusive, and the partners might decide to promote the offerings of competitors over those of OVHcloud, in which case OVHcloud would lose income generation opportunities. If a marketing partner includes OVHcloud's services in a package that includes other IT services, a problem in the delivery of those other services, or the negligence or malfeasance by such marketing partner, could lead customers to reduce their use of the entire package, including OVHcloud's services. Moreover, any event that impacts the reputation of a reseller could indirectly impact OVHcloud's reputation. Such incidents, if they were to occur, could negatively impact OVHcloud's income and market position.

Management of the risk

OVHcloud continually improves its customer service and puts customer satisfaction at the heart of its policy. This strategy has shown results and enabled OVHcloud to post a net retention rate of 114% in 2022, an improvement compared to 2021. In addition, OVHcloud increasingly offers its customers the option to subscribe to its services and products with commitments over several months, in return for a reduction on public prices. This option allows OVHcloud to ensure increased visibility on the evolution of its existing revenue.

Finally, the revenue generated by OVHcloud's partners reached double-digit growth in 2022. This performance illustrates the success of the growth strategy with third parties. Thanks to its significant price/performance ratio and its positioning across all cloud businesses, OVHcloud offers its partners the possibility of proposing extremely competitive offerings that meet a wide range of their needs to their own customers. This momentum is maintained by OVHcloud with, in particular, training sessions for resellers and integrators to ensure that their internal teams are aware of OVHcloud's offerings and are able to sell and make the best use of the services and products sold by the Company.

Risks related to the launch of new projects

Description of the risk

As part of its activity, OVHcloud regularly develops and launches new services and products. These launches may represent significant marketing and commercial expenses and may not find the success expected by the Company. Several factors can negatively influence this type of launch, whether it is an erroneous analysis of the market and customer expectations or a too early or poorly targeted "go-to-market". Failure to launch new projects could prevent OVHcloud from achieving its income growth targets, which would have an adverse impact on its profitability.

Management of the risk

OVHcloud has implemented strict decision-making processes for new project launches with mandatory steps. These processes make it possible to involve the various teams mobilised on these projects and ensure optimal development, in-depth market studies and a structured launch. A team is dedicated to managing these new projects and monitoring processes. This team is also responsible for the monitoring and continuous improvement of recently launched projects.

2.1.2.3 Human resources risks

Risks related to difficulties in recruiting and integrating new recruits

Description of the risk

It is important to OVHcloud's business to attract and retain highly-skilled and international personnel, particularly engineers with expertise in software development, coding and other highly specialised information technology functions. The marketplace is highly competitive, and qualified IT personnel are in high demand, which may make OVHcloud's recruiting and retention efforts challenging.

If OVHcloud's company culture changes or is perceived negatively, or if OVHcloud is unable to develop its employer brand on par with competitors, it may experience difficulties attracting and retaining personnel. OVHcloud may not be able to achieve its commercial targets, and its business, income and finance results may suffer.

Management of the risk

OVHcloud, through its positioning as a European cloud leader, defender of European sovereignty and its growth profile, offers a unique value proposition for many recruits. In addition, the Company's continuous international development enables it to broaden the pool of talent likely to join it.

OVHcloud has set up an onboarding process lasting a full week, with the intervention of several members of the Executive Committee and a broad presentation of the Company, its businesses and its organisation. This week makes it possible to create links between new recruits from their first days at OVHcloud and to engage new recruits in the culture of OVHcloud.

Risks related to the development and retention of key people

Description of the risk

The Company employed around 2,800 people at the end of August 2022, with many employees dedicated to technical development or specialised IT topics. These professions are particularly under pressure and many companies, regardless of their sector of activity, are looking for similar profiles. Thus, OVHcloud may be faced with the departure of key people for its organisation. In addition, as the skills required in IT evolve rapidly and constantly, OVHcloud must be vigilant in providing its employees with continuous training on new issues that may arise, in particular technical issues.

Management of the risk

OVHcloud is particularly vigilant about adapting working conditions, employee loyalty and the training offered. Human resources processes are in place to support people within the Company, with monitoring of employee engagement, career development and continuous training programmes. Several loyalty drivers are in place at OVHcloud, including measures for improved living conditions at work (access to a crèche, a doctor, a gym).

For the skills most at risk, a mapping of human resources tensions is in place and makes it possible to closely monitor the development of key people.

Risks related to occupational, physical or mental accidents

Description of the risk

OVHcloud could be sued for accidents at work, physical accidents, during maintenance operations or in data centres, or mental accidents, for example following an excessive workload or a particularly stressful situation.

Management of the risk

The Company has created a "Quality, Environmental, Health and Safety Policy" ("QEHS") team dedicated to these topics. In addition to offering personal protection equipment in its data centres, the Company undergoes certification processes in order to constantly improve its security methods and standards for its teams. In order to limit mental risks, the Company has implemented several measures such as a psychosocial audit, a mental risk mapping and the existence of an alert tool. Employee surveys are carried out regularly to work on any weak signals.

2.1.2.4 Financial and accounting risks

Tax risks

Description of the risk

OVHcloud determines the amount of taxes it is required to pay based on its interpretation of applicable treaties, laws and regulations in the jurisdictions in which it operates. The tax and social security regimes applied to OVHcloud's business activities and past or future reorganisations involving Group companies, shareholders, employees and/or managers are or may be interpreted by relevant French or foreign authorities in a manner that is different from the assumptions used by OVHcloud in structuring such activities and transactions. Based on its international activity and its expansion, OVHcloud is subject to complex and evolving tax legislation which may be subject to different interpretation in the various countries in which it operates (in particular with respect to transfer pricing, sales taxes, VAT and similar taxes). OVHcloud therefore cannot guarantee that the relevant tax authorities will agree with its interpretation of the applicable legislation in their jurisdictions. Furthermore, tax laws and regulations or other compulsory levies and their interpretation and application by the jurisdictions or administrations involved may change, in particular in the context of joint initiatives taken at international or EU level, which could increase the tax burden on the Group.

Moreover, several countries have implemented a tax on digital services, demonstrating a global trend of rapid and unpredictable changes in tax legislation (or a broader interpretation of existing legislation) applicable to certain activities of the Group. Because the scope of application of these taxes differs between countries, OVHcloud is not affected by all of these taxes. New or revised regulations may subject the Group or its customers to additional sales, income and other taxes. OVHcloud cannot predict the effect of such initiatives. New or revised taxes could increase the cost of doing business online and OVHcloud's internal costs, which could impact both OVHcloud and its customers.

Any of the abovementioned events could adversely affect OVHcloud's business, operating results, prospects and/or financial position.

Management of the risk

OVHcloud and its legal tax teams ensure that they comply with the tax laws in which the Company operates. OVHcloud can be supported by an external consulting firm when necessary.

Tax policy

The OVHcloud Group's tax policy provides that the Group undertakes to apply the laws, regulations and tax treaties in force in all countries in which it operates.

The Group's values and ethical principles as well as its requirements in terms of social responsibility lead it to:

- conduct its operations in accordance with their economic reality;
- refuse any aggressive tax planning and the use of artificial structures located in "tax havens";
- cooperate with local tax authorities during tax audits.

None of the transactions carried out by the OVHcloud Group aims to evade the payment of tax. The Group is in the process of compiling all of these actions and provisions into a formal tax policy.

Liquidity risks

Description of the risk

Liquidity risk is the risk that OVHcloud does not have the necessary funds to meet its commitments when they fall due. In a situation of stress on the credit market, the Company may not be able to obtain the financing or refinancing necessary to implement its growth plan and this could have a negative effect on the activities and OVHcloud's operating results, outlook and/or financial position.

Management of the risk

Following its successful IPO in October 2021, with a capital increase of €350 million, and the signature in September 2021 of a new unsecured senior loan agreement for a total principal amount of €920 million, OVHcloud has strengthened its financial structure. In addition, in October 2021, the Company repaid all of its previous syndicated loan, as well as the bonds that had been issued as part of a Euro Private Placement, for a total amount of €705.2 million. At 31 August 2022, the undrawn portion of the new RCF amounted to €360 million.

Thus, after these transactions and at the end of its 2022 financial year, OVHcloud's net debt leverage reached 1.7x its adjusted EBITDA. This level remains lower than its target of remaining below a debt gearing ratio of 3x its adjusted EBITDA.

Risks related to currency exchange rates and interest rates

Description of the risk

OVHcloud's financial statements are presented in euros, while a portion of its income, expenses, assets and liabilities are denominated in other currencies, exposing OVHcloud's operating results and financial position to foreign exchange risk. In 2022, approximately 25% of OVHcloud's revenue was generated in currencies other than the euro, primarily by entities with functional currencies in Canadian dollars and US dollars, with smaller amounts realised in pounds sterling and Polish zloty. While a portion of OVHcloud's costs are denominated in these currencies, unfavourable movements in exchange rates would nonetheless adversely impact OVHcloud's operating income. An adverse change of 10% in exchange rates would have a negative impact of approximately €15 million on OVHcloud's revenue. In addition, a significant portion of OVHcloud's capital expenditure (mainly for server components) is incurred in US dollars.

If OVHcloud is not able to successfully hedge against the risks associated with currency fluctuations, its operating results could be harmed. In addition, adverse movements in exchange rates would reduce the value in euros of OVHcloud's assets denominated in foreign currencies, which would not be fully offset by changes in the value of liabilities, and would thus negatively impact OVHcloud's shareholders' equity.

The loans taken out by the Company bear interest at a variable rate equal to a reference rate plus a margin, which exposes OVHcloud to interest rate risk. If the interest rate increases, OVHcloud may be obligated to pay a greater amount of interest than currently anticipated. If OVHcloud is not able to successfully hedge against the risks associated with currency fluctuations, its operating results could be harmed.

All of the foregoing could adversely affect OVHcloud's financial position, operating results and cash flow.

Management of the risk

In order to limit the risks posed by currency and interest rate fluctuations and their potential impacts, OVHcloud uses simple and unstructured hedging instruments. Forward purchases of US dollars are regularly made to cover future expenses in this currency over the next 12 months.

In addition, as of 31 August 2022, two interest rate swaps were set up for a total amount of €375 million to fix part of the interest rates on the Company's debt.

Risks related to fraud

Description of the risk

OVHcloud could be the victim of external or internal fraud that could have a negative impact on the Company's finance results. This potential fraud could be a willful act, inappropriate use of the Company's assets or non-compliance with laws or regulations, by an employee or an external party.

Management of the risk

OVHcloud has implemented internal control procedures, which are reviewed by external auditors. Dedicated validation flows have been set up to control and monitor the issuance of credit notes and a team is responsible for monitoring and anticipating potential payment fraud.

In addition, OVHcloud has set up an internal reporting procedure that allows any Group employee to report, anonymously if they wish, any inappropriate or illegal behaviour, including behaviour constituting fraud or attempted fraud.

Inflation-related risks

Description of the risk

In an economic context of sharply increasing inflation, OVHcloud could suffer direct negative effects on its financial profile and deteriorate its margins. OVHcloud is particularly exposed to the increase in electricity costs, which are expected to increase for the 2023 financial year. The Company may not be able to pass sufficiently significant price increases to its customers to cover the widespread increase in its cost base.

Management of the risk

Thanks to its vertically integrated model, which limits the number of suppliers, OVHcloud has the ability to directly control some of the costs related to the production of servers and data centre management. In addition, the Company continues to improve its purchasing policy and logistics strategy in order to compensate for potential increases.

OVHcloud has an active strategy of hedging its electricity costs. As of the date of this Universal Registration Document, the Group knows the cost of nearly 90% of its electricity consumption for the 2023 financial year. Despite this hedge, electricity costs are expected to increase for the 2023 financial year. The Company expects them to be between 5% and 10% of its revenue (mid to high-single digit) for the 2023 financial year.

The Group has announced gradual price increases, in line with cloud industry-wide rises, which will enable OVHcloud to maintain its 2023 adjusted EBITDA margin in line with 2022.

All of the foregoing could adversely affect OVHcloud's financial position, operating results and cash flow. In addition, any further deterioration in the economic environment may have an impact on the Company and its financial position.

2.1.2.5 Legal and compliance risks

Risks related to non-compliance with certain laws and regulations

Description of the risk

Laws and regulations governing data privacy and protection and data sovereignty requirements are rapidly evolving, extensive, complex and include inconsistencies and uncertainties. As an example, the following is a non-exhaustive list of European and international texts whose provisions are likely to have an impact on OVHcloud's organisation and activities:

- the European directive on measures intended to ensure a high common level of security for networks and information systems in the European Union (the "**EU**") (directive EU/2016/1148), transposed into French law on the 26 February 2018, and imposing significant cybersecurity protection requirements on digital service providers such as OVHcloud;
- the General Data Protection Regulation ("**GDPR**") (EU) 2016/679 of 27 April 2016, which entered into force in May 2018 establishing requirements for the processing of personal data of EU residents, which impacts the activities of OVHcloud and its customers; and the violation of which may result in administrative fines of up to €20 million or 4% of the overall annual revenue of the data controller for the previous year;
- the regulation on an internal market for digital services (commonly known as the "**Digital Service Act**" or DSA), adopted on 4 October 2022, reinforces OVHcloud's obligations in terms of the treatment of illegal or potentially dangerous content;
- The European regulation, commonly known as the "**Digital Market Act**" (DMA), was definitively adopted on 14 September 2022 and develops a binding framework in favour of European innovation, in particular through competition and interoperability rules for the major platforms considered to be gate keepers; OVH is not such a gate keeper and would not be directly impacted at first, but could be in the future. OVHcloud will monitor changes to this regulation in order to comply with any obligations that may be imposed on it in the future;
- The European regulation known as the "**Data Governance Act**" (or DGA) adopted in July 2022 and which provides a framework for the reuse of data held by public administrations and whose operational implementation is expected in September 2023. As these administrations are customers of OVHcloud, the latter may be subject to indirect effects;
- The draft European **Data Act** regulation, which aims to complete the European systems in terms of the single data market and data protection, and which would provide, in particular, the possibility of changing cloud services free of charge;
- The draft CSAM Regulation (for "Child sexual abuse material"), which aims to better combat child abuse, particularly on electronic communication networks, and could consequently subject OVHcloud to new or strengthened obligations in this area, it being specified that since 2004, OVHcloud is already subject to specific obligations under the French law on confidence in the digital economy;
- The draft regulation on Digital Operational Resilience for the Financial Sector, proposed by the European Commission on 24 September 2020, which would if adopted impose a number of requirements on cloud outsourcing arrangements in the financial sector, including subjecting OVHcloud to audits, inspections and other supervision by financial regulators, and potentially to significant fines in case of non-compliance with its obligations; and
- The United States Clarifying Lawful Overseas Use of Data Act (the "**Cloud Act**"), which was signed into law in March 2018, which (i) allows US law enforcement to access electronic information held by cloud companies subject to US jurisdiction, even if that information is located outside of the United States; and (ii) enables the US government to enter into agreements with foreign states that would allow the participant states to request information held by cloud companies subject to the partner country's jurisdiction.

OVHcloud also monitors developments concerning the legislative or regulatory frameworks relating to the transfer of personal data outside the EU, in particular following the cancellation of the Privacy Shield, by the European Court of Justice on 16 July 2020. This cancellation has the effect of making the transfer of personal data from Europe to the United States more restrictive, as this country cannot guarantee a level of protection of personal data equivalent to that offered by the GDPR. This circumstance has a direct impact on the data sovereignty issues defended by OVHcloud.

On 25 March 2022, the European Commission and the United States announced the signature of an agreement in principle to adopt a new regulation governing the transfers of personal data to the United States. Such an agreement would have the effect of easing the legal constraints surrounding these transfers and facilitating the use of American entities by European companies, particularly in terms of hosting, thus impacting OVHcloud's activity. A decree implementing this agreement has already been adopted by the President of the United States in October 2022, but this decree will probably be submitted to the European Court of Justice for analysis. In addition, the European application texts remain to be adopted.

In addition to these specific laws, OVHcloud must ensure compliance with the legal rules applicable to all companies (rules of the French Commercial Code, Sapin 2 law, etc.).

Management of the risk

OVHcloud has an internal organisation that makes it possible to anticipate and mitigate the risks related to changes in, or even non-compliance with, the applicable legislation. This organisation relies in particular on the Legal Department, the Data Protection Officer (DPO) and the teams in charge of legal compliance. In addition, the Company commissions external audits to ensure compliance.

The Company also complies with the latest important regulations such as GDPR and Sapin 2.

In order to ensure compliance with the applicable legislation on personal data protection, OVHcloud has adopted various procedures.

Thus, for example, following the opening of its American subsidiary, OVHcloud has drawn up procedures to prevent the transfer to this subsidiary of data stored on OVHcloud's European servers, and contractual provisions stipulating that OVHcloud's customers are primarily responsible for most regulatory compliance. However, OVHcloud cannot be certain that its procedures or contractual protections will be fully effective, with the result that it may inadvertently breach certain of these regulations. Potential monetary penalties for violations are significant, and if applied to OVHcloud could have a significant impact on its financial position. In addition, any actual or reported violation of data protection or privacy regulations could impact OVHcloud's reputation and its business and income.

Risks related to regulatory changes

Description of the risk

OVHcloud believes that one of its competitive advantages, as a European cloud service provider, is that it can offer European customers assurances that they can limit their own data protection and privacy compliance risk by using OVHcloud's services, rather than those of competitors located in other territories or subject to legislation that does not offer the same protections as European data protection regulations. In particular, OVHcloud believes that data stored on its servers (other than those of its US subsidiary) are not subject to subpoenas or warrants issued by US authorities under the Cloud Act, in contrast to data stored on servers controlled by competitors that are subject to US jurisdiction.

It is not certain that OVHcloud's customers will perceive OVHcloud's data sovereignty advantage as a significant factor in their choice of cloud service provider. Surveys realised by OVHcloud have shown that data sovereignty is becoming more significant for decision-makers at its customers, but that it remains less of a priority than other factors such as performance and price. Moreover, Group competitors may structure their operations so as to be able to provide assurances regarding protection of data from subpoena under the Cloud Act and other relevant issues, in which case OVHcloud's competitive advantage may be less significant than anticipated. For example, Microsoft and Orange have announced a new partnership, which intends to propose a data sovereign cloud solution that, if successful, could increase competitive pressure on OVHcloud.

Moreover, OVHcloud's clients may also become subject to burdensome new tax obligations. If OVHcloud's customers are unable to comply with such regulations or if they determine that compliance or the payment of any applicable tax is too costly, their businesses and financial position might be adversely affected, and they may choose to reduce or to eliminate activities that rely on OVHcloud's services.

Management of the risk

In order to limit the risk related to the Cloud Act, OVHcloud has strictly separated its American activities from the rest of the Group, with differentiated legal and technical organisations. For example, US employees do not have access to customer data located outside the data centres based in the United States.

In addition, the legal and public affairs teams actively monitor regulatory change projects in order to anticipate potential changes.

Despite the measures put in place, the Company cannot guarantee that new laws or regulations would not put its operations at risk.

OVHcloud may not be able to protect its intellectual property rights

Description of the risk

To be successful, OVHcloud must protect its technology and brand in France and other jurisdictions through trademarks, domain names, trade secrets, patents, copyrights, service marks, invention assignments, contractual restrictions and other intellectual property rights and confidentiality procedures. Despite OVHcloud's efforts to implement these protections, they may not protect OVHcloud's business or provide it with a competitive advantage for a variety of reasons, including:

- the failure of OVHcloud to obtain patents and other intellectual property rights for important innovations or to maintain appropriate confidentiality and other protective measures to establish and maintain its trade secrets;
- uncertainty in, and evolution of, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights;
- potential invalidation of OVHcloud's intellectual property rights through administrative processes or litigation;
- third-party commercial strategies consisting of triggering unfounded but very costly litigation in the United States in order to bring about an out-of-court settlement that is less onerous than legal fees alone ("patent trolls" phenomenon);
- any inability by OVHcloud to detect infringement or other misappropriation of its intellectual property rights by third parties; and
- other practical, resource or business limitations on its ability to enforce its rights.

Further, the laws of certain countries may not provide the same level of protection of corporate proprietary information and assets, such as intellectual property, trademarks, trade secrets, know-how and records, as the laws of France. As a result, OVHcloud may encounter significant problems in protecting and defending its intellectual property or proprietary rights abroad. Additionally, OVHcloud may also be exposed to material risks of theft or unauthorised reverse engineering of its proprietary information and other intellectual property, including technical data, data sets or other sensitive information. OVHcloud's efforts to enforce its intellectual property rights may be insufficient to enable it to derive a significant commercial advantage from the intellectual property it develops. Moreover, if OVHcloud is unable to prevent the disclosure of its trade secrets to third parties, or if its competitors independently develop any of its trade secrets, it may not be able to establish or maintain a competitive advantage in the market, which could seriously harm its business.

Litigation may be necessary to enforce OVHcloud's intellectual property or proprietary rights, protect its trade secrets or determine the validity and scope of proprietary rights claimed by others. Any litigation, whether or not resolved in OVHcloud's favour, could result in significant expense to OVHcloud, divert the efforts of its technical and management personnel and result in counterclaims with respect to infringement of intellectual property rights by OVHcloud. If OVHcloud is unable to prevent third parties from infringing on or misappropriating its intellectual property or are required to incur substantial expenses defending its intellectual property rights, its business, financial position and operating results may be materially adversely affected.

Management of the risk

OVHcloud has an internal organisation that mitigates the risks related to the protection of its intellectual property rights or the infringement of these rights.

In this context, it has a legal team dedicated to the protection of its intangible assets, which relies on specialised law firms around the world. In addition, OVHcloud has implemented an ambitious patent filing strategy at the Group level and in several territories, and holds 137 patent families as of August 31, 2022. OVHcloud uses service providers and tools to detect unauthorised use of its distinctive signs (brands, domain names) and its patents in several countries. In addition, OVHcloud bases most of its IT developments on open source licenses in order to limit third-party claims.

2.1.2.6 Systems security risks

Risks related to the interruption of an internal IT system or tool

Description of the risk

Despite ongoing testing of OVHcloud's software and platforms, its cloud offerings could contain coding or configuration errors that can impact the function, performance and security of its solutions and result in negative consequences. Detecting and correcting any errors can be time consuming and costly. Mistakes are likely to affect their ability to function appropriately, integrate or operate correctly. They are also likely to generate internal security breaches in OVHcloud's software or platforms and are likely to adversely affect the market penetration of its cloud offerings.

In addition, OVHcloud may be faced with various causes of interruption of its services such as a malicious act, an obsolete infrastructure problem, an insufficient level of security or the loss of connection to the network. For example, on 13 October 2021, following a human intervention on computer equipment, the OVHcloud network, and therefore the Company's customers, were disconnected from the internet for several minutes.

If OVHcloud experiences errors or delays in releasing its cloud offerings, customers may cease using its offerings and its income could decline. Enterprise customers rely on OVHcloud's cloud offerings and related services to run their businesses, and errors could expose OVHcloud to performance and warranty claims as well as significant harm to OVHcloud's brand and reputation, which could impact its future income and profitability.

Management of the risk

OVHcloud has set up a regular review of its code and its infrastructures by a team of IT auditors, which carries out access and penetration tests of its systems. With regard to OVHcloud's internal IT systems, the Company has set up redundancy of its systems between two data centres, a Business Continuity Plan and a Business Recovery Plan, in order to limit the potential risks of interruption.

OVHcloud has network redundancy and performs regular backups.

Although OVHcloud considers that it has implemented risk management measures, these may prove insufficient to prevent an interruption of services.

Risks related to cybersecurity

Description of the risk

By its very nature, OVHcloud's business depends on providing third parties, most of whom are unknown to OVHcloud, with access to OVHcloud's servers for purposes of storing data and performing processing operations, through systems that can be accessed over the internet. The occurrence of a large-scale cybersecurity incident could significantly disrupt OVHcloud's servers and interrupt its cloud services, as well as lead to a security breach or loss of customer data.

Computer hackers and others may be able to develop and deploy IT-related viruses, worms and other malicious software programmes that could attack OVHcloud's systems, create system disruption and cause shutdowns or denials of service, exploiting potential security vulnerabilities. OVHcloud's servers may also be accessed or modified improperly as a result of customer, partner, employee or supplier malfeasance, and third parties may attempt to fraudulently induce customers, partners, employees or suppliers into disclosing sensitive information such as user names, passwords or other information in order to gain access to OVHcloud's services or control panel, and the data or systems of its customers, suppliers or partners. These risks will increase as OVHcloud continues to expand its business and store and process increasingly large amounts of data and host or manage more of its customers' IT operations in cloud-based environments. The risks are particularly acute in customer segments involving sensitive data, such as financial information and healthcare data.

Because the techniques used to obtain unauthorised access to, or sabotage, IT systems change frequently, grow more complex over time and often are not recognised until launched against a target, OVHcloud may be unable to anticipate or implement adequate measures to prevent such techniques. OVHcloud might not discover any security breach and loss of information for a significant period of time after it occurs. Following discovery, OVHcloud might need to shut down systems and limit customer access to its services, which could adversely impact income or cause OVHcloud to breach its service level agreements (SLAs), in which case OVHcloud could be required to grant service credits to, as well as compensate for the damages sustained by, the affected customers. Security vulnerabilities are from time to time identified by third-party security researchers, who may publish their findings before alerting the system operator. The time between when a security researcher publicly announces a security vulnerability and when the mitigation technique is fully deployed allows for a window for exploitation by those seeking to employ the vulnerability to gain access to OVHcloud IT systems.

OVHcloud could suffer significant damage to its brand and reputation if a cyber attack or other security incident were to allow unauthorised access to, or modification of, its customers' data, other external data or its own data or IT systems, or if the services it provides to its customers were disrupted, or if OVHcloud's servers were reported to have, or perceived as having, security vulnerabilities. Customers could lose confidence in the security and reliability of OVHcloud's servers and perceive that they are not secure, causing a loss of income.

Further, OVHcloud does not directly control the content that its customers store, use or access in its cloud offerings. If its customers or users use OVHcloud's products for the transmission or storage of personally identifiable information and its security measures are or are believed to have been breached as a result of third party action, employee error, malfeasance or otherwise, its reputation could be damaged, its business may suffer, and it could incur significant liability as a result of administrative, criminal or other proceedings. In addition, the costs OVHcloud would incur to address and fix these security incidents would increase its expenses. As a consequence, the occurrence of a significant cybersecurity incident or the perception of an increased cybersecurity risk could materially and adversely impact OVHcloud's operating results and financial position.

OVHcloud uses software (such as antivirus and monitoring and detection tools) licensed from third parties to protect its servers and IT systems from cyber attacks and system breaches. It also relies on third-party virtualisation technology (which allows individual machines to operate multiple "virtual servers") and open source solutions to regulate access to data and processing operations of different customers or of differing levels of sensitivity. Because of its dependence on third party solutions, OVHcloud does not fully control the mechanisms used to maintain the security of its systems. Additionally, if a third party were to cease providing this technology, or if it were to change or increase the price of its offerings, OVHcloud would need to quickly either find another third party provider or develop this technology internally, either of which could increase costs or cause operational interruptions.

As cybersecurity threats and responses evolve, OVHcloud might be required to pay third party providers for updates and enhancements in order to maintain adequate levels of security protection. It might be difficult for OVHcloud to change providers, leaving it with few or no alternatives to paying the fees demanded by its existing third party providers. If the fees payable to third party providers were to increase significantly, OVHcloud's costs could increase, adversely affecting its profitability.

If security systems provided by a third party were to fail to protect OVHcloud's systems or the data or systems of its customers adequately, OVHcloud could suffer cyber attacks or privacy breaches that would impact its income and business reputation, as discussed above. Moreover, OVHcloud might not be in a position to remedy any such failure without assistance from the third party provider, which could result in delays and impact the availability of OVHcloud's systems to serve customer needs. In addition, if a different customer of a third party security solution provider were to experience a cybersecurity incident, even if it is unrelated to OVHcloud's operations, the confidence of OVHcloud's customers could be adversely affected, causing a loss of income.

Management of the risk

OVHcloud has implemented several measures to limit cybersecurity risks, resulting in several certifications such as ISO 27001, SEC 1, SEC 2 or PCI DSS. In addition, the Company has regular contact with the ANSSI (French National Cybersecurity Agency) in order to anticipate new attacks or improve its existing processes. OVHcloud regularly maps its IT risks and carries out cyber attack simulations campaigns for its employees. The results of these tests are detailed in Chapter 3 of this Universal Registration Document.

OVHcloud's architecture and processes are designed to limit the exposure in term of systems and time, but several factors could limit OVHcloud's capacity to sufficiently reduce the risk and a significant impact could occur. OVHcloud's systems continue to evolve, and it is often an early adopter of new technologies; however, its business policies and internal security controls may not keep pace with these changes as new threats emerge.

While OVHcloud seeks to take precautions to guard against cybersecurity incidents, those precautions might prove to be ineffective or fail to prevent significant security breaches. In addition, OVHcloud may be vulnerable to new security breaches that have not yet been identified.

In any event, OVHcloud has also taken out a cyber insurance policy with a leading insurer to cover the effects of a possible cybersecurity incident. The implementation of this insurance was subject to compliance by OVHcloud with binding specifications imposed by the insurer.

Risks related to data protection, loss or theft

Description of the risk

Many data protection and privacy regulations impose stringent requirements on OVHcloud's customers, who must ensure the protection of the information of their own customers, including information stored on OVHcloud's cloud servers. Moreover, ever more stringent regulations are being proposed that could have a significant impact on the technology companies that represent a significant portion of OVHcloud's customer base. If so, OVHcloud could lose income from these customers, and its business and financial position could be adversely impacted.

Management of the risk

OVHcloud regularly organises fake email tests to measure the response of its employees. The results of these tests are available in Chapter 3 of this Universal Registration Document. The Company has classified its data by level of risk in order to determine the access and measures necessary to limit the loss or theft of this data. Lastly, OVHcloud has an organisation, processes and teams dedicated to cybersecurity.

2.1.2.7 Other risks

OVHcloud has entered into, and may continue to enter into, certain related-party transactions

OVHcloud has entered into various agreements with companies controlled by Mr. Octave Klaba, founder of the Company and current Chairman of its Board of Directors, and members of Mr. Octave Klaba's family, who are direct or indirect shareholders of the Company. The Klaba family currently controls the Company.

OVHcloud obtains metal components for the manufacturing of its servers from AixMétal, which is controlled by members of the Klaba family. The premises of OVHcloud's server manufacturing facility, data centre and headquarters located in Roubaix, France, are owned by companies controlled by the Klaba family and leased to OVHcloud.

Although OVHcloud believes that all such arrangements have been negotiated on an arms' length basis and use commercially reasonable terms, it has not obtained proposals for these arrangements from unrelated parties. In addition, OVHcloud's operational flexibility to modify or implement changes with respect to the description or pricing of services provided by related parties may be limited: if an agreement with a related party is terminated, there could be disruptions upon transition, and there can be no assurance that OVHcloud will be able to obtain the same products at the same or lower cost. In particular, if OVHcloud experiences difficulties with the metal components supplied by AixMétal, it may take a significant amount of time to find an alternative supplier able to produce similar components, and there may be an impact on OVHcloud's ability to manufacture and deploy new servers as rapidly as it has historically been able to do so, potentially affecting OVHcloud's ability to serve customer capacity requirements.

In addition, OVHcloud is the main cloud service provider for Shadow, which is controlled by members of the Klaba family. The revenue from contracts signed with Shadow is significant for OVHcloud (representing approximately 2.1% of OVHcloud's income in 2022), and as for all of its customers, OVHcloud cannot guarantee that this revenue is acquired on a permanent basis beyond the contractual commitments in force. Similarly, the capital expenditure generated by these contracts is significant, and their premature interruption would affect the expected return on investment.

OVHcloud may enter into other related-party agreements in the future. These agreements will be subject to the rules of approval provided for by the applicable French law as well as to the internal rules of validation of OVHcloud (in particular approval by the Executive Committee and, where applicable, by the Board of Directors), but it cannot be assured that, individually or as a whole, they would be concluded under conditions similar to those that OVHcloud could obtain from unrelated parties.

2.2 INSURANCE AND RISK COVERAGE

Insurance policies are generally taken out by the Company, on its own behalf and on behalf of its subsidiaries, through a broker mandated to negotiate with the main insurance companies to set up or renew the most appropriate guarantees for risk coverage requirements. Insurance companies are selected on the basis of criteria such as the amount of premiums, the scope of coverage offered, the ability to set up integrated programmes such as master policies, the duration of the commitment, their availability to insure the risks in question in the light of all their other commitments in the segment and market in question, and the ability to offer qualitative support in order to better understand risk management.

OVHcloud adapts its insurance coverage according to the evolution of risks related to its usual activities.

Coverage is normally renewed annually, except for certain one-time contracts taken out for one-time projects covering a specific period. The insurance contracts expiring on 6 and 15 October 2021 and 1 January 2022 have been renewed. The insurance contracts maturing at the end of August/beginning of September 2022 have been extended to cover identical guarantees or reassessed as necessary, until 31 December 2022 in order to harmonise the maturities of all insurance contracts. At the time of publication of this document, OVHcloud has obtained an agreement in principle on the renewal of the insurance policies that expire on 31 December 2022.

Below is a summary of the main insurance policies taken out by OVHcloud. OVHcloud prefers to take out “master” policies in order to pool coverage within the Group. For regulatory or factual reasons, such as the size of a subsidiary, OVHcloud also uses local or “standalone” policies taken out directly by its subsidiaries.

The Group also has insurance policies covering the liability of executives (“D&O” policy), risks relating to office facilities, its car fleet, and the travel of its employees using their own vehicle for business and occasional trips, professional assignments, construction work, installation of equipment or fittings in its data centres or offices or the transport of goods (mainly technological and IT equipment). The Group has numerous comprehensive home insurance policies covering rented homes made available to staff during occasional business trips to the head office, as well as the medical office of doctors also working on behalf of OVHcloud. Through its subsidiaries, the Group also has a number of insurance policies covering property damage, civil and employer’s liability and compensation for employees, offices and international data centres.

2.2.1 Property damage

OVHcloud’s property and casualty insurance policy is based on the principle of “all risks except” covering all non-excluded material damages. The Company has taken out this policy which applies to certain subsidiaries in France, Germany, Belgium and the United Kingdom.

This contract was renewed on 1 September 2021 with AXA, as leading insurer with 35% of the risk shares and seven co-insurers sharing 65% of the remaining risk and according to the conditions of a prevention plan established and extended under the same guarantees until 31 December 2022.At the time of publication of this document, OVHcloud has obtained an agreement in principle on the renewal of the insurance policies that expire on 31 December 2022.

This insurance policy covers, in particular, direct material damage to insured property of accidental origin, including buildings, furniture, equipment and/or rental risks, miscellaneous costs and losses resulting from the covered material damage, financial consequences of civil liability following a fire, an explosion, water damage, attacks and acts of terrorism in France as well as the costs of resumption of activity following the material damage covered and the experts' fees following material damage.

The maximum compensation due for all losses covered (including direct damage, business recovery costs, all coverages, including costs and losses and liabilities) amounts to €140 million per claim. Coverage limits and sub-limits are applicable depending on the nature of the damage suffered or the category of property insured. The deductible for all damages amounts to €3 million. In the absence of the installation of automatic protection in accordance with AXA’s recommendations, this deductible is increased to €15 million for the Roubaix, Gravelines and Strasbourg sites, €6 million for the Croix site and an additional €10 million deductible for the Erith (United Kingdom) and Limburg (Germany) sites, taking the deductible to €13 million, as well as €3 million for the Paris 19th site taking the deductible to €6 million. These deductibles will be reduced to €3 million on completion of an investment programme agreed with the insurers and according to their recommendations, the amount of which is already included in the capital budget for the coming years (see Section 1.4.5 “*Medium-term targets*” of this Universal Registration Document). In addition, at the Roubaix, Gravelines, Strasbourg and Croix sites, the Company must maintain in place three specific complementary fire prevention measures (security guards, fire permits and means of intervention in charge on the premises), failing which the deductible would increase by 100% in the event of a claim. An additional contractual provision to terminate the insurance policy was given to the insurer at the renewal on 1 September 2021. The right of cancellation is conditional on the failure to implement a number of personnel and organisational recommendations or the placing of orders relating to the implementation of complete protection on the Roubaix, Strasbourg, Gravelines, Croix, Erith and Limburg sites, in accordance with the insurer’s recommendations and according to a procedure including the insurer for validating these projects, prior to 31 December 2021. All human and organisational recommendations were carried out successively on 31 December 2021 and 30 April 2022. On 30 April 2022, AXA confirmed that OVHcloud had fulfilled its contractual obligations in terms of risk prevention in accordance with its recommendations, and the early termination option was therefore cancelled.

The exclusions are in line with market standards and include, in particular, late payment penalties, fines, penalties and other criminal sanctions, loss of business and customers, operating losses and damage resulting from epidemics, pandemics or epizootics, as well as costs and losses, operating losses and damage resulting from administrative measures, sanitary measures, total or partial closure or withdrawal of administrative authorisation, impossibility, restriction or difficulty of access.

The amount of the insurance contract premium for the insurance period from 1 September 2022 to 31 December 2022 will be prorated and subject to the increase in insured capital due to the integration of new data centres in the policy.

2.2.2 Civil and cyber liability

"Information technology and communication civil liability and cyber risk management" coverage covers the financial consequences of operational, product, professional and cyber liability for technologies, due to damage caused to third parties (including customers), as a result of, during or at the time of the activities covered by the contracts as well as the financial consequences related to cyber risks. In particular, all sales, services and work concerning the digital industry and internet hosting are insured, such as, among others, the hosting of websites, servers, dedicated servers, shared server leasing, the registration of domain names, data hosting (including health and banking data), the design of software or the manufacture of servers. The combined cyber guarantee includes protection against any breach of its automated data processing systems, its own confidential data and information, as well as the personal and confidential data of third parties, contained and processed in its information systems or in those its subcontractors and external service providers, along with the financial consequences related to a cyber incident and/or an incident disrupting operations, including incident response costs, operating losses, and the costs of restoring the IT system or ransoms and cyber-extortion costs.

This master programme is broken down into three insurance contracts called "lines" in order to obtain sufficient guarantees in terms of "civil liability and cyber corporate risk management" coverage. The second and third lines will be applied in addition to and after the total exhaustion of the underlying lines, by one or more claims during the insurance period, of the cumulative amount of coverage under these contracts.

This insurance policy covers the Company and its subsidiaries, excluding subsidiaries or permanent facilities located in the United States. The Group's US subsidiaries benefit from their own insurance policies. A combined first-line "civil liability and cyber-company" policy has been taken out with Chubb with effect from 1 January 2022 for a one-year period subject to tacit renewal. The maximum amount of compensation for the main risks, all damages combined, under this insurance policy is €10 million per claim for operating civil liability, €5 million per insurance period for professional civil liability and civil liability due to products and €5 million per insurance period and per claim for losses due to cyber risk.

Exclusions are in line with market standards and include, but are not limited to, notification fees, e-threat fees and fees for assistance in the event of an investigation by the data protection authority, fines, penalties and other criminal sanctions, various environmental impairments, or damages resulting from the unlawful collection, retention or use of personal data.

Exclusions are in line with market standards and include, among others, intentional misconduct (except by agents), property damage, failure to comply with specific recommendations of a legally constituted authority, and war and terrorism (cyber-terrorism is covered).

A combined second-line "civil liability and cyber-company" policy was taken out with CNA with effect from 1 January 2022 for a one-year period subject to tacit renewal. The maximum amount of compensation for the main risks, all damages combined, under this insurance policy is €10 million per claim for operating civil liability, €5 million per insurance period for professional civil liability and civil liability due to products and €5 million per insurance period and per claim for losses due to cyber risk.

A third-line "professional civil liability" policy was taken out with Ergo with effect from 1 January 2022 for a one-year period subject to tacit renewal. The maximum amount of compensation for the main risks, all damages combined, under this insurance policy is €5 million per insurance period for operating civil liability, after delivery, works or acceptance and for professional civil liability, all risks combined.

Several deductibles are applicable, including €50 thousand for property damage and immaterial damage and €250 thousand for non-bodily injury, professional liability and civil product liability due to property damage, immaterial damage and bodily injury, including financial guarantees related to cyber risks.

The amount of all premiums for the "civil liability and cyber-corporate" master programme for the insurance period from 1 January 2022 to 31 December 2022 amounts to €838 thousand including tax.

2.2.3 Executives liability and initial public offering

The Company has put in place a specific hedge in order to protect itself against the liability that it and its executives could incur in connection with its business as well as the listing of the Company's shares on the regulated market of Euronext Paris.

The Group has entered into a first-line contract with AXA-XL with effect from 15 October 2021 for a period of one year. The second, third, fourth and fifth line contracts were signed with AIG Europe, BHSI, Beazley and Zurich. The guarantee ceiling under each of these contracts is €10 million.

This contract was renewed on 15 October 2022 for one year, under normal market conditions but will no longer include the guarantee relating to stock market claims related to the IPO, which was only put in place for one year.

2.3 INTERNAL CONTROL AND RISK MANAGEMENT

2.3.1 Organisational framework for risk management

Operational risk management is the responsibility of the Ethics and Compliance and Data Protection Departments, which report to the Legal Department, as well as the Quality, Health, Environment and Information Systems Security Departments, which report to the Operations Department.

Ethics and Compliance

The Group pays strict attention to the compliance of its procedures and employee practices with applicable regulations. The Group has thus deployed ethics and anti-corruption codes with associated training. In addition, the Group raises awareness among its employees of whistleblowing issues, in particular as part of the measures put in place in accordance with the law of 9 December 2016 on transparency, the fight against corruption and influence peddling and the modernisation of economic life (the so-called "Sapin II" law). A platform accessible at all times has been set up on which employees can declare any observed act violating the Group's ethical code: "ROGER" (Respect OVHcloud Guidelines and Ethical Rules).

Data Protection

Under the supervision of its Data Protection Officer (DPO), the Group implements a rigorous personal data protection policy. A policy for the use of personal data has been established which describes precisely the processing that OVHcloud may be required to carry out on data concerning customers, suppliers and partners, as well as the conditions of their implementation.

In the context of the processing operations covered by the personal data use policy, OVHcloud complies, in its capacity as data controller, with the regulations in force, in particular with the GDPR, as well as with any regulations of the Member States of the European Union that may apply to said processing operations, in particular French law No.78-17 of 6 January 1978 relating to data processing, files and freedoms, as amended.

In this respect, OVHcloud undertakes in particular to:

- only collect personal data that are necessary for the above-mentioned purposes;
- implement processes to ensure the accuracy and updating of data used in the context of the said processing, as well as their deletion when they are no longer useful for the purposes pursued;
- not to process personal data in its possession for purposes other than those mentioned in this policy, unless it obtains the consent of the data subjects, or informs them in advance about processing on legal grounds other than consent;
- document the processing operations carried out in a register and carry out all the necessary impact analyses prior to their implementation;
- implement an incident and data breach management process, and in the event of a breach, notify the protection authority under the conditions of Article 33 of the GDPR, and inform the data subjects, in accordance with Article 34 of the GDPR when the breach is likely to result in a high risk to rights and freedoms; as well as
- implement technical and organisational measures to protect personal data against security risks, as defined in OVHcloud's information systems security policy.

Information Systems Security

Information security is the subject of a programme and commitments developed within the OVHcloud Information Systems Security Policy ("ISSP"). This policy puts forward the following principles of application:

- deployment a large-scale, industrial approach to security;
- positioning OVHcloud as a trusted player in the ecosystem;
- operating a secure cloud for all;
- implementation of security management systems (ISMS) and privacy management systems (PIMS);
- risk-based approach to safety;
- demonstration of security through certification, internal control and external audit;
- unified response to security incidents and personal data breaches;
- integration of security and privacy issues into product development; and
- safety assessment and implementation of continuous improvement.

The Information Systems Security Policy ("**ISSP**"), under the responsibility of the Chief Information Systems Officer ("**CISO**"), is reviewed by the Executive Committee, which verifies that its content is consistent with the Group's strategic targets. It is revised once a year. The ISSP applies to all Group companies, employees, suppliers, service providers, subcontractors and users of the information system, regardless of their status.

Under the responsibility of the Chief Information Systems Officer ("**CISO**"), the OVHcloud security team is itself composed of three teams:

- Tool security, in charge of developing and operating the tools supporting the security policy;
- Operations security, responsible for ensuring the implementation of good security practices within operations and the implementation of formal security management processes, supporting the integration of security tools and the alignment of security arrangements within the Company; and
- Security.cert, in charge of monitoring threat sources, identifying cyber attack tools and methods to anticipate them, and managing security incidents.

OVHcloud ensures that employees are aware of the challenges of IT security and, more specifically, of cybersecurity. To this end, the Group regularly conducts cyber attack simulation campaigns (phishing) designed on the basis of sophisticated scenarios. The latest campaigns have shown very good results with a 91% success rate.

Quality, Health, Environment

Through its Health and Safety policy, OVHcloud oversees the implementation of measures to offer safe and healthy workspaces for all its employees and stakeholders, its sites and its products. The Group's industrial risk management policy is based on two axes: (i) prevention through audits carried out by external bodies at each of the sites, which result in reports with both human and material recommendations, and (ii) protection through the development of risk reduction plans, incorporating short- and medium-term investments as well as organisational or management actions.

Finally, the Company's Audit Committee plays a role in risk management and internal control. It ensures the relevance, reliability and implementation of the Company's internal control, identification, hedging and risk management procedures relating to its activities and financial and non-financial accounting information. The Group's risk mapping and the action plans implemented are reported twice a year by the Group's Chief Financial Officer.

2.3.2 Internal control

This Universal Registration document, which includes the management report of the Company's Board of Directors to the General Meeting, includes information on the internal control and risk management procedures implemented within the Company, pursuant to the provisions of Articles L. 22-10-35 of the French Commercial Code, and on how the Company takes into account the social and environmental consequences of its business, as well as its social commitments to sustainability, diversity and anti-discrimination, pursuant to the provisions of Articles L. 225-102-1 and L. 22-10-36 of the French Commercial Code.

2.3.2.1 Definition and targets of internal control

In order to address the risks identified and presented in the previous section, OVHcloud has adopted a governance, rules, policies and procedures constituting its internal control and risk management system.

Internal control system

In accordance with the AMF reference framework, under the responsibility of the Group Chief Executive Officer, the internal control system in force within the Group is based on a set of appropriate resources, policies, behaviours, procedures and actions, to ensure that the necessary measures are taken to control:

- compliance with applicable laws and regulations;
- the application of instructions, guidelines and rules set by management;
- the proper functioning of the Company's internal processes, in particular those contributing to the protection of its assets;
- the quality and reliability of financial and accounting information.

Risk management system

The risk management system aims to identify, analyse and manage the Company's main risks.

More generally, the Group's internal control and risk management system contributes to the control of its activities, the effectiveness of its operations and the efficient use of its resources. This system is updated regularly, according to a continuous improvement process, in order to better measure the level of risk to which the Group is exposed, as well as the effectiveness of the action plans put in place to address it.

The internal control and risk management system cannot, however, provide an absolute guarantee that targets will be achieved and the total elimination of risks, in particular:

- cases of deliberate collusion between several people that evade the control system in place;
- cases of deliberate management fraud;
- in the event that the implementation or even the maintenance of a control would be more costly than the risk it is supposed to mitigate;
- in addition, in the pursuit of the aforementioned targets, it goes without saying that companies are confronted with events and uncertainties that are beyond their control (unforeseen changes in markets and competition, unforeseen changes in the geopolitical situation, etc.).

2.3.2.2 General organisation and internal control procedures

The internal control environment is based in particular on the values governing the behaviour and ethics of the Group's employees and third parties. In order to disseminate these values, the Group has implemented the following charters and code of conduct:

- Code of ethics and anti-corruption governing the rules of behaviour of employees and also of partners/suppliers;
- Reporting platform that makes it possible to report any behaviour contrary to the ethics framework and any serious situation or fact observed in the company or at our partners/suppliers in all confidence and confidentiality;
- OVHcloud's values shared by all employees, including the obligation to act responsibly and ethically. These founding values contribute to the dissemination of a respectful corporate culture;
- IT and communication and security charters including all rules and best practices in terms of physical and logical security of the Group's IT resources by users;
- Stock market ethics charter, implemented in 2021, in accordance with the AMF instructions, defines the obligations of persons holding inside information.

In addition, the organisation of internal control relies on various players throughout the decision-making and responsibility chain, in particular employees, the Executive Committee along with supervisory bodies such as the Board of Directors and the committees. The Company's Audit Committee plays a role in risk management and internal control. It ensures the relevance, reliability and implementation of the Company's internal control, identification, hedging and risk management procedures relating to its activities and financial and non-financial accounting information.

Internal control is based in particular on:

- The Group Legal Department advises and assists the operational departments and subsidiaries on significant legal matters;
- The Group Tax Department advises and assists the operational departments and subsidiaries on significant tax matters;
- The Group Financial Operations Department ensures the implementation and compliance with the reporting and preparation procedures of the consolidated financial statements;
- The Group Human Resources Department advises and ensures that internal practices comply with laws and regulations relating to employment law;
- The Group Operations Department carries out specific risk analyses and proposes action plans in terms of security, safety and business continuity.

Finally, the statutory auditors are informed of the internal control system and the risks identified by the Group in the assessment.

2.3.2.3 Internal control procedures relating to the preparation and processing of financial and accounting information

OVHcloud's accounting and financial function is managed by the Group's Finance Department, which reports directly to Senior Management.

The Group Finance Department's responsibilities mainly cover the preparation of financial statements, management control, taxation, financing and cash management, and participation in financial communication and purchases.

The IFRS accounting rules and methods in force within the Group are presented in the notes to the consolidated financial statements in this document. At each accounting close, the Audit Committee ensures that they are kept with the Finance Department and the statutory auditors.

Each half-year, after review by the Audit Committee, the Board of Directors approves the half-yearly and annual financial statements which the statutory auditors are asked to approve.

Information systems

The purpose of the accounting and financial information systems deployed within the Group is to meet the requirements of compliance, security, reliability, availability and traceability of information.

OVHcloud is gradually rolling out SAP as the only information and management system for financial management and accounting data. During the 2022 financial year, the Group rolled out SAP in its main subsidiaries in France, Canada and the United States. The roll-out in other regions will continue during the 2023 financial year. The use of a single tool ensures consistency in the processing, comparison and control of accounting and financial information. In addition, OVHcloud uses ViaReport for consolidation data.

In order to strengthen the internal control of the systems, the Organisation and Information Systems Department has strengthened the segregation of duties system and improved access rights controls, through a formal annual review across the entire Group scope.

Financial communication

The Financial Communication and Investor Relations Department, under the supervision of the Chief Financial Officer, manages the Group's financial communication.

The Group disseminates financial information by various means, in particular:

- press releases;
- the Universal Registration Document;
- the presentation of the half-year and annual results.

The Group's website has a dedicated Investors section which includes the aforementioned items as well as other regulatory or informational items.

The statutory auditors

As part of their mission to certify the financial statements, the statutory auditors make comments. At the time they deem appropriate, the statutory auditors communicate to management, at the appropriate level of responsibility, the internal control weaknesses identified during the audit that they deem of sufficient importance to merit its attention, except if they consider this approach inappropriate in the circumstances. They make this communication in writing when it concerns weaknesses that they consider to be significant. The statutory auditors communicate any significant weaknesses in internal control to the bodies mentioned in Article L. 823-16 of the French Commercial Code, at the time they deem appropriate, in writing.

As part of their ongoing mission, the statutory auditors audit the annual and half-yearly financial statements and statements of consolidated entities. The Group's annual consolidated financial statements are prepared by the Financial Operations Department under the responsibility of the Group's Chief Financial Officer. The Group's Chief Executive Officer and Chief Financial Officer certify the regularity, sincerity and fair presentation of the consolidated financial statements by signing a confirmation letter sent to the statutory auditors.


DREAM
INTO THE
CLOUD

3

NON-FINANCIAL PERFORMANCE STATEMENT /SNFP/ /AFR/

Business model

OVHcloud's business model is detailed in the introduction to this Universal Registration Document.

CSR approach

During the 2022 financial year, OVHcloud undertook work to structure its CSR approach. With nearly 2,800 employees and a global industrial and commercial footprint, the Group is fully aware of its responsibility in a world where data has a major impact on private, social and professional lives and with regard to economic, geopolitical, ethical and environmental aspects. They impact the relationships between people and their use reflects a vision of the world and the type of society in which everyone wants to live. Driven by its ambition: “leading the data revolution for a responsible future”, OVHcloud’s mission is to build an open and trusted cloud, enabling businesses and society to make the most of the data revolution while minimising its environmental impacts.

This vision and the associated mission are reflected in a CSR policy, which is closely integrated into the Group’s strategy. This policy is based on three pillars of commitment, each of which in turn breaks down into three areas of action:

▶ **Guaranteeing data sovereignty and freedom**

OVHcloud is at the heart of the digital revolution, which opens the way to a multitude of opportunities in applications and technology. In this context, the Group offers its customers cloud solutions covering all their uses – supporting them in their digital transformation, enabling them to innovate by building “cloud native” applications or helping them leverage the power of data. In fulfilling this mission, the Group offers its customers the freedom to build their most ambitious projects, in a secure, compliant and sustainable cloud environment, according to three areas of action:

- Defending data sovereignty, security and privacy;
- Guaranteeing freedom of choice and reversibility;
- Offering predictable and transparent pricing.

▶ **Pioneering sustainable cloud**

At the forefront of sustainable cloud, OVHcloud has integrated sustainability at the heart of its business model since its creation, aiming to minimise its environmental impact at every stage. OVHcloud’s environmental action is structured around three axes:

- Placing innovation at the heart of its industrial model;
- Contributing to global Net Zero by 2030;
- Raising awareness among stakeholders of all the impacts of the cloud, in order to initiate a collective approach to reducing the environmental footprint.

▶ **Driving collective progress of the cloud for the benefit of society**

At OVHcloud, everything starts with people. The men and women make up the Company's wealth: it is the talents that ensure its success. "Working together” is one of the Group's fundamental values. This collective aspect is extended to its ecosystem, and in the desire to enable the entire European cloud segment to progress. This third pillar of commitment is broken down into three courses of action:

- Attracting and developing talents in a collective adventure within a diverse and inclusive company;
- Collaborating and developing coalitions with stakeholders in the European cloud ecosystem;
- Promoting local anchoring and societal commitment by working on digital inclusion.

CSR Governance

To manage its corporate social responsibility (CSR) ambitions, OVHcloud has set up a dedicated governance, closely associated with the management of the Group’s overall strategy.

Board of Directors
Chaired by Octave Klaba
Takes CSR issues into account in decisions

Strategic and CSR Committee

Chaired by Octave Klaba

Preparation and facilitation of the Board of Directors' decision-making process on strategic and CSR issues

Audit Committee

Chaired by Sophie Stabile

Monitoring of CSR risks, mechanisms and procedures to ensure compliance with regulations and good practices in business ethics

Appointments, Compensation and Governance Committee

Chaired by Bernard Gault

Monitoring of the diversity and non-discrimination policy

Main CSR issues examined by the Board of Directors and its committees in FY2022

Environmental strategy: approach, positioning, key indicators, action plan
Participation in the EU code of conduct for energy efficiency in datacenters by 2030
Implementation and monitoring of the Board of Directors' diversity policy
Implementation of an employee shareholding plan
Monitoring and implementation of procedures to prevent all cybersecurity risks

Executive Committee

Review and validation of the CSR strategy, the main initiatives and their updates

Strategy and CSR Department

Development and coordination of the CSR policy with the operating divisions

CSR Steering Committee

Steering of CSR commitments

The **Board of Directors** strives to promote the Company's long-term value creation by considering the social and environmental challenges of its activities. In connection with the strategy defined, it regularly examines the opportunities and risks such as the financial, legal, operational, social and environmental risks as well as the measures taken as a result. The medium-term Corporate Social Responsibility priorities and targets were approved by the Board of Directors in 2022. They are monitored by building on the work of its committees.

Established after the Group's IPO in 2021, the **Strategy and CSR Committee** has the task of preparing the work and facilitating the decision-making process of the Board of Directors on strategic and CSR issues. In terms of CSR, it is notably responsible for:

- ensuring that matters relating to social and environmental responsibility (such as diversity and non-discrimination policies and compliance and ethics policies) are taken into account in the Group's strategy and in its implementation;
- reviewing the Statement of Non-Financial Performance on social and environmental matter provided for in Article L. 22-10-36 of the French Commercial Code;
- examining the opinions expressed by investors, analysts and other third parties and, if applicable, the potential action plan drawn up by the Company to improve the points raised on social and environmental matters; and
- reviewing and assessing the relevance of the Group's social and environmental commitments and strategic directions on social and environmental matters, in light of the challenges specific to its activity and targets, and following their implementation.

The **Audit Committee** ensures the effectiveness of the operational risk monitoring and internal control system, including CSR risks, as well as the review and monitoring of the systems and procedures in place to ensure the dissemination and the application of policies and rules of best practice in terms of ethics, competition, fraud and corruption and, more generally, compliance with regulations in force.

Lastly, the **Nomination, Remuneration and Governance Committee** is responsible, among other duties, for the annual review of the Board of Directors' diversity policy as well as monitoring the gender parity rate, age and diversity of skills.

The role and work of the Board of Directors and its committees are presented in Sections 4.1.5 and 4.1.6 of this Universal Registration Document.

The **Strategy and CSR Department**, which reports to the Chief Executive Officer, is responsible for the implementation of the Group's major strategic orientations, which it helps to define, as well as for the development and coordination of the CSR policy, with aim of engaging the Company in a process of continuous improvement, of enhancing its commitments and of measuring the effects of the CSR programme. The Chief Strategy and CSR Officer, who is a member of the Executive Committee, regularly reports to it on the progress of the CSR programme, its main initiatives and their updates.

The CSR programme commitments are drawn up and monitored by the **CSR Steering Committee**. Chaired by the Chief Strategy and CSR Officer, it is composed of a central CSR team and representatives of the operational departments involved in the implementation of the CSR action plan. The committee meets weekly to define, monitor and adjust CSR action plans.

Open and regular exchanges with stakeholders

Stakeholders	Means of promoting dialogue
Customers	OVHcloud constantly strives to develop a trusted relationship with its major customers and maintains regular dialogue with them. ▸ Once a month, the account managers and "Techical Account Managers" (TAM) organise an operational committee with each of the major customers for which they are responsible. The targets pursued: review the perception and measurement of the quality of the services provided, check that the initial promise is kept and present the new features of the OVHcloud roadmap. ▸ Once or twice a year, a strategic committee is organised, bringing together one or more members of OVHcloud's Executive Committee, "sponsors" of the Group's main customers, as well as customer management representatives. These exchanges make it possible to ensure the alignment of OVHcloud's service proposal with its customers' strategic trajectory. ▸ On an ad hoc basis, OVHcloud brings in experts to facilitate the understanding, adoption and improvement of solutions. For these targeted interventions, the Group relies on a team of "Customer Success Managers" and "Solutions Architects" providing high-level support services. ▸ OVHcloud organises dedicated annual events such as OVHCloud "Engage" or "Ecosystem Experience", bringing together its network of technological, industrial and commercial partners, contributing to enriching the reflection of its customers on digital transformation and cloud migration.

Stakeholders	Means of promoting dialogue
Suppliers	OVHcloud works to establish a partnership of trust with its suppliers. ▶ The OVHcloud purchasing teams are in daily contact with all supplier partners to discuss the performance, prices, quality of their products, delivery times as well as the carbon footprint of their products or services. ▶ Every quarter, a multidisciplinary team of representatives of the product, supply, quality and purchasing teams meets with strategic suppliers to carry out operational monitoring. ▶ Every year, OVHcloud examines the Top 25 suppliers on the basis of seven criteria (Security, Technology, Quality, Responsiveness, Delivery, Costs, Environment). An action plan is then co-constructed with each supplier to improve overall performance. At the same time, in order to reward the best performing, every year, OVHcloud organises an awards ceremony based on one or more of the seven criteria mentioned above. ▶ Meetings between the members of the Executive Committee, OVHcloud's Purchasing Director, and management representatives of the main suppliers (active and potential) in Asia and the United States are organised twice a year in order to share targets, roadmaps and developing partnerships with key suppliers. ▶ Key suppliers are invited to participate in the annual "Ecosystem Experience" event, an event dedicated to the Group's customers and partners, offering them the opportunity to be fully involved in OVHcloud's challenges.
Employees	▶ The social partners are at the heart of the dialogue at OVHcloud thanks to regular, constructive and transparent exchanges. ▶ In order to unite and engage employees more broadly, Internal Communications and Human Resources regularly organise events, with the principle that every voice counts and must be heard. Whether on everyday issues or on the Company's most strategic issues, employees are regularly consulted *via*: • Engagement surveys twice a year, • Workshops on key topics such as culture and remote working, in a consultative approach and open to dialogue for future decision-making, • A global programme to identify and prevent psychosocial risks • A company information-sharing platform accessible to all where Company information is shared, • Regular and interactive discussions with Senior Management (monthly videoconferencing, on-site visits at least once a year) to explain the Group's projects and priorities. ▶ OVHcloud is committed to professional equality • The gender equality index in France at the end of 2021 obtained an overall score of 83/100 • Since 2019, OVHcloud has published a report on the gender pay gap in France.
Shareholders/ Investors	▶ OVHcloud aims to establish long-term trusted relationships with its financial community. ▶ OVHcloud meets its reporting obligations to the financial community in compliance with best practices, in particular by issuing press releases for its revenue and results publications, in French and English, and by organising conference calls with its Chief Executive Officer and Chief Financial Officer. ▶ OVHcloud's management and the investor relations team participate in several conferences and roadshows throughout the year, to meet regularly with investors and shareholders. ▶ Dialogue with shareholders is also ensured during the Annual General Meeting. ▶ Lastly, as part of its Universal Registration Document, OVHcloud transparently shares its performance and management of non-financial risks.
Public authorities	▶ OVHcloud, proactively and when it is called upon, contributes to the debates of public authorities (administrations, regulatory authorities, parliamentarians, etc.) concerning its activities and the challenges of its segment (digital sovereignty; competitive dynamics of the market; the cloud's environmental footprint). The Group shares its vision and technical details of its activities with the aim of influencing public decision-making. The Group shares its positions/proposals directly with these players or in conjunction with representative associations and its ecosystem of partners. ▶ OVHcloud also organises, proactively or on request, visits to its infrastructures (data centres, server production plants) to acculturate the public authorities to the operational reality of its activities.

Materiality analysis and CSR risk assessment

OVHcloud developed a Group risk mapping in 2020, which was reviewed and updated in 2022 (see Chapter 2 of this Universal Registration Document for a description of Group's risk factors), and built its first materiality matrix in 2022.

Materiality analysis

In 2022, OVHcloud built its first materiality matrix by interviewing its external and internal stakeholders, in order to determine the Group's most material CSR issues, *i.e.* those that have or could have an impact on the Group's ability to create or protect financial and non-financial value for itself and its stakeholders.

This exercise was carried out in four stages: identification of potential CSR issues, confrontation of these issues with external and internal stakeholders, consolidation of the results and the main lessons learned from the analysis of these results.

Identification of issues

OVHcloud has defined a list of 24 potential CSR issues, subdivided into three categories: environment, business conduct and social/societal.

ENVIRONMENT	BUSINESS CONDUCT	SOCIAL/SOCIETAL
1. Low-carbon trajectory	**9.** Securing strategic supplies	**18.** Diversity and inclusion
2. Environmental display and carbon transparency of offers and services	**10.** Responsible supply chain	**19.** Attracting and retaining talents
3. IT for green	**11.** Reliability and customer trust	**20.** Employee health, safety and well-being
4. Resilience to climate change and physical risks	**12.** Transparent and predictable pricing	**21.** Fair compensation for all (employees, suppliers and subcontractors)
5. Innovation & R&D for green IT	**13.** Full reversibility and interoperability	**22.** Quality of social dialogue
6. Efficient energy management	**14.** Business ethics, transparency and governance	**23.** Impact on local employment pools
7. Responsible water management	**15.** Positive influence policy	**24.** Contribution to the digital transition and digital accessibility
8. Eco-design, circular economy and hardware life cycle	**16.** Data sovereignty, data compliance, data governance	
	17. Cybersecurity and data protection	

Stakeholder interviews

OVHcloud confronted this list of potential issues with its internal and external stakeholders during interviews, conducted in particular with its customers, suppliers, investors, representatives of its ecosystem (associations, NGOs, partners, etc.) as well as the Group's directors and managers, including the Executive Committee, in order to collect their point of view and expectations regarding each of the issues. The interviews were conducted by OVHcloud teams, with the exception of investors, who were consulted through a perception study carried out by an external service provider. OVHcloud also consulted its employees (excluding the Executive Committee and other managers) through an online survey.

An interview guide has been drawn up to guide the various interviews. This guide was used as the basis for the online survey tool.

The central question concerned the rating of the issues according to the level of expectation for each of them, according to the following grid:

- 0: no expectation. OVHcloud does not have to commit particularly to this issue;
- 1: limited. Issue for which OVHcloud can implement some actions, without integrating them into its strategy;
- 2: important. OVHcloud should adopt a policy, targets and an action plan concerning this issue;
- 3: priority. This issue must be a major strategic priority for OVHcloud.

A total of 231 people were consulted, including:

- Management (shown on the horizontal axis of the matrix)
  - Chairman of the Board of Directors
  - 18 management representatives including the Chief Executive Officer and the entire Executive Committee as well as the main regional managers
- Stakeholders (represented on the vertical axis of the matrix)
  - 34 representatives of external stakeholders: customers, suppliers, public authorities, investors, members of the OVHcloud ecosystem (associations, partners, NGOs, etc.)
  - 178 employees surveyed

Methodological biases

The voice of the public authorities was expressed by the person responsible for public affairs at OVHcloud.

For investors, the rating was carried out by transposing the 2022 “ESG Investors” perception study carried out by an external service provider to a similar rating grid and a slightly more restricted list of issues.

Consolidation of results and formalisation of the matrix

The analysis of quantitative and qualitative data was carried out with the support of a CSR consulting firm, according to the following methodology:

1. **Consolidation of results**: For internal and external stakeholders, the average rating of the issues was established on the basis of an equal weighting of the results within each stakeholder category, then between the categories. For management, the ratings assigned by the Chairman and the Chief Executive Officer were overweighted compared to the responses of management representatives;
2. **Formalisation of the matrix**: The ratings thus obtained made it possible to place each issue on the horizontal axis (average allocated by management) and on the vertical axis (average allocated by internal and external stakeholders);
3. **Analysis of the results**: the key lessons are drawn from the compilation and analysis (correlations, dispersions, ranking of issues, comparison according to stakeholders) of the results.

STRONG ALIGNMENT BETWEEN MANAGEMENT AND STAKEHOLDERS

** For the detailed wording of the issues, see the table in the section on identifying the issues on page 60.*

Main lessons

- Internal and external stakeholders are globally aligned with the most material issues, particularly those related to the Group's core business, a sign of a good understanding between OVHcloud and its ecosystem. These are issues relating to data sovereignty, low-carbon trajectory, efficient energy management, cybersecurity and data protection, environmental display and carbon transparency, and securing strategic supplies.
- Three major issues stand out in particular, consistent with the Group's vision and strategic orientations:
  - Data sovereignty
  - Low-carbon trajectory
  - Efficient energy management
- On the important issues, an alignment is also noted on more generic but fundamental issues for the Company's operation: responsible supply chain, eco-design, business ethics, responsible water management, attraction and retention of talents, reliability and customer trust, health, safety at work and employee well-being, diversity and inclusion, innovation and R&D for Green IT.
- Regarding the deviations (which remain limited), we note that while management places particular importance to the attraction of talent and customer trust, stakeholders have strong expectations concerning the continuity of service – in terms of cybersecurity and resilience to climate change – as well as environmental display.
- OVHcloud is clearly recognised for the issues relative to the differentiation of its offering, linked to its value proposition: price transparency, eco-design, a responsible approach to resource management and, above all, data sovereignty. Nevertheless, expectations are very high on these issues, which rank among the most material.
- When asked about the issues for which OVHcloud has room for progress, stakeholders were generally less vocal than management. The most frequently mentioned issues were: cybersecurity and data protection, environmental display, diversity and inclusion, attraction and retention of talents and contribution to the digital transition and digital accessibility.

CSR risk assessment

The Group's risk mapping and materiality analysis have made it possible to refine the Group's list of CSR risks, as well as to reinforce the pillars of its CSR policy commitments. The final list of CSR risks, presented in the table below, was reviewed and approved by the Executive Committee.

Description of the risk and impact	Priority level	Risk evolution	Risk management measures	Performance indicator
ENVIRONMENT				
Risk Inability to adapt to climate change (including natural disasters) and limit its environmental impacts **Impacts for OVHcloud** - Business disruption - Loss or unavailability of key assets - Loss of customer and shareholder trust - Reputation	Tier 2	↗	Deployment of a comprehensive risk management process: • Identification and assessment of the exposure of sites to natural disasters • Risk mitigation through the implementation of corrective and preventive actions • Duplication of production and operating resources through the redundancy of equipment, facilities and services • Analysis with customers of the vulnerabilities of the deployed infrastructures and support and advice on optimisation • Acquisition and development of new solutions focused on business continuity and recovery	Number of dataceneters in water stressed areas, seismic risk

Description of the risk and impact	Priority level	Risk evolution	Risk management measures	Performance indicator
Risk Inability to meet the greenhouse gas emissions reduction targets of the NetZero 2030 roadmap (including energy management) **Impacts for OVHcloud** - Mistrust of stakeholders (employees, customers, investors, shareholders...) - Financial costs - Reputation	Tier 1	→	Detailed environmental roadmap with well-identified initiatives: • Energy management • Eco-design of servers • Carbon offsetting projects • Sustainable supply chain • Freight • Renewable energies • Waste management	CUE PUE REF
Risk Difficulty in mastering water management **Impacts for OVHcloud** - Disruption of activity in some data centres - Financial costs	Tier 1	↗	• Water-cooling technology developed more than 20 years ago and deployed at Group level, enabling optimal management of water resources	WUE
Risk Difficulty in managing the life cycle and circularity of products, including the waste generated **Impacts for OVHcloud** - Waste of resources - Reputation	Tier 1	→	• Vertically integrated industrial model enabling control of all stages of the value chain • Reverse supply chain characterised by the reconditioning of servers	Reused components ratio
BUSINESS CONDUCT				
Risk Non-compliance with current regulations and best practices in terms of business ethics (including anti-corruption measures) **Impacts for OVHcloud** - Reputation - Mistrust of stakeholders - Legal impact - Penalties or fines	Tier 2	→	• Code of ethics and anti-corruption and associated training • Whistleblowing platform available for employees and external stakeholders: ROGER	% of employees who completed anti-corruption training (measurement from 2023)

Description of the risk and impact	Priority level	Risk evolution	Risk management measures	Performance indicator
Risk Inability to manage the scarcity of resources and secure strategic supplies **Impacts for OVHcloud** - Increase in costs of materials - Supply disruptions impacting production capacity	Tier 1	↗	• Vertically integrated model allowing control of the entire value chain • OVHcloud builds precautionary inventories, in order to be able to withstand temporary disruptions • Purchasing teams engaged in an ongoing dialogue with suppliers to negotiate supply contracts at a global level • Recycling policy based on a logistics chain allowing the reuse of components and equipment. OVHcloud recovers the components from equipment considered to be at their end of life, subjects them to tests and then reuses those it believes could be used inside new equipment	Reused components ratio
Risk Difficulty in setting up a responsible supply chain (particularly in terms of human rights and fundamental freedoms and the environment) **Impacts for OVHcloud** - Reputation - Mistrust of stakeholders	Tier 1	NEW	• Responsible purchasing approach reflected in the suppliers code of conduct • Anti-corruption clauses included in contracts • Regular assessment of strategic suppliers • CSR mapping and assessment of the most exposed purchasing categories and a panel of targeted suppliers	Rate of signing of the suppliers code of conduct
Risk Difficulty in establishing a clear governance structure for investors **Impacts for OVHcloud** - Mistrust of minority shareholders - Lack of attractiveness for investors	Tier 2	NEW	• Relationship of trust developed with the financial community • Open and regular dialogue between OVHcloud management and the investor relations team with the financial community • Universal Registration Document that transparently shares information relating to its governance	Chapter Corporate Governance of the URD Investor Relations
Risk Cybersecurity, risks related to data protection **Impacts for OVHcloud** - Mistrust of stakeholders - Legal impact - Penalties or fines	Tier 1	→	• Obtaining certifications such as ISO 27001, SEC 1, SEC 2 or PCI DSS • Regular contact with ANSSI (French National Cybersecurity Agency) to anticipate new attacks or improve existing processes • Regularly updated IT risk mapping • Cyber attack simulation campaigns with employees	Success rate of cyber attack simulations campaigns

Description of the risk and impact	Priority level	Risk evolution	Risk management measures	Performance indicator
SOCIAL/SOCIETAL				
Risk Difficulties in recruiting, developing and/or integrating human capital **Impacts for OVHcloud** - Unexpected loss of staff or key skills (members of the management team, managers, project managers, sales network, etc.) - Financial cost	Tier 1	→	• Strong corporate culture supported by shared values and based on the belief that everything begins with people • Unique employer brand based on five differentiating pillars • Ongoing investment in talent and skills development • Systematic induction week for new hires • Efficient organisation of the recruitment function	Loyalty rate Engagement score Employee training rate
Risk Inability to provide a working environment that ensures health, safety and well-being for employees **Impacts for OVHcloud** - Employee disengagement - Depreciation of the employer brand - Financial cost	Tier 2	→	• Culture of health and safety at work based on a health and safety policy involving each employee and on regular awareness-raising actions such as “World Safety Week” • Investment in prevention actions with a dedicated medical centre and a range of services available to employees (Qare teleconsultation, actions to promote regular sporting activities, etc.) • Commitment to parenthood (company crèche, parenthood kit, etc.)	Frequency rate (with lost time) FR1 Frequency rate (with or without lost time) FR2
Risk Difficulty in establishing and promoting an inclusive work environment **Impacts for OVHcloud** - Depreciation of the employer brand - Lack of attractiveness for new talents - Disengagement of employees	Tier 1	→	• Internal charter available on the intranet • Commitment to increasing the number of women in the workforce • Initiatives to promote access to employment for people with disabilities • Events to raise awareness of internal teams on diversity and inclusion issues	% of women in management % of women in top management (Executive Committee)

Note: Tier 1 refers to tier one priorities, and Tier 2 refers to tier two priorities, in terms of importance for stakeholders, and impact for the Group’s business.

Summary of performance indicators

Performance indicators	FY2020	FY2021	FY2022
ENVIRONMENT			
PUE (Power Usage Effectiveness)	1.1-1.3	1.1-1.3	1.28
WUE (Water Usage Effectiveness)	0.24-0.29 L/kWh IT	0.17-0.20 L/kWh IT	0.26 L/kWh IT
CUE (Carbon Usage Effectiveness)	0.15-0.18 tCO_2e/MWh IT	0.15-0.18 tCO_2e/MWh IT	0.20 tCO_2e/MWh IT
REF (Renewable Energy Factor)	79%	78%	77%
Reused components ratio	21%	34%	25%
BUSINESS CONDUCT			
Success rate of cyber attack simulations campaigns	91%	89%	89%
Rate of signing of the supplier code of conduct	-	-	65%
SOCIAL/SOCIETAL			
Loyalty rate	84%	77%	79%
Engagement score	7.5	7.3	7.5
Employee training rate	60%	66%	73%
% of women in management	18%	18%	20%
% of women in top management (Executive Committee)	18%	27%	25%
Frequency rate (with lost time) FR1	4.20	7.04	5.39
Frequency rate (with or without lost time) FR2	9.18	14.09	8.44

3.1 GUARANTEEING DATA SOVEREIGNTY AND FREEDOM

Leading European cloud services provider, OVHcloud is at the heart of the digital revolution, which opens the way to a multitude of opportunities in terms of applications and technology. In this context, the Group offers its customers cloud solutions covering all their uses – supporting them in their digital transformation, enabling them to innovate by building "cloud native" applications or helping them leverage the power of data. In fulfilling this mission, the Group offers its clients the freedom to build their most ambitious projects, in a secure, compliant and sustainable cloud environment. For OVHcloud, everyone must be able to keep control of their data and be guaranteed that they are secure. Free choice and openness in terms of services and innovation are the foundation of the relationship of trust established with its customers and partners. This also involves a range of services offering the best price-performance ratio and transparent and predictable rates.

3.1.1 Defending data sovereignty, security and privacy

OVHcloud's activities focus on the computing capacity, storage, processing and transfer of its customers' data, including personal data, as well as business-critical data. The sovereignty, security and confidentiality of data form the basis of the Group's value proposition and the foundation of the relationship of trust that unites it with its customers. OVHcloud ensures the highest level of data protection. This level of excellence is supported by an effective data governance system. The Group is also campaigning for a European cloud, guaranteeing the technological independence of Europe and the sovereignty of its data.

3.1.1.1 Highest level of data protection

Cybersecurity

In order to guarantee the protection of the data entrusted to it, OVHcloud deploys all necessary means in terms of cybersecurity and physical protection of its sites. The Group has obtained numerous national (SecNumCloud by ANSSI, Agid, G-Cloud, C5) and international (ISO 27001, ISO 27791, PCI DSS, SOC 2) certifications and certifications specific to certain segments (HDS for health, finance), which meet the highest French, European and international standards in terms of data protection.

In addition, OVHcloud has internal procedures in terms of information systems security and constantly raises its employees' awareness of the risk of computer attacks, in particular by carrying out cyber attack simulations. The Group organises up to three campaigns per week, built from sophisticated scenarios inspired by real cases, tested on randomly targeted populations. Several indicators are observed, including the percentage of employees tested, the reporting rate and the compromise rate (percentage of employees on whom the phishing worked) and conversely, the success rate of simulation campaigns. It is the latter indicator that constitutes the benchmark performance indicator. In 2022, the success rate of simulated cyber attack campaigns was 89%, at the same level as FY2021.

Physical protection of sites

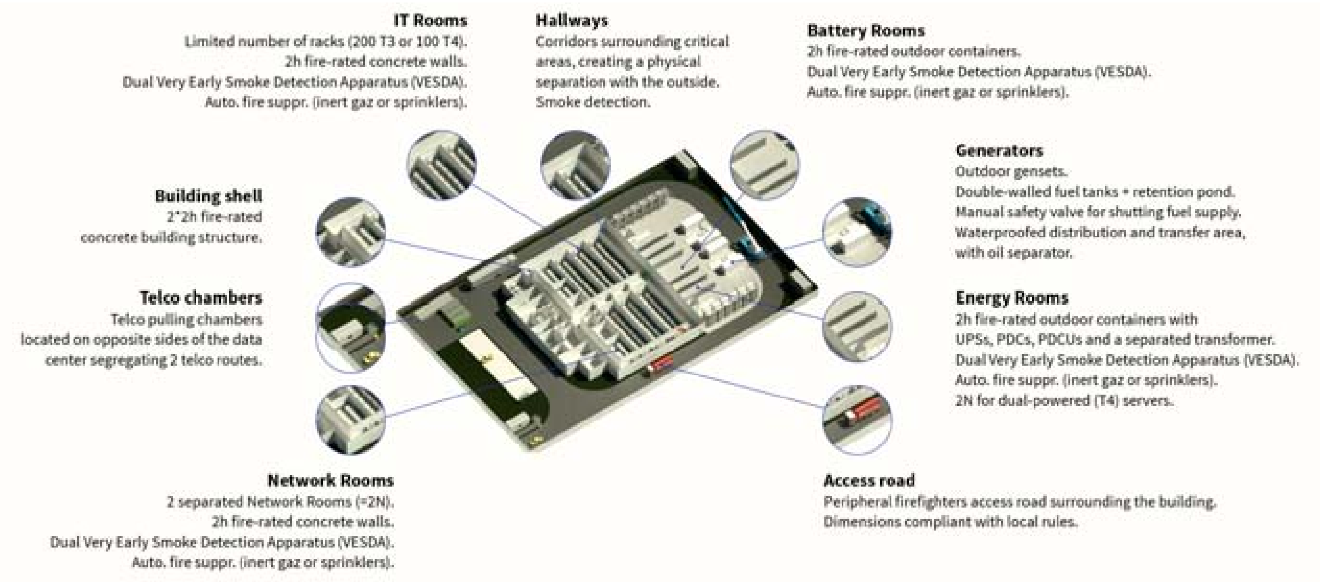
As the cloud relies on physical infrastructures, data security also involves securing OVHcloud's sites, with particular attention paid to its datacenters, which house the servers on which the data is stored or transits. These sites are particularly important to ensure the continuity of customers' business. OVHcloud therefore implements a multitude of actions to protect its sites, including:

- security and 24/7 surveillance;
- an anti-intrusion system;
- strict access control;
- regular contact with the authorities.

On the night of 9 to 10 March 2021, a fire broke out in one of the four OVHcloud data centres in Strasbourg, France. The incident is detailed in Chapter 2, "*Risk factors*" of this Universal Registration Document. To date, the investigation to determine the cause of the incident is still ongoing, the mission of forensic experts having been extended until 30 August 2023.

Following the fire, OVHcloud set up a Hyper Resilience plan, aimed, among other things, at taking safety standards beyond regulatory standards and insurers' recommendations.

The inauguration of the new data centre in Strasbourg, SBG5, in September 2022, made it possible to show the first concrete results of the Hyper Resilience plan. The result of a €30 million investment launched in April 2021, the site is the first in a new generation of hyper-resilient and more sustainable data centres. Covering an area of 1,700 m^2, SBG5 has a total of 19 isolated rooms with masonry that compartmentalises the different segments in order to provide two hours of fire resistance.



Press release: https://corporate.ovhcloud.com/en/newsroom/news/sbg5-opening/

In accordance with its commitments, the Group will launch a new data centre dedicated to raw data backups (snapshots) and remote from service operating sites. Deployed initially for French customers, the Group plans to roll out this service more generally in order to extend it to all its solutions and locations.

Personal data protection and data sovereignty

European legislation protects the personal data of European citizens and requires that restrictions on this protection respect the principle of proportionality and operate within the limits of what is strictly necessary.

Any restriction must be accompanied by clear and precise rules circumscribing its scope and application as well as minimum requirements, so that individuals have sufficient guarantees to effectively protect their data against the risk of misuse.

Certain foreign laws, and mainly US law, contain extraterritorial provisions that could undermine the protection of personal data (see Section 2.1.2.5 of this Universal Registration Document).

It is in this context that the Court of Justice of the European Union, through the Schrems I (2015) and Schrems II (2020) rulings, twice cancelled the “Safe Harbor” and “Privacy Shield” adequacy decisions between the European Union and the US.

The awareness of European cloud customers of the challenges related to digital sovereignty represents a strong opportunity for European cloud players, foremost among them OVHcloud.

A growing number of European companies are looking for alternatives to American hyperscalers and other cloud providers based in the United States in order to protect their data, and in particular personal data, from the risk of interference by American intelligence agencies.

In order to prevent this risk, OVHcloud has developed sovereign cloud offers, allowing these customers to host their data in the territory of the European Union, without any transfer of personal data to a third country and protected from the effects of legislation of countries outside the European Union.

Data sovereignty and technological sovereignty

Data sovereignty refers to the ability of a public or private organisation to maintain control of its data and the data entrusted to it by its customers. Depending on the organisations concerned, this issue intersects two needs.

- On the one hand, the need to control the organisation's strategic data (trade secrets, raw data on the functioning of its activity, intellectual property, data on its research projects, etc.).
- On the other hand, to protect the personal data of employees or customers and thus restore the trust of people in the digital services that will process the data concerning them.

Technological sovereignty refers to the ability of a country such as France or an area such as the European Union to master the technologies that are strategic to them and thus guarantee their autonomy. This dimension specifically questions the public policies put in place in France or by the European Union to control (or regain control) of the strategic components of its sovereignty, from end to end. The hardware part (electronic components, ability to manufacture servers in the EU), and also the software part (operating systems, software in the fields of cybersecurity, artificial intelligence and quantum computing) then need to be taken into account

3.1.1.2 Ethical data processing

The ethical treatment of data, which has always been at the heart of OVHcloud's business model, is formalised by four commitments:

1. **Never use the data entrusted by its customers** and hosted on OVHcloud infrastructures **for commercial purposes**.
2. **Implement appropriate protection of the data entrusted by OVHcloud customers against extraterritorial laws, in accordance with the customers' choices**: OVHcloud's information systems, legal entities and internal policies are implemented in compliance with the laws of the countries in which customer data is hosted as well as to ensure protection against the extraterritorial application laws of third countries. For example, OVHcloud has two separate legal entities between the European Union (OVH Groupe SA) and the United States (OVH US LLC) and has set up separate information systems in order to avoid the extraterritorial application laws on the data of customers hosted in the European Union.
3. **Respect existing data ethics recommendations**: OVHcloud currently complies with the recommendations of the DAMA (Data Management Association) and regularly updates its internal policy on the subject.
4. **Offer its customers tools to build responsible and ethical Artificial Intelligence (AI)**: OVHcloud favours technologies that guarantee interoperability in AI (*e.g.* Open Source), offers tools to reduce bias in AI and works to ensure the traceability of AI models.

In order to carry out these various projects and commitments, OVHcloud has set up several bodies enabling federated data governance:

- The **Data Governance Committee** brings together the data managers who implement the processes and practices guaranteeing federated governance.
- The **Data Coordination Committee** guarantees strict control of the quality of the data and its consistency by reinforcing our ISO 27001 and ISO 27701 standards.

3.1.1.3 Campaigning for a European cloud

OVHcloud defends a European open cloud model, which guarantees the protection of the data of European citizens and organisations and which ensures Europe's digital sovereignty and strategic independence.

As such, OVHcloud participated in the creation of Gaia-X, a European initiative launched in 2020 whose objective is to build a federated, open, secure and transparent digital ecosystem. It aims to enable users to benefit from cloud services that meet their needs both technically and legally and offer them appropriate guarantees, in particular in terms of data protection, interoperability, security or immunity to extraterritorial laws.

OVHcloud intends to fully assume its role as a European cloud leader and is campaigning for the development of a European cloud provider ecosystem. This is reflected in educational actions such as:

- The creation of content (videos, articles, etc.) and presentations to explain the issues raised by data processing and the importance, for organisations, of ensuring control of their most sensitive data;
- The organisation, throughout the French Presidency of the Council of the European Union, of a tour of Europe around digital sovereignty. This "Roadshow" resulted in the participation in the international conference "Building Europe's digital sovereignty", organised on 7 and 8 February 2022 by the French government and the organisation of five round tables in Germany, Poland, Spain, Estonia and Italy on this topic. It led to the publication of the "Rome Consensus", a pragmatic roadmap to ensure the digital sovereignty of the European Union and the development of a European ecosystem of digital champions.

This European cloud model necessarily implies a European vision of personal data protection, which can only be addressed at the level of the ecosystem, both European and national. In this respect, the Group took part in the founding of the CISPE (Cloud Infrastructure Service Providers in Europe), which established a charter of best practices aimed at guaranteeing the highest level of personal data protection. OVHcloud also created the "Open Trusted Cloud" label, which currently has 75 active members (compared to 60 in 2021). This label certifies that their solutions are open and comply with European standards in terms of personal data protection, and allows them to be hosted by OVHcloud.

OVHcloud is also a founding member of the European Alliance for Industrial Data, Edge, and Cloud, an initiative launched by the European Commission and which brings together nearly 50 European industrial players mobilised to strengthen Europe's ability to develop its own cloud and edge technology, taking into account the challenges of sovereignty and sustainable development

Building on these commitments, the Group supports legislative projects and initiatives that can support European digital sovereignty and the establishment of a level playing field for the cloud market in Europe such as the Digital Markets Act (DMA), the Data Act, the development of a European cybersecurity scheme for the certification of cloud services, known as EUCS.

3.1.2 Guaranteeing freedom of choice and reversibility

In terms of the cloud, there are a multitude of factors that can hinder, or on the contrary promote, the freedom for customers to create and undertake projects. OVHcloud's best asset lies in its open approach, based on co-construction and the foundation of the relationship of trust established with its customers. This openness is defined by several commitments: offering reversibility and interoperability, working and campaigning for open technologies, as well as a collective approach to innovation.

3.1.2.1 Reversibility and interoperability

OVHcloud offers its customers the possibility of deploying their technologies and services anywhere, without technological lock-in and without costs related to outgoing traffic for the repatriation of data (egress fees) that could hinder the freedom of customers to cancel a service. OVHcloud offers its customers complete reversibility and flexibility, allowing them to take advantage of the services that best meet their needs. Reversibility is one of OVHcloud's "Cloud SMART" commitments (see Section 3.1.2.3 of this Universal Registration Document), and follows the following principles: offer an open and standard environment, in which customers have access to extensive control over their systems and data, and detailed documentation to facilitate inbound and outbound migration.

The Group also works to ensure that its technologies are interoperable, *i.e.* able to work with the technologies of other cloud providers, thus maximising agility and efficiency for its customers.

3.1.2.2 Working for open source

In order to perpetuate these commitments and not to limit either its future orientations nor those of its customers, OVHcloud continually ensures that its innovations are open, in addition to being reversible and interoperable. For the Group, it is essential that the entire sector progresses, by sharing and transferring knowledge as well as capitalising on past developments.

OVHcloud has developed many open source technologies, such as CDS or Bastion solutions, with the code being made available on open collaborative platforms such as GitHub. In order to democratise open source technologies, the Group offers many of them as an OVHcloud service. Having an accessible source code, which can be modified and integrated by other developers, promotes continuous improvement and innovation, in a logic of collaborative innovation, and also makes it possible to increase the security of software concerned.

OVHcloud is a member of the Open Innovation Network (OIN), in order to group Linux patents with other technological players. The aim is to protect this open source operating system against any legal action. OVHcloud grants free of charge licenses on its patents, in the same way as each of the other members. By sharing all of its software patents, OVHcloud further defends the values of open source and the protection of a common heritage.

The Group also carries out sponsorship actions for structures such as OpenInfra, the Cloud Native Computing Foundation (CNCF), and LetsEncrypt. OVHcloud also encourages its employees to contribute to open source solutions, both in the writing of the code and in their promotion, and to favour them when they are mature.

In May 2022, OVHcloud and Ant Group won the Superuser Awards for the large-scale deployment of OpenStack (an OpenInfra project). This is a set of open source software for deploying cloud computing infrastructures.

3.1.2.3 Innovation & co-construction

Reflecting its values of openness and transparency, innovation at OVHcloud is part of a co-construction approach within an ecosystem of partners, based on a vision of the "S.M.A.R.T." cloud: Simple, Multilocal, Accessible, Reversible and Transparent.

During the 2022 financial year, this collaborative approach to innovation was materialised through several partnerships:

- OVHcloud, Davidson consulting, Inria and Orange have teamed up for the "DISTILLER" research programme (recommenDer servIce for SusTaInabLe cloud nativE softwaRe) to reduce the environmental impact of cloud applications. This project aims to provide answers to questions such as How to develop a new "cloud native" software for sustainability and sobriety? Which programming languages, libraries, frameworks and cloud infrastructures should be taken into consideration for each project?
- HFactory and OVHcloud strengthened their partnership to advance data science and artificial intelligence skills;
- A partnership with Speechbrain and Mila was concluded to accelerate research in neural speech processing;
- Atos and OVHcloud announced a partnership in the field of quantum computing to make the Atos quantum emulator available "as a service" through OVHcloud offers.

In 2020, the Group also developed a start-up programme with Inria (French National Institute for Research in Digital Sciences and Technologies). The Inria Startup Studio helps future entrepreneurs create their startup, with a goal of supporting 100 startup projects each year from 2023. The programme offers both funding and support, which is intensified until the project is launched.

3.1.3 Giving access to the best of the cloud to as many people as possible in complete transparency

OVHcloud is convinced that the cloud must be a space of freedom and must be able to be democratised without sacrificing quality of service. Offering a service with the best price-performance ratio and predictable prices has been at the heart of the Group's value proposition since its inception.

3.1.3.1 Best price/performance ratio

OVHcloud offers one of the best price/performance ratios on the market. Since its inception, the Group has set the principle of providing its customers with the benefits of its vertically integrated model and its innovations such as water--cooling, with the aim of providing them with the benefits of the flexibility of the cloud while controlling their expenses. Its combination of high performance and attractive pricing has been recognised by customers as a key differentiation factor (see Section 1.5.4 of this Universal Registration Document for a detailed description of this differentiating factor).

In the inflationary context of 2022, the Group has announced that it will have to make price increases. These increases and their reasons were made public on the Group's blog and commercial website. They will remain targeted and controlled, with OVHcloud ensuring that it maintains its commitment to offer its customers one of the best price/performance ratios in the industry.

3.1.3.2 Price predictability and transparency

The migration of companies to the cloud is driven by multiple benefits: increased agility and scalability, optimised IT investments. Today, cloud products and services have become a major budgetary item that companies are seeking to better control. To this end, it is particularly important to understand the structure of costs related to the use of the cloud and to be able to anticipate them.

In a spirit of openness, OVHcloud advocates transparency and defends a predictable and "all-inclusive" cloud pricing model in order to simplify the budgeting of cloud costs for users. This is reflected in particular by:

- The inclusion of inbound and outbound data transfer, which facilitates outbound traffic budgeting;
- A fixed price for storage and bandwidth, regardless of the volume and frequency of access;
- No additional fees for API (application programming interface) calls.

3.2 PIONEERING SUSTAINABLE CLOUD

At the forefront of the sustainable cloud, OVHcloud has integrated sustainability at the heart of its business model since its creation by developing industrial innovations to limit its environmental impact. The Group has set itself ambitious targets that structure its action.

OVHcloud's environmental commitments

- **contribute to global Net Zero (scopes 1 and 2) by 2025**, by following a reduction trajectory compatible with a warming of 1.5°C, *i.e.* balancing carbon emissions and offsetting actions on both direct emissions (scope 1) and certain indirect emissions (scope 2);
- **contribute to global Net Zero by 2030**, by following a reduction trajectory compatible with a warming of 1.5°C, *i.e.* balancing carbon emissions and offsetting actions across all scopes 1, 2 and 3;
- **use 100% low-carbon energy by 2025***;
- **zero waste to landfill from production centres by 2025**.

(*) Revised in 2022, replacing the target of 100% renewable energies in 2025, given the current energy mix which already favours the use of low-carbon energy such as nuclear (France) and hydroelectricity (Quebec).

OVHcloud's environmental action is structured around three pillars:

- innovation, at the heart of its industrial model;
- the contribution to achieving global Net Zero by 2030;
- communication and awareness-raising on all the impacts of the cloud, in order to guide consumption choices.

Environmental performance indicators – key figures

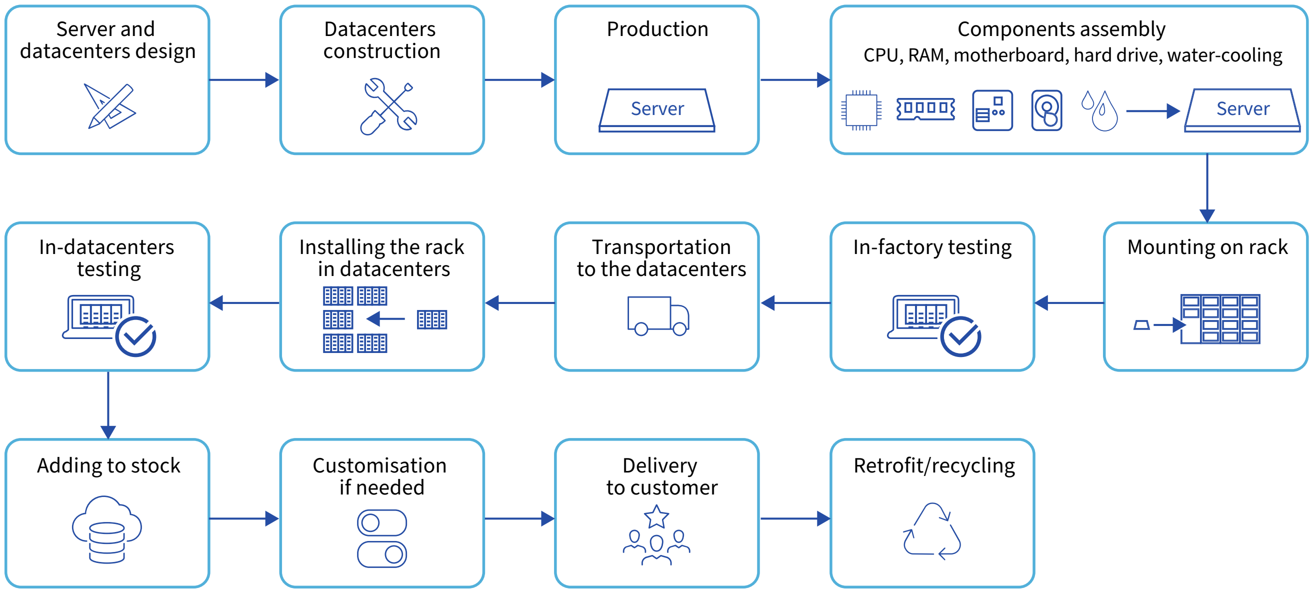
Performance indicators	FY2020	FY2021	FY2022
PUE (Power Usage Effectiveness)	1.1-1.3	1.1-1.3	1.28
WUE (Water Usage Effectiveness)	0.24-0.29 L/kWh IT	0.17-0.20 L/kWh IT	0.26 L/kWh IT
CUE (Carbon Usage Effectiveness)	0.15-0.18 tCO_2e/MWh IT	0.15-0.18 tCO_2e/MWh IT	0.20 tCO_2e/MWh IT
REF (Renewable Energy Factor)	79%	78%	77%
Reused components ratio	21%	34%	25%

3.2.1 Placing innovation at the heart of OVHcloud's industrial model

OVHcloud is a global provider of digital infrastructures, which operates its datacenters and designs and assembles its own servers. This vertically integrated model allows the Group to optimise its industrial process by integrating innovations at scale for 20 years, such as the proprietary water-cooling technology in its datacenters, or by applying the principles of circularity and frugality of resources. This makes it possible to better manage the environmental impact at each level of the value chain. OVHcloud is determined to continue to innovate and develop its industrial model for the benefit of sustainability.

3.2.1.1 Adopting a circular approach thanks to a single integrated model

OVHcloud's circular approach is fully embodied in its integrated industrial model, a unique approach on the market. Since its inception, the Group has been committed to reducing its environmental impact at each stage of the server lifecycle, through the design and construction of its datacenters and servers, the recycling of components and extending the lifespan of its hardware.



OVHcloud's integrated industrial model

In this logic of circularity and management of its server lifecycle, since 2009, OVHcloud has set up a reverse supply chain which involves retrofitting servers in order to give them a new life. This circular approach makes it possible to continuously optimise OVHcloud infrastructures, and thus to offer solutions that consume less energy. In 2021, OVHcloud carried out a complete assessment of its server lifecycle, and continues this momentum in 2022 with the launch of a new brand of refurbished servers.

This reverse supply chain also allows OVHcloud to better recycle components and give them a second or even a third life. The servers, manufactured in one of the two OVHcloud plants, in Canada and in France, are designed to be entirely dismountable. They are equipped with dedicated components, chosen to be easily reused, recycled and repaired. In 2022, the reused components ratio was 25%, compared to 34% in 2021 and 21% in 2020. This rate was exceptionally high (34%) during the 2021 financial year, mainly due to the Strasbourg incident. The transition to SAP also explains why the rate is lower for the 2022 financial year. OVHcloud always aims to improve this circular approach. In April 2022, the Group joined forces with the social and solidarity-based economy to recycle its packaging foams with the start-up Umains. The latter works to give a second life to unsold and defective inventory. The Group has undertaken to stop the landfill of waste from production centres by 2025. It also encourages its suppliers, through its supplier code of conduct, to reduce their waste and implement more recycling and reuse.

The OVHcloud datacenters are mainly refurbished buildings (73%, or 24 centres out of 33). They are also designed to have a longer than average lifespan.

Successive crises, including the Covid-19 pandemic and the Russia-Ukraine conflict, have demonstrated the vulnerabilities of supply chains and often strong dependencies in terms of access to resources. However, OVHcloud operates its own datacenters, and also manufactures its own servers. This integrated industrial model allows optimal control of its supply chain, thus reinforcing its autonomy and resilience capacity, and offering incomparable guarantees to its customers in terms of service continuity. The Group is able to choose and check all of its equipment, thereby guaranteeing quality down to the smallest components, while achieving economies of scale. OVHcloud benefits from the agility of its circular approach in the design of its products. In the event of supply tensions, the Group can manufacture servers and product SKUs based on the components available from suppliers and also internally (reuse of components). This ensures its ability to continue to meet the needs of its customers.

OVHcloud works to continuously improve its reverse supply chain and its planning capabilities, thus optimising inventory management as well as component requirements.

In a context of tension in the energy market, OVHcloud also secures its renewable energy purchases thanks to Corporate Power Purchase Agreements (see Section 3.2.2.3 of this Universal Registration Document).

3.2.1.2 Innovating with a view to resource efficiency

OVHcloud has been innovating industrially for 20 years by developing proprietary solutions with a view to resource efficiency. The Group places the optimisation of resource management, particularly energy and water, at the heart of its strategy. This conviction was developed very early, well before the current crises (energy crisis in Europe, increase in water-stressed areas, etc.).

OVHcloud is a pioneer in optimising datacenter water consumption. In 2003, the Group developed the proprietary water-cooling technology in its datacenters. OVHcloud uses this technology on a large scale, eliminating the need for air conditioning in server rooms, with significant benefits in terms of costs and reduced environmental impacts. Direct water-cooling removes heat from the processors and the air (which is then cooled inside the rack using water through a heat exchanger) removes heat from other components. The heated water is then cooled using dry cooling towers. OVHcloud stands out with its closed circuit system that limits liquid losses, and also by the use of dry coolers and the absence of air conditioning in the server rooms. In addition to being very efficient in terms of water and energy consumption, OVHcloud's water-cooling technology has relatively low maintenance costs.

To measure its performance on water and energy use, OVHcloud monitors two indicators:

- the PUE (Power Usage Effectiveness) measures the energy efficiency of the Group's data centres: it is the ratio between the total electricity used and the electricity used to power the servers. In 2022, the PUE was 1.28 and remained stable compared to the 2021 financial year;
- the WUE (Water Usage Effectiveness) measures the efficiency of water use: it is the ratio between the water consumption of cooling systems in litres and the electricity consumption in kWh of services. In 2022, it amounted to 0.26 L/kWh IT [1] compared to 0.17-0.20 L/kWh IT in the 2021 financial year, a slight increase due to the exceptionally warmer temperatures in the summer of 2022.

It should be noted that the WUE, as measured in 2022, overestimates reality. This is because it takes into account the water consumption indicated in the supplier statements, which is higher than that actually used for cooling systems.

OVHcloud plans to adjust the WUE measurement according to the ISO 30134-9 standard, adopted in March 2022, which standardises the methodology. To this end, water meters upstream of cooling systems in datacenters will be rolled out during the 2023 financial year, making the WUE measurement more reliable, with the aim of measuring it in accordance with ISO 30134-9 in the 2024 financial year (measurement over 12 months). It should be noted that the standard stipulates that the water actually evaporated must be taken into account and therefore the difference between the water consumed by the cooling systems and that returned to the watershed. This precise calculation will only be feasible for newly deployed systems.

The Group also continues to innovate to reduce the pressure it exerts on resources. Deployment of adiabatic cooling [2] by wet media should reduce water consumption and ultimately lower the WUE.

The new SBG5 data centre in Strasbourg

On 12 September 2022, OVHcloud inaugurated its new SBG5 datacenter at the Strasbourg site. This centre aims to be the most sustainable model on the market. SBG5 benefits from a water-cooling system for server components that achieves a WUE of less than 0.2 L/kWh, or the equivalent of one glass of water to cool one server for ten hours of use, while the average WUE of the cloud industry reached 1.8L/kWh (source: US Department of Energy).

As a designer and operator of datacenters, the Group considers energy as one of its main items of expenditure and environmental impact. OVHcloud has made energy performance a priority. This commitment is materialised by an energy management system, compliant with the ISO 50001 standard, which aims to optimise energy management for datacenters. OVHcloud obtained ISO 50001 certification for its datacenters in France in 2021. In this way, the Group aims to improve its energy expenditure planning.

3.2.2 Contributing to global Net Zero by 2030

The Group is committed on a collective scale, to be able to contribute to global Net Zero by 2030.

3.2.2.1 Environmental strategy

As a founding member, in 2021, of the Climate Neutral Data Centre Pact [3] (see Section 3.2.3.2 of this Registration Document), OVHcloud puts carbon neutrality at the heart of its ambitions. In 2022, the Group formalised three areas of work.

These areas of work, in order of priority, are as follows:

- Area 1: Reduction of compressible emissions [4] to their maximum by 2030 (see Section 3.2.2.3 of this Registration Document);
- Area 2: Involvement of the ecosystem: partners, customers, suppliers and employees in a process to reduce their carbon footprint [5];
- Area 3: Contribution to increasing carbon sinks for all residual emissions [6].

1) *Litre per kilo watt hour consumed by IT equipment.*
2) *"Adiabatic cooling is based on the principle of latent heat. This cooling is obtained by changing the phase of water from liquid to gaseous form used to pre-cool the air before it passes through the cooling system." Climate Neutral Data Centre Pact.*
3) *https://www.climateneutraldatacentre.net/*
4) *All emissions are accounted for in the carbon footprint as induced emissions.*
5) *These emissions avoided upstream and downstream of the value chain are monitored in the form of avoided emissions.*
6) *These emissions are monitored in the form of negative emissions.*

3.2.2.2 Carbon footprint

In order to be able to precisely define its targets and their progress, OVHcloud has been carrying out its carbon footprint assessment on scopes 1, 2 and 3 since 2017. This enables the Group to manage its climate strategy. This footprint is detailed below with the history since 2019.

Carbon footprint	Financial year 2019	Financial year 2020	Financial year 2021	Financial year 2022
Induced emissions	107k tCO_2e	130k tCO_2e	142k tCO_2e	164k tCO_2e

In 2022, the Group's emissions broke down as follows:

- Scope 1: 2k tCO_2e
- Scope 2: 72k tCO_2e
- Scope 3: 90k tCO_2e

Scope 3 represents the largest proportion of OVHcloud's carbon footprint. It corresponds to the indirect emissions produced upstream and downstream of the value chain (from the supply of raw materials to the end of the product's life). The Group's carbon footprint includes scope 3 upstream and part of scope 3 downstream of the activity.

By items, emissions broke down as follows:

- Servers: 42%
- Energy: 42%
- Freight: 7%
- Buildings fixed-assets: 2%
- Employees: 2%
- Others: 5%

The Group's two main sources of GHG emissions (which account for more than 80% of the total) are:

- electricity (included in scope 2): the electricity consumed is reliable data and comes from physical and actual data; the estimate of emissions related to this item is therefore reliable.
- server components (scope 3): these are purchased from various suppliers and OVHcloud does not currently have Life Cycle Analysis (LCA) data relating to these. The Group therefore uses monetary ratios to estimate the emissions related to this item. These ratios are less precise than physical or LCA data; OVHcloud is therefore working to improve this point, to obtain a better precision of its carbon footprint. This year, the Group launched an assessment work on the physical database for its components and is working in parallel with its ten main suppliers (which represent 80% of the components purchased) to obtain LCA data from them. At this stage, only two suppliers have provided this data. The Group hopes to have completed collecting this information by the end of the 2023 financial year.

3.2.2.3 Environmental roadmap

By committing to contribute to **global Net Zero (scopes 1 and 2) by 2025**, OVHcloud wants to rise to the challenge, and does not limit its vision at the company level but at that of the planet.

In order to achieve this target, most of the actions implemented focus on scope 2 (scope 1 representing 1% of the Group's carbon footprint), in particular on the electricity consumption of the data centres. The main initiatives concern:

- reduction in energy consumption (in absolute value);
- optimisation of energy efficiency, and in particular the cooling of server rooms;
- implementation of the Energy Performance Plan with the DREAL on the Gravelines site.

OVHcloud also continues to innovate in the design of its servers, in order to improve the energy performance of its components and its cooling system.

In addition to these actions, the Group will offset its residual emissions with its partners (Terraterre and Stock CO_2 at present), in order to ensure the achievement of its commitment by 2025.

The second time horizon of the Group's Net Zero trajectory is in 2030, the date on which OVHcloud undertakes to contribute to global Net Zero on all three scopes, and therefore on scope 3 in particular. Scope 3 represents most of its carbon footprint (55% in the 2022 financial year).

- The main carbon emissions item concerns the manufacture of server components, with two main levers of action for OVHcloud: the reuse of components, thanks to its circular approach to the production chain, and the implementation of a sustainable sourcing chain with suppliers (improvement of the carbon footprint of new components).
- OVHcloud is also working to optimise its freight to reduce its emissions as part of the Fret 21 initiative. The aim of this initiative is to encourage companies acting as contract givers to better integrate the environmental impact of transport into their sustainable development strategy. Each voluntary company signs an agreement with the ADEME in which it specifies a target for reducing CO_2 emissions and undertakes to implement actions to achieve it. The aim is to achieve a reduction of 28% in CO_2 emissions for the transport segment by 2030. The corresponding projects at OVHcloud relate to:
  - anticipating the needs of its logistics chain;
  - optimising logistics networks;
  - selecting freight suppliers according to their environmental targets;
  - arbitrating emergency freight according to the carbon impact.

The other scope 3 items are also impacted: circularity applied to buildings, with the reuse of existing buildings rather than the construction of new datacenters, Green IT initiatives and work on employee mobility.

In addition to these actions, the Group will offset its residual emissions with its partners, in order to ensure the achievement of its commitment by 2030.

To measure and monitor the carbon intensity of the data centres, OVHcloud calculates **the Carbon Usage Effectiveness** [(1)] **(CUE)** (see the table in the introduction to the section for detailed figures). This indicator is up slightly in the 2022 financial year, due in particular to the heat peaks in the summer of 2022, which generated higher consumption in the data centres.

1) It corresponds to a ratio and is calculated by dividing the greenhouse gas emissions of scopes 1 and 2 by the energy consumption of the sites containing the data centres, weighted by the PUE. It is expressed in tCO2e/MWh IT.

One of the areas of work that will significantly improve this indicator in the coming years is the optimisation of OVHcloud's energy mix. The Group relies, among other things, on Corporate Power Purchase Agreements (CPPA). At the end of 2021, OVHcloud and EDF Renouvelables signed their first renewable electricity purchase agreement. This relates to the supply for a minimum of 15 years of the electricity production of a future French solar power plant of 50 megawatts to be built, owned and operated by EDF Renouvelables. It will cover 25% of OVHcloud's energy needs in France from January 2025. Two other CPPAs are being negotiated to cover 100% of the Group's energy needs in Germany and Poland with renewable energies from 2025.

This will help meet the Group's target of **100% low-carbon energy by 2025** (renewable, nuclear and hydroelectric).

OVHcloud measures its performance in terms of the type of energy used by the **Renewable Energy Factor (REF)**. This is the proportion of renewable energy consumed by the datacenters compared to their total consumption. For the 2022 financial year, the REF was 77% and was stable compared to 2021 (78%).

Dedicated initiatives are also implemented on the subject of waste, to ensure the achievement of the target of **zero waste to landfill from production centres by 2025**, on waste from OVHcloud's processes. This commitment is included in the Group's waste reprocessing contracts with its partners. In addition to this downstream part of the chain, OVHcloud proactively contributes to reducing its waste: internal traceability of waste, reuse and limitation of packaging, participation in ecosystem projects such as CEDaCI, a multidisciplinary network of players that works for the circular economy in the datacenter segment. OVHcloud will also endeavour to apply this commitment to its future locations, according to the possibilities with the local waste reprocessing channels.

In order to achieve the targets of its environmental strategy, OVHcloud has formalised a roadmap, summarised in the table below:

Contribute to global Net Zero (scopes 1 and 2) by 2025

Energy management	Reduction of energy consumption	• Disconnecting unused servers in datacenters • Disconnecting unused equipment from the electrical supply chain
	Optimisation of energy efficiency	• Optimising of the performance of electrical systems by introducing more efficient elements (transformers, UPS and busbars)
	Optimisation of cooling systems	• Increase the controlled ambient temperature in electrical rooms, battery rooms and network rooms • Leading innovation projects on patented cooling systems (new heat exchangers, new horizontal bays and associated water cooling module, immersive cooling in dielectric liquid)
	Implementation of the Energy Performance Plan with the DREAL (Regional Environment, Development and Housing Department) at the Gravelines site	
Eco-design of servers	Optimisation of server performance with the introduction of more efficient power supplies	
Carbon offsetting projects with Terraterre: implementation of low carbon projects as defined under decree n°2018-1043 and the order of 28 November 2018 in the agricultural sector. The agreement extends to projects on 8 farms in France to achieve a reduction of 1848 tons of CO2 equivalent		

Contributing to global Net Zero across all scopes by 2030

Circular economy	• Optimising component lifespan without compromising on performance • Rehabilitating existing buildings to build new datacenters • Giving a second life to packaging (foams, etc.) • Monitoring products sold to brokers to ensure an environmentally-friendly second life
Sustainable supply chain	• Encouraging suppliers to improve the carbon footprint of components (supplier code of conduct commitment): collect the carbon footprint of components • Encouraging suppliers to improve the carbon footprint of packaging: participate in packaging reduction projects
Freight	• Optimising logistics through Less-than-truckload shipping • Selecting truck suppliers based on GHG emissions • Limiting Croix-Canada flights through supply chain optimisation • Taking the carbon impact into account in the arbitration of emergency air cargo
Green IT	• Including environmental criteria in calls for tenders • Extending the lifespan of equipment • Implementing environmentally-friendly software management
Sustainability at work	• Limiting the plane for business travel when the train is possible • Encouraging the use of hybrid or electric vehicles • Deploying an allowance for the use of bicycles (already the case in France)

100% low-carbon energy by 2025

Renewable energies	• Covering the energy consumption of France, Germany and Poland with CPPAs [1], then other countries

(1) Corporate Power Purchase Agreements

No waste sent to landfill by 2025*

Circular economy	• Contributing to eco-system projects: reuse, upcycling, CEDaCI (Circular Economy for the Datacenter Industry) [1] • Implementing the principle of zero waste internally: trace all waste on site to ensure that it does not end up in a landfill
Sustainable supply chain	• Ensuring compliance with the contractual commitment by partners not to put waste in landfill

** On a constant geographical scope for waste from OVHcloud processes.*

(1) Multidisciplinary network of players working for the circular economy in the data centre segment.

3.2.3 Communicating and raising awareness on the total impact of the cloud to guide consumption choices

The Group intends to mobilise its stakeholders to provide a collective response to the challenge of the environmental impact of cloud technologies. OVHcloud is developing a new environmental display tool to help its customers minimise their impact through their consumption choices. The Group also capitalises on education and undertakes collective actions to influence practices and promote best practices.

3.2.3.1 Environmental display, a lever for transforming uses

Environmental display is a powerful tool for users to understand the impact of the products and services they consume. With the aim of helping customers in their environmental transition and guiding them in their consumption choices, OVHcloud is developing its “carbon calculator”. This tool will be gradually introduced. Customers will see this data relating to their carbon footprint appear on their invoices from 2023.

This tool will make it possible to calculate the carbon footprint of its main products across all scopes. It is designed to be comprehensive and comparable. The methodology is based on the principles of Life Cycle Analysis (LCA), reference databases for environmental impact factors, such as the ADEME Base Carbone®, and the first recommendations of ADEME's Product Category Rules for digital services.

To make the results of the environmental display of its solutions more reliable, OVHcloud relies on the fact that its suppliers will share their environmental data (action underway for the ten largest suppliers, see Section 3.2.2.3 of this Universal Registration Document). This approach could have a doubly virtuous effect, by establishing best practices in the supply chain through capillarity.

3.2.3.2 Raising awareness of environmental impacts: from education to collective action

OVHcloud is a driving force within its ecosystem and multiplies educational and awareness-raising actions around the environmental challenges of the sector. The Group intends to respond to the requests of its stakeholders and communicate on these issues in a transparent, educational and responsible manner. In this respect, OVHcloud has:

- contributed to the writing of a book published on the occasion of Earth Day in April 2022: *Greener Data: Actionable Insights from Industry Leaders*;
- participated in the Tech4climate event on the possibilities and limits of technology to meet the climate challenge in June 2022. The Group discussed the challenges related to the carbon footprint along with the need to go further by implementing life cycle analyses with a multi-criteria approach.

The challenge is to change awareness and practices at the level of the sector and users. In order to accelerate this transition, OVHcloud is embarking on partnership actions such as:

- a four-year research partnership started in 2021 with Inria to improve how the environmental impact of the Group's infrastructures are assessed (research thesis conducted in the OVHcloud experimental data centre, with the aim of modifying the hPUE and vPUE) and offer end users best practices to reduce their environmental footprint;
- the co-development with Davidson Consulting, Inria and Orange of the DISTILLER research programme, launched in March 2022 and aimed at reducing the environmental impact of cloud applications. At the end of this three-year project, the DISTILLER recommendation system will be able to deliver all the indications necessary for the design, production and configuration of more sustainable cloud applications to Product Owners, engineers or developers, while taking all the constraints specific to this type of project (performance, flexibility, confidentiality). To achieve this ambitious target, DISTILLER plans to study cloud-native applications and their configuration in order to extract all the existing variations to define empirically, a sustainability indicator based on the measurements in production, on which the recommendations system for sustainable software components will be based.

OVHcloud is also committed through its action within the Climate Neutral Data Centre Pact, of which the Group is a signatory and founding member (2021). This is an initiative of data centre operators and commercial associations committed to the European Green Deal. The flagship target is carbon neutrality for the sector by 2030, but the organisation also addresses other topics such as water management. To achieve their target, the signatories must agree on the indicators and metrics to be monitored [1]. The Group chairs a European Commission working group, whose aim is to reduce water consumption in European data centres, and participated in the drafting of a white paper, *Water Usage Proposal*. This white paper recommends taking into account three parameters when defining a maximum target threshold for the WUE: the type of climate, water stress and the nature of the water used.

In this context of collective action, OVHcloud has also begun an initiative to adhere to the European Code of Conduct on the energy efficiency of datacenters. Driven by the European Commission, this Code of Conduct could play an important role in harmonising environmental indicators, in the context of the revision of the European Directive on energy efficiency.

1) The first metric proposed concerns water use. The proposed limit is zero point four litres of water per kilowatt-hour of computer power (0.4 litres / kWh), more specifically.

3.3 DRIVING COLLECTIVE PROGRESS OF THE CLOUD FOR THE BENEFIT OF SOCIETY

At OVHcloud, everything starts with people. The men and women make up the Company's wealth: it is the talents that ensure its success. “Working together” is one of the Group's fundamental values. This collective aspect is extended to its ecosystem, and in the desire to enable the entire European cloud segment to progress. Aware of its impact, and its responsibility, OVHcloud intends to make digital technology a driver for socio-economic development.

3.3.1 Attracting and developing talents in a collective adventure within a diverse and inclusive company

Headcount [(1)], employment and engagement – Performance indicators and key figures

At 31 August	2020	2021	2022
Total headcount	**2,253**	**2,435**	**2,791**
BREAKDOWN OF HEADCOUNT BY GEOGRAPHICAL AREA			
France	1,512	1,682	1,959
Europe (other than France), Middle East and Africa	333	325	344
North America	329	350	402
Pacific Asia	79	78	86
BREAKDOWN OF HEADCOUNT BY TYPE OF EMPLOYMENT CONTRACT			
Permanent contracts	2,192	2,377	2,727
Fixed-term contracts	61	58	64
Percentage of employees with permanent contracts	97.3%	97.6%	97.7%
BREAKDOWN OF HEADCOUNT [(2)] BY SOCIO-PROFESSIONAL CATEGORY			
Engineers and managers	887	1,046	1,304
Technicians	252	254	255
Workers	373	382	400
Total	1,512	1,682	1,959
EMPLOYMENT			
Number of terminations of permanent contracts	274	314	474
Number of voluntary departures (including resignations)	217	253	380
Number of hires	488	561	661
Voluntary departure rate	9.9%	11.0%	14.6%
Loyalty rate	84%	77%	79%
Engagement score	7.5	7.3	7.5

(1) Headcount excluding temporary staff and trainees.

(2) Headcount in France excluding temporary staff and trainees.

In a context of shortage and competition for talent in the IT field, attracting and developing new skills is a strategic priority for OVHcloud.

During the 2022 financial year, the Group succeeded in meeting its growth ambitions with the recruitment of 661 people, *i.e.* 18% more than the previous financial year, which itself was up by 15% compared to FY2020. To support this change, the Group has strengthened its recruitment teams in order to have increased capacity for local action, in the regions where tensions are the highest, and by business line.

In addition to recruitment, talent retention is a second key issue, in order to capitalise on knowledge and enable the overall skills development of the teams. The benchmark performance indicator for monitoring is the loyalty rate, which measures the rate of employees present in the Group one year after their arrival. This rate increased by two points in 2022 to 79%. The Group also monitors the rate of voluntary departures, which measures the rate of staff turnover. In 2022, this rate amounted to 14.6%, an annual increase of 3.6 points, mainly reflecting a normalisation after the health crisis. This level, in line with the target of maintaining a voluntary departure rate of 15% or less, remains in line with the levels observed in the IT industry. The average length of service for voluntary departures in FY2022 was 3.6 years compared to 3 years in FY2021.

Lastly, OVHcloud regularly measures the level of engagement of its employees based on the results of internal surveys conducted each year *via* a survey software (Peakon). The engagement score for the 2022 financial year was 7.5, up 20 basis points compared to the previous year. The participation rate for the last survey conducted in FY2022 was 84%, also testifying to the level of employee engagement. The employee engagement score is a key performance indicator that is included in the annual variable compensation of executive corporate officers and members of the Executive Committee in 2022 (up to 15%).

3.3.1.1 Passion and commitment at the heart of the corporate culture

OVHcloud is distinguished by its flagship commitments, in favour of data sovereignty in particular, and by a strong corporate culture, supported by common values that guide each of the Group's actions:

- **Trust**: it commits OVHcloud to its ecosystem and enables its employees to express their talent;
- **Working together**: OVHcloud is deeply convinced that individual success only serves collective success and that the whole is greater than the sum of its parts. The collective dimension is essential for exploring and building the cloud of tomorrow. For this, each person is important and contributes at their own level;
- **Passion**: The passion for technology and adventure is essential at OVHcloud. It promotes innovation and surpassing oneself;
- **Disruption**: OVHcloud is constantly seeking to simplify its processes and organisations in order to be more efficient and reduce costs. Thinking differently is encouraged by the Group to create ever more value for customers and the ecosystem;
- **Responsibility**: OVHcloud takes its responsibilities seriously. The Group is aware that each innovation can be positive or negative depending on the use made of it.

3.3.1.2 Building a working environment conducive to talent development

The OVHcloud employer brand is the core of its employee value proposition and aims to attract and retain talent.

An employer brand based on five pillars

The OVHcloud employer brand is built around five pillars that echo the Group's values:

1. "**With us, everything starts with people**": people are at the heart of the Group's DNA, which is why OVHcloud has developed services and benefits to improve the quality of life at work for all. From concierge services to company daycare, from contracted remote working to collaborative spaces, everything is done to ensure that everyone finds their place, at their own pace and in accordance with their values.
2. "**A community of experts with ideas full of tech**": an OVHcloud expert is one who has acquired cutting-edge skills while maintaining the desire to explore, break new ground and innovate. OVHcloud recruits passionate and exciting people who want to do and share.
3. "**Growing and fulfilling**": moving in step with technology and thinking outside the box, is what characterises OVHcloud. Change position or profession, there is no ready-made trajectory at OVHCloud. The aim is to offer everyone the opportunity to take an interest in a new field, to extend their skills and think about their new expertise through the prism of their experience.
4. "**Building the world of tomorrow together**": designing the cloud of tomorrow is a question of disruption. And for this, OVHcloud relies on the collaboration of all. To move forward every day and change the rules of the game, the Group relies on its strengths: a dynamic ecosystem, open and transparent exchanges.
5. "**A team where innovation is king and trust reigns**": listening to everyone to help everyone evolve and build the OVHcloud of tomorrow.

The new Career site, the first version of which was uploaded in 2022 and a new version is planned for 2023, has made it possible to showcase and promote the OVHcloud employer brand. During the 2022 financial year, the Group took part in more than 50 employer brand events as well as school events and employment forums.

Continuous investment in skills development

Training – Key figures

	2020	2021	2022
Employee training rate	60%	66%	73%
Number of training hours per employee	23	25	27
PERCENTAGE PER TYPE OF TRAINING			
Technical	60%	60%	54%
EHS	9%	4%	14%
Management	11%	11%	9%
Language	11%	13%	17%
Others	9%	12%	6%

Aware of the importance of cultivating its human capital, OVHcloud trained 73% of its workforce in 2022 (*i.e.* 2,035 people) and thus exceeded its target of training at least 70% of its employees. In addition to obligations, the Group invests in training around three areas:

- **Operational excellence** by developing skills in the various project management methods in order to optimise its execution efficiency and deploy business agility (project management, crisis management, etc.). More than 100 people are trained on average each year in operational excellence.
- A **programme for managers**, co-developed with EDHEC, on leadership, finance and communication, and with a four-day support programme for all first-time managers.
- **Technical training** to develop OVHcloud solutions and strengthen the expertise of its employees with the possibility of certifying their skills. More than 10% of people trained were certified in 2022.

In order to welcome new employees, OVHcloud has also introduced a systematic induction week during which they have the opportunity to discover the Group in all its dimensions. It obtained a satisfaction rate of 4.56/5.0.

Health, safety and well-being at work at the heart of the priorities

Workplace safety – Key figures

	2020	2021	2022
Number of accidents with lost time	16	27	23
Number of accidents without lost time	19	27	13
Frequency rate (with lost time) FR1 *	4.20	7.04	5.39
Frequency rate (with or without lost time) FR2 *	9.18	14.09	8.44

Number of work-related accidents per million hours worked

Safety at work is a central priority for OVHcloud and is a key performance indicator of the CSR policy. During the 2022 financial year, the number of accidents with and without lost time decreased, as did the corresponding frequency rates. In order to promote the prevention of health and safety risks, the Group has defined a policy based on three key targets:

- Minimising work-related accidents;
- Complying with legal Health, Safety and Environment requirements and other requirements applicable in all countries;
- Implementing all satisfactory measures to protect the health and physical integrity of the Group's employees, customers and local communities and protecting the environment.

The measures for implementing this policy are based on the following guiding principles:

- Involving the entire management line in the commitment of its Health, Risk Prevention and Environment policy;
- Empowering all employees to maintain a healthy and safe workplace;
- Developing a culture of professionalism, rigour and respect for the rules to all employees;
- Ensuring the deployment of the "Be Smart, Be Safe!" Health and Safety Programme".

In order to strengthen the safety culture within the Group, internal awareness-raising events are organised such as "World Safety Week" which is held each year at all OVHcloud sites, to which all employees and permanent contract employees are invited. In 2022, it was held from 13 to 17 June on the theme "The ten golden rules of safety". OVHcloud has defined ten golden rules in terms of safety as part of its #StaySafe approach. This approach is a mindset to be adopted in order to identify and avoid dangers. It follows four steps:

- **I**nvestigate the work environment and identify hazards;
- **A**nalyse the consequences of hazards and anticipate the necessary individual and/or collective protection measures;
- **I**ncrease reliability by implementing prevention measures with the help of the health and safety department, contractors or managers;
- **C**arry out the work once all the safety conditions have been met.

The ten golden rules deal with:

- work permits
- shared vigilance and co-activity
- working environment
- fire prevention and evacuation
- pedestrian traffic
- machine circulation
- personal and collective protective equipment
- work at height
- energy and consignment
- gestures and postures

OVHcloud is committed to employee **health** and invests in prevention. Since 2016, the Roubaix site has had a dedicated medical centre bringing together various health professionals (osteopath, dietitian, physiotherapist, optician, etc.) available to employees. Awareness-raising conferences led by health specialists and open to all employees are regularly organised on various subjects. For example, as part of "Pink October", the breast cancer prevention month, a breast and cervical cancer awareness conference was offered.

The Group also implements various actions:

- medical teleconsultation with Qare in France and Dialogue in Canada;
- actions to promote regular sports activities (sports halls, activities for coaches, support for sports assessments);
- psychological, social and legal assistance with Qualisocial.

In order to promote quality of life at work, OVHcloud is committed to parenting. For example, the Group supports parents in their search for crèches and leisure centres: OVHcloud has had a company crèche in Roubaix for ten years and has forged a national partnership with Babilou (1). OVHcloud has also developed a parenthood kit aimed, in particular, for the employees concerned, to prepare for maternity or paternity leave, and for all teams, to support and manage the announcement of a pregnancy in the company. The Group offered five parenting workshops to its employees in 2022.

A recognised human resources policy

Several awards have recognised the Group's efforts in France this year:

- The Oras (2) club "**Trophée Compensations & Benefits**" for its employee well-being programme;
- The **7th best High-Tech employer** in France according to Capital magazine;
- The **gold award at the "Victoires des leaders du capital human"** (Human Capital Leadership Awards) on the theme of quality of life at work;
- The **HappyIndex®Trainees & HappyIndex®Trainees Alternance 2021-2022** label, which rewards companies taking care of their interns and work-study students, received for the second consecutive year.

Internationally, OVHcloud's quality of life at work policy was also recognised in Poland, where the Group received the "Wellbeing Leader Certificate" from the Polish Institute of Well-Being. In Germany, OVHcloud won the Top Company 2022 Kununu award.

1) *Company managing day-care centres.*

2) *Observatoire Rémunérations et Avantages Sociaux (Compensation and Benefits Observatory).*

3.3.1.3 Providing a diverse and inclusive work environment

Diversity and inclusion – Performance indicators and key figures

	2020	2021	2022
BREAKDOWN OF HEADCOUNT BY GENDER			
Women	420	487	587
Men	1,833	1,948	2,204
TOTAL	**2,253**	**2,435**	**2,791**
% of women in the total workforce	19%	20%	21%
% of women in management	18%	18%	20%
% of women in the Executive Committee	18%	27%	25%
BREAKDOWN OF HEADCOUNT* BY NATIONALITY			
French	-	-	68%
US	-	-	6%
Canadian	-	-	5%
Polish			5%
Others			16%
BREAKDOWN OF HEADCOUNT* BY AGE GROUP			
Under 30	628	579	627
30 to 50 years	1,547	1,744	1,994
Over 50 years	78	112	170
TOTAL	**2,253**	**2,435**	**2,791**

** Headcount excluding temporary staff and trainees.*

Convinced that everyone has a role to play in meeting the major societal challenges of our time, OVHcloud wishes to support its employees in their life journey, so that everyone can flourish in a caring environment. With this in mind, the Group is committed to combating all forms of discrimination and to offering a working environment that respects differences and allows everyone to fully express their talents. OVHcloud has structured a diversity and inclusion policy in 2022 that it intends to strengthen during the 2023 financial year. An internal charter is relayed *via* its intranet and available to all Group employees.

- Diversity and collective intelligence are key drivers for innovation and achieving excellence. The internationalisation of the teams is one component. In 2022, more than 60 nationalities were represented within the Group.
- The proportion of women in teams, which is a major issue for the Tech businesses, is a key priority and a performance indicator for the Group's CSR policy. A Gender Equality action plan is drawn up and reviewed regularly with employee representatives in France. This plan addresses the issues of recruitment, professional development, compensation and work-life balance. In recent years, the proportion of women in the Group's workforce has steadily increased. In 2022, the proportion of women in the total headcount increased by one point to reach 21%. The proportion of women in management improved by two points to 20%. Concerning the Executive Committee, the rate for the 2022 financial year reflects a temporary situation at 31 August (transitional vacancy period for one of the functions). From September 2022, the rate rose to 31% (four women represented on a 13-member Executive Committee).
- Facilitating access to employment for people with disabilities is a second important area of initiatives to promote diversity and inclusion. Among the actions implemented, the Group called on ergonomists to adapt and arrange workstations for people with disabilities, allocates service employment vouchers worth €350 per year to workers with disabilities and publishes its job offers on the AGEFIPH website [1]. To measure its level of progress compared to the requirements of the RGAA digital accessibility decree [2], OVHcloud carried out audits on two commercial sites and two production sites.

1) *Association de Gestion du Fonds pour l'Insertion professionnelle des Personnes Handicapées (Association for the Management of the Fund for the Professional Inclusion of People with Disabilities).*

2) *To facilitate the implementation of digital accessibility, since 2009 DINUM has published the General Accessibility Improvement Framework (RGAA), created to implement Article 47 of the Disability Act of 2005 and its application decree updated in 2019. It is regularly subject to new versions and updates to adapt to changes in the Internet but also to changes in standards and regulations.*

- Several events to raise awareness of internal teams on diversity and inclusion issues were organised during the year. In particular, in June 2022, a diversity week was organised. This was an opportunity to raise awareness on topics such as the inclusion of LGBTQIA + people (1) and to remind all employees that OVHcloud guarantees the right to respect for the sexual orientations and identities of its employees and equal access to the rights and benefits granted by the Company in the context of marital status and parenthood. Awareness-raising sessions on women's rights are also organised, the first of which honoured by Anastasia Mikova in March 2022.

OVHcloud carried out an audit in 2022 with Gloria, a company specialising in the challenges of diversity and inclusion in the company, in terms of its communication and practices, including recruitment, in order to detect any bias or discriminatory practices. This approach was accompanied by training on diversity in general, with a focus on unconscious bias for recruiters. The Group aims to extend this programme to all managers.

3.3.1.4 Maintaining quality social dialogue over time

OVHcloud attaches great importance to social dialogue, a guarantee of involvement and collective performance, and maintains high-quality relationships with its employees and their representatives.

In France, employee representation is organised in an economic and social unit (*unité économique et sociale*). A Social and Economic Committee (*comité social et économique* – SEC) was elected in 2019, currently composed of 24 elected members (incumbent and alternates combined). In addition, local representatives have been appointed at sites that do not have an elected representative on the SEC. There is no designated trade union organisation in France. An Enterprise Consultative Commission (ECC) is also in place in Tunisia.

With regard to employee representation in management bodies, two directors representing employees were appointed to the Board of Directors in 2022, as announced at the time of the IPO on 15 October 2021.

3.3.1.5 Associating employees with the Company's results

Employee shareholding

For OVHcloud, "working together" also means associating employees as much as possible in the Company's results. On the occasion of its IPO on Euronext Paris on 15 October 2021, the Group set up its first collective employee shareholding plan, open to more than 2,000 employees in France and abroad. 97.8% of eligible employees on this date became shareholders of OVHcloud (77.6% having invested voluntarily). In 2021, the Group was awarded the Grand Prix FAS (2), which showcases companies developing best practices in employee shareholding. In 2022, 0.6% of the share capital was held by employees through the FCPE mutual fund.

Profit-sharing agreements

In France, a mandatory profit-sharing agreement (*accord de participation*) applies at the level of the social and economic unit which provides for the distribution between eligible employees of a share of the profit of such companies parties to the social and economic unit, calculated based on the statutory formula. The distribution is made on a *pro rata* basis according to the time of presence during the period.

Global incentive plan

A new incentive agreement was signed with the trade Social and Economic Committee in 2022 applicable until 2024. It concerns all employees at the global level (with the exception of interns, temporary workers and service providers) with at least three months of seniority. The performance indicators used to calculate the share of profits attributable to eligible employees include, as in the previous plan, indicators relating to adjusted EBITDA and revenue growth, to which the same CSR criteria as those used for the executive corporate officers and the Executive Committee are added (see Section 4.2.2.2 of this Universal Registration Document for more details).

Employee savings plans and similar plans

In France, there are within the social and economic unit:

- a Group Savings Plan (*plan d'épargne groupe*), which allows eligible employees to invest their savings, including payments under the profit-sharing agreement and the global incentive plan, in diversified investment funds and to benefit from certain social and tax advantages in exchange of a lock-up period of generally five years;
- a Time Savings Account (*Compte Épargne-Temps* – CET), which allows eligible employees to save unused rest days (certain holidays, RTT, etc.) or part of their 13th month converted into days. They can then take these days at any time, ask to be paid for them or transfer them to another scheme to prepare their retirement;
- a Group Retirement Savings Plan (*Plan d'Épargne Retraite Collectif* – PERCO) which allows eligible employees to invest the payments under the profit-sharing agreement and the global incentive plan in diversified investment funds in view of their retirement. This scheme allows employees to benefit from certain social and tax advantages as consideration for a lock-up period until retirement. It is also a way for employees to prepare for their retirement by making voluntary payments or by transferring days from their CET to the PERCO (up to 10 days per year). This transfer is then matched by their employer.

1) *Lesbian, gay, bi, trans, queer, intersex, asexual, and all others.*
2) *Fédération Française des Associations d'Actionnaires Salariés et Anciens Salariés (French Federation of Associations of Salaried Shareholders and Former Employees – FAS).*

3.3.2 Collaborating and developing coalitions with stakeholders in the European cloud ecosystem

Operating as an ecosystem is part of the Group's DNA. OVHcloud intends to capitalise on its role as a leader to grow the European cloud sector, develop champions and thus continue to defend European digital sovereignty in a highly competitive environment.

3.3.2.1 Developing an ecosystem of partners sharing the same values

From its inception, OVHcloud has sought to play a leading role in building an open and evolving ecosystem of like-minded partners, fostering innovation and promoting European digital independence. Through this mutually beneficial approach, OVHcloud has surrounded itself with a wide range of technical and commercial specialists, who work in related segments to develop and offer the most appropriate solutions to the needs of customers. Being deeply committed to open source communities allows OVHcloud to speed the development of its own solutions, while remaining on top of its customers' expectations.

The OVHcloud ecosystem is structured around three main programmes: Partner Programme, Open Trusted Cloud Programme, Startup Programme.

- The Partner Programme brings together more than 1,100 active partners in 72 countries (compared to just under 1,000 at the end of the third financial quarter), enabling organisations to take advantage of the OVHcloud infrastructure to create high-added value solutions and services for their customers. The aim is to provide them with tools and content to promote technology skills, while creating a special relationship with OVHcloud. In March 2022, the Group offered a training and certification programme on its solutions to all members of its Partner Programme.
- The Open Trusted Cloud Programme has 75 active members (compared to 60 at the end of FY2021), of which around a quarter are outside France. This programme is intended for software publishers as well as providers of SaaS and PaaS solutions. It aims to co-build an ecosystem of SaaS and PaaS services, hosted in the open, reversible and reliable OVHcloud cloud.
- The Startup Programme brings together 645 active startups and scale ups, nearly 70% of which are international. Since May 2022, as part of this programme, OVHcloud has offered mentoring support, available worldwide. Thus, OVHcloud employees provide Startups with their expertise and experience to help them develop their business. When entrepreneurs create a business, they focus on the essentials for the successful start-up of the business and do not always have the time, the means or the skills to develop other aspects of their business that can sometimes be very useful and make a difference. The aim of the Startup Programme is to offer Startups a choice of mentors who cover the different areas on which they would like to work for their development: Marketing, Communication, Social Networks along with Business strategies, Artificial Intelligence, Server Infrastructure, CSR, Human Resources and many other areas. Each Startup receives six hours of personalised support on the chosen theme from their mentor over three months.

3.3.2.2 Collaborating with suppliers in a responsible purchasing approach

The supply chain and more specifically the purchasing function play an essential role in OVHcloud's CSR policy, which ensures that it is part of a responsible approach. To this end, the Group has drawn up a supplier code of conduct that it asks its suppliers to sign. This commits them to adopt a responsible and comprehensive approach to compliance issues. This code is based on the United Nations Guiding Principles on Business and Human Rights and the International Labour Organisation conventions. It covers the following topics:

- human rights;
- working conditions;
- ethics (corruption, fraud, money laundering, financing of illicit activities, etc.);
- environment;
- anti-corruption whistleblowing procedure (see Section 3.3.2.3 of this Universal Registration Document).

As of 31 August 2022, OVHcloud had 1,600 active suppliers, nearly two-thirds of whom had signed the supplier code of conduct [(1)].

OVHcloud has also included anti-corruption clauses in contracts negotiated since April 2022.

In addition, in order to encourage best practices in its value chain, OVHcloud assesses its strategic suppliers each year on seven criteria (safety, technology, quality, responsiveness, delivery, costs, environment) and gives awards to the three most deserving suppliers. For the 2022 financial year, 20 strategic suppliers were assessed.

As part of the implementation of its CSR strategy, OVHcloud undertook a CSR risk mapping process related to purchases and a CSR assessment of a sample of targeted suppliers with an external service provider. This approach, launched with around a hundred suppliers across the 41 purchasing categories identified as the most exposed, is still underway and will be the subject of in-depth work in 2023.

Finally, OVHcloud's responsible purchasing approach is reflected in its desire to favour local suppliers when possible. In particular, the Group can source from among the companies participating in the start-up programme if the service provided is relevant to its needs. This is the case for Moffi, for example, whose office reservation tool has been rolled out Group-wide.

1) https://corporate.ovhcloud.com/sites/default/files/2021-03/Suppliers code of conduct OVHcloud.pdf

3.3.2.3 Ethics and business conduct

At OVHcloud, business practice is not only based on a set of values, but also on a sense of ethics that guides interactions within the Company and relations with all stakeholders.

In order to consolidate this common culture, OVHcloud has been developing its ethics and anti-corruption programme since 2020. The code of ethics [1], the supplier code of conduct (see Section 3.3.2.2 of this Universal Registration Document), the anti-corruption training programme, as well as the whistleblowing procedure are among the prevention and detection measures that the Group has implemented in parallel with the legal commitments included in the various contracts entered into with third parties (customers, suppliers, intermediaries, etc.) They make it possible to deal with the risks of corruption and to disseminate best practices within the Company and among its partners and suppliers.

The main objective of the code of ethics is to be an awareness-raising tool available to all, aiming to share the Group's business vision. It lays down strong principles and commitments, formalises behaviours and establishes best practices in the way of managing particular or difficult situations, on topics such as the environment, human rights, the fight against corruption and influence peddling and against all forms of fraud, etc. In addition to traditional contacts, such as existing employee representative bodies in certain countries, it also makes it possible to identify the OVHcloud contact persons in terms of compliance: the Ethics & Compliance team, Staff Managers, HR Business Partners (HRBP), etc.

In accordance with the corruption prevention mechanisms established by OVHcloud, an anti-corruption and anti-influence peddling training programme was established in 2021. This training course must be renewed every three years. It is mandatory and is now the subject of awareness-raising at each onboarding session for new employees, who are also asked to accept and sign the Code of Conduct when signing their employment contract.

OVHcloud has an alert procedure. This procedure is based on the ROGER reporting platform (Respect OVHcloud Guidelines & Ethical Rules), which makes it possible to report any attempt or fact that does not comply with the OVHcloud code of ethics and for any situation provided for by law. The platform is accessible at any time, from any device, and is open to everyone (internally and externally). The platform guarantees confidentiality for whistleblowers and anonymity for those who wish to keep it. OVHcloud ensures that it does not retaliate or discriminate against them.

3.3.3 Promoting local anchoring and societal commitment

In a context of digitisation of professions and companies, OVHcloud pays particular attention to integration through digital technology and the need to involve as many people as possible in this transition. As the European cloud leader, the Group also monitors the socio-economic impact of its activity on the regions.

3.3.3.1 Promoting digital inclusion

In the era of the digital transition, the democratisation of the tech professions is a societal challenge. OVHcloud acts in favour of digital inclusion with two areas of focus:

- Accessibility of tech to women;
- Professional inclusionof disadvantaged populations.

The Group hopes to be able to contribute to the development of a talent pool in all regions.

Operating in two segments (industry and digital) in which men are over-represented, OVHcloud works on a daily basis to promote feminisation. Thus, the Group works in schools to promote careers in tech among young women. It also supports associations such as Code First Girls [2] to facilitate access to training and employment for women in this segment and DesCodeuses to enable women in priority neighbourhoods to learn digital skills. OVHcloud will welcome five or six interns to the web development teams in 2023. The Group has also partnered with 50inTech [3], an online community for connecting female talent with companies and promoting female-led entrepreneurship. 50inTech highlights OVHcloud as an inclusive company for women, in terms of the results obtained in the assessment of its "gender score", supports the Group in its approach to attract female talent and promotes OVHcloud's women employees.

The Group also works towards professional integration through digital technology, in particular through training and integration initiatives for people who have difficulty finding employment, through skills sponsorship. Alongside the French national agency for the professional training of adults, OVHcloud trains and hires interns through "Plombiers du numérique" [4] (digital plumbers), which is a project for the professional integration of unskilled young people. OVHcloud welcomed the first cohort to its Roubaix data centre in 2020 and continues to train around twenty people each year. The Group is also a partner of Rocket School, a free school that recruits on the basis of personality (without qualification requirements), has been training in commerce and digital marketing since 2018, and has had an office in Lille since 2021. As part of this partnership, OVHcloud welcomes work-study students who may be hired in the long term. During FY2022, OVHcloud welcomed two work-study students from Rocket School, one of whom was recruited. Two work-study students were once again welcomed in FY2023.

Lastly, on the issue of the integration of people with disabilities, OVHcloud collaborates with associations, including ARRE (Association Resource pour la Réussite Educative), Mouton à 5 pattes, which works for the professional integration of young people with autism and Compethance, an adapted digital services company.

1) https://ovhcloud-public.signalement.net/get/3b299ec096dda49f47156ce4ff92fb34654ed4f8.pdf

2) The UK's largest provider of free coding courses for women.

3) Platform for connecting women in tech with the most inclusive companies.

4) "Les Plombers du numérique" is a professional integration project for unskilled young people, initiated by the non-profit Impala Avenir Développement.

3.3.3.2 Local anchoring & socio-economic impact

Created in Roubaix in 1999, OVHcloud quickly internationalised and has developed a global footprint with, today, 33 data centres spread over eight countries. Geographical expansion is one of the central pillars of the Group's growth strategy.

OVHcloud's implementation strategy is multi-local. It adapts the Group's methods to local cultures and respects their practices.

The Group also attaches great importance to favouring local companies to support it in its locations and, therefore, to have an impact on the local economic framework.

More broadly, OVHcloud is committed to having a positive impact in the regions where it operates and in collaboration with stakeholders.

Through its tax policy, the Group contributes to the development of the regions in which it operates. The OVHcloud Group's tax policy provides that the Group undertakes to apply the laws, regulations and tax treaties in force in all countries in which it operates. The Group's values and ethical principles as well as its requirements in terms of social responsibility lead it to:

- Conduct its operations in accordance with their economic reality;
- Refuse any aggressive tax planning and the use of artificial structures located in "tax havens";
- Cooperate with local tax authorities during tax audits.

None of the transactions carried out by the OVHcloud Group aims to evade the payment of tax. The Group is preparing the formalisation of its tax policy, which will be published at a later date.

The Roubaix example demonstrates the Group's desire to have positive impacts on the regions and local communities. True to its origins, the Group has never left Roubaix. In 2004, OVHcloud acquired a brownfield site, which has become its head office. The Hauts-de-France region is also the first region to host OVHcloud data centres.

3.4 APPLICATION OF THE EUROPEAN TAXONOMY TO THE GROUP'S ACTIVITIES

Classification of activities according to the European regulatory framework to define environmentally sustainable economic activities (Green Taxonomy)

General context

The Taxonomy Regulation is a key element of the European Commission's action plan aimed at redirecting capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050, in line with the EU's objectives, as the taxonomy is a classification system for environmentally sustainable economic activities.

The section below presents, as a non-financial parent company, the share of the Group's income, capital expenditure (Capex) and operating expenses (Opex) for the 2022 financial year, associated with economic activities eligible for the taxonomy and linked to the first two environmental targets (mitigation of climate change and adaptation to climate change), in accordance with Article 8 of the Taxonomy Regulation and Article 10 (2) of the Delegated Act supplementing Article 8 of the Taxonomy Regulation.

Summary of European taxonomy indicators

On the basis of the analyses carried out, a significant portion of the Group's activities is eligible for the Taxonomy under Activity 8.1. – *Data processing, hosting and related activities* described in Appendix I of the Delegated Act on the climate change mitigation target.

The eligible shares of the three financial indicators required by the text – income, Capex and Opex – are presented below on the basis of consolidated IFRS data for the financial year ended 31 August 2022.

TABLE 1 – SHARE OF ECONOMIC ACTIVITIES ELIGIBLE AND NOT ELIGIBLE FOR TAXONOMY IN THE GROUP'S INCOME, CAPEX AND OPEX

	Total *(in millions of euros)*	Share of economic activities eligible for taxonomy *(in %)*	Share of economic activities not eligible for taxonomy *(in %)*
Income	788.0	86.3	13.7
Capital expenditure (Capex)	472.0	98.0	2.0
Operating expenses (Opex)	62.2	88.5	11.5

As eligibility is solely based on the description of the activities and does not take into account the criteria of substantial contribution, the fact of "not causing significant harm" or the minimum social guarantees, the indicators aligned with the European Taxonomy that will be presented in 2023 may be lower than the eligible indicators presented in this section.

Determination of the economic activities of the OVHcloud Group eligible for the European Taxonomy

The term "economic activity eligible for the taxonomy" refers to any economic activity described in the delegated acts supplementing the Taxonomy Regulation (currently the Delegated Act relating to the climate aspect of the taxonomy), whether or not it meets some or all of the technical review criteria set out in these delegated acts.

The Group's eligible economic activities have been analysed on the basis of OVHcloud's service offerings (as detailed in Chapter 1 of this Universal Registration Document) and have been assigned to the following economic activities, in accordance with Appendices I and II of the Delegated Act relating to the climate aspect of the taxonomy. The table below indicates for which environmental target the activities are considered eligible:

TABLE 2 – ECONOMIC ACTIVITIES ELIGIBLE FOR TAXONOMY

Eligible economic activity (section, name)	Description	Climate change mitigation	Adaptation to climate change
8.1 Data processing, hosting and related activities	The storage, handling, management, circulation, control, display, switching, exchange, transmission or processing of data *via* datacenters, including the processing of data periphery (edge computing).	✓	

A significant portion of the Group's activities is considered eligible under Activity 8.1. – *Data processing, hosting and related activities* of the climate change mitigation target. Offerings based mainly on services for the provision of storage capacity ("hosting") meet the description of this activity. The offerings thus considered eligible are the following:

- Private Cloud offerings (Baremetal cloud and Hosted Private Cloud) in their entirety, corresponding to offers for the provision of either dedicated physical servers or cloud capacities running on dedicated physical servers (see Section 1.3.1.1 of this Universal Registration Document for more details on the solutions proposed by the Group);
- Public Cloud offerings in their entirety (see Section 1.3.1.2 of this Universal Registration Document for more details on the solutions offered by the Group). The PaaS and SaaS solutions offered by OVHcloud and hosted directly on the Group's infrastructures are considered eligible insofar as OVHcloud has control over the physical equipment and can act on its energy efficiency;
- "Web Cloud & Other" offerings only for the "Web hosting" and "Services" part, corresponding to the hosting of customer websites on the Group's physical servers and the assistance necessary for the proper functioning of the equipment and compliance with the Group's commitments under all of its offerings (see Section 1.3.1.3 of this Universal Registration Document for more details on the solutions proposed by the Group). Offerings or solutions relating to domain names, telephony and connectivity are not considered eligible to date because they are not directly related to the physical servers.

In general, all the solutions offered by the OVHcloud Group, hosted directly on physical servers belonging to the Group or directly controlled by the Group, were deemed eligible for the European Taxonomy under Activity 8.1. of the climate change mitigation target.

OVHcloud is also developing certain solutions (such as a carbon calculator, which will allow customers to estimate the carbon footprint associated with the use of some of the OVHcloud products), which could be eligible under Activity 8.2. – *Data-driven solutions for GHG emission reductions*. As the income and Capex related to these solutions were not material during the financial year, this activity was not taken into account in the 2022 indicators but could be in the future.

Methodology for evaluating European taxonomy indicators

The scope considered for the estimation of the three indicators is the Group consolidated scope as defined in Note 5.5. of the 2022 consolidated financial statements presented in Chapter 5 of this Universal Registration Document.

Eligible income

The share of economic activities eligible for taxonomy in OVHcloud's consolidated income was obtained by dividing the share of income generated by the sale of services associated with economic activities eligible for the taxonomy (numerator) by the net income (denominator), in each case for the financial year from 1 September 2021 to 31 August 2022.

Denominator

The denominator of the income indicator is based on OVHcloud's consolidated income (€788m in fiscal year 2022), in accordance with IAS 1.82 (a) (see Note 4.3. to the 2022 annual consolidated financial statements presented in Chapter 5 of this Universal Registration Document).

Numerator

The numerator of the indicator is defined as the share of the net income generated by services associated with the economic activities eligible for the taxonomy, as described above in the paragraph "Determination of the economic activities of the OVHcloud Group eligible for the European Taxonomy" in this section. This share was estimated on the basis of OVHcloud Group management reports including the level of detail necessary for direct reading.

Eligible capital expenditure (Capex)

The Capex indicator is calculated by dividing the Capex eligible for taxonomy (numerator) by the total Capex (denominator).

Denominator

The Capex denominator (€472m in fiscal year 2022) includes acquisitions of property, plant and equipment and intangible assets made during the financial year, before amortisation and before any remeasurement, including remeasurements resulting from revaluations and impairments, excluding changes in fair value. It includes acquisitions of property, plant and equipment (IAS 16), intangible assets (IAS 38), right-of-use assets (IFRS 16) and investment properties (IAS 40), as well as additions resulting from business combinations (see Notes 4.10, 4.11 and 4.23 to the 2022 annual consolidated financial statements presented in Chapter 5 of this Universal Registration Document).

Numerator

The numerator consists solely of Capex related to assets or processes essential to the performance of the economic activities eligible for the taxonomy, which represent almost all of the Capex for the financial year. As Capex is not currently monitored by service offering in the Group's reports, a detailed analysis by type of asset was carried out which led to the following Capex being considered essential for the execution of eligible economic activities:

- All Capex (acquisitions of fixed assets or increases in IFRS 16 rights of use) relating to infrastructures (hardware) and their operation (fibre, network, IP addresses, components, maintenance);
- A portion of capitalised R&D costs estimated as follows:
  - 100% of capitalised R&D costs relating to infrastructure efficiency improvement projects (equipment or software),
  - A portion of capitalised R&D costs relating to software developments that are used across all Group activities. This share is based on the share of income eligible for taxonomy;
- All changes in scope impacting intangible assets and property, plant and equipment and relating to the acquisition of ForePaaS, reinforcing the eligible offers of OVHcloud under Activity 8.1.;
- A portion of the Capex relating to offices estimated according to the portion of eligible income.

Eligible operating expenses (Opex)

The indicator relating to Opex is calculated by dividing the Opex eligible for taxonomy (numerator) by the total Opex (denominator).

Denominator

Total Opex as defined by the Taxonomy are non-capitalised costs related to research and development, building renovation measures, short-term leases, maintenance and repairs, and all other direct expenses related to the daily use of property, plant and equipment.

Thus, total Opex as defined by the Taxonomy represents approximately 8% of the Group's total Opex (€809 million), corresponding to the sum of personnel expenses, operating expenses, depreciation and amortisation and other non-recurring operating expenses.

Numerator

Given that the OVHcloud Group's Opex are not currently monitored in the IT systems by service offering, we used allocation keys to identify the share of economic activities eligible for the taxonomy in our Opex:

- Maintenance and repair costs as well as expenses related to non-capitalised leases were allocated on the basis of the eligible income share.

R&D costs were allocated in proportion to the allocation of capitalised R&D costs.

3.5 METHODOLOGY AND SCOPE OF NON-FINANCIAL PERFORMANCE INDICATORS

The Statement of Non-Financial Performance for 2022, presented in this Universal Registration Document, endeavours to produce the most relevant non-financial information for the Group with regard to its business model, its activities, its major challenges from the materiality matrix and the Group's main risks. Thus, OVHcloud focused on the issues and risks identified as priorities and excluded the following topics from its scope of analysis:

- Combatting food waste;
- Combatting food insecurity;
- Respect for animal welfare;
- Respect for responsible, fair and sustainable food.

3.5.1 Scope

OVHcloud measures the Group's progress in terms of CSR in the following three areas: Environment, Business Conduct, Social and Societal. Thirteen indicators, presented in the table below, were selected and audited by the independent third party.

Category:	Indicator
Environment	PUE (Power Usage Effectiveness)
	WUE (Water Usage Effectiveness)
	CUE (Carbon Usage Effectiveness)
	REF (Renewable Energy Factor)
	Reused components ratio
Business conduct	Success rate of cyber attack simulations campaigns
Social/Societal	Loyalty rate
	Engagement score
	Employee training rate
	% of women in management
	% of women in top management (Executive Committee)
	Frequency rate (with lost time) FR1
	Frequency rate (with or without lost time) FR2

A fourteenth indicator: the rate of signature of the supplier code of conduct, falling under the Business Conduct category, was presented in the summary table of indicators (Introduction – Materiality analysis and CSR risk assessment) and in the paragraph on suppliers (Section 3.3.2.2 of this Universal Registration Document). It was subject to a qualitative review and will be included in the list of performance indicators for the Statement of Non-Financial Performance for financial year 2023.

Each indicator is described in this methodological note, specifying:

- The method of calculating the indicator;
- The data production process.

A summary table presenting the indicators and their values for the 2020, 2021 and 2022 financial years can be found in the introductory chapter of the Statement of Non-Financial Performance in the "Materiality analysis and assessment of CSR risks" section.

3.5.2 General organisation of reporting

The Group has developed a non-financial reporting protocol to ensure the uniformity and consistency of the reporting scope.

The CSR information presented in this document has been prepared internally on the basis of the information provided by the managers of each of the areas concerned.

- Information on environmental matters comes from the Quality Services or Departments, Management Control, or CSR, within the reporting scope.
- Information on business conduct, and more specifically on cybersecurity, was provided by the Chief Information Security Officer (CISO).
- Social information and indicators were provided by the Human Resources Department of the reporting scope entities, and were coordinated by the contacts for each subject or indicator within the Group's Human Resources Department.

The carbon footprint was produced using the "*Bilan GES*" method as well as emission factors from "*ADEME*".

The whole process was coordinated by the Strategy and CSR Department, as well as the general coordination of the drafting of the Statement of Non-Financial Performance.

Reporting period

Unless otherwise stated, the information provided is always presented for the financial year ended on 31 August 2022. Comparable data, established on a like-for-like basis, are presented for previous periods, where possible, for comparison purposes.

Reporting scope

The data provided concern the OVHcloud Groupe. All Group sites and entities, in France and abroad, are included in the scope. The scope exclusions for specific indicators are set out in more detail below.

3.5.3 Methodological note for environmental indicators

Power Usage Effectiveness or PUE

Calculation of the indicator

The Power Usage Effectiveness or PUE measures the energy efficiency of a datacenter infrastructure.

It is defined in standard ISO/IEC 30134-2: 2016 by the formula:

- $PUE = E_{DC}/E_{IT}$

Where

E_{DC} = total (annual) datacenter energy consumption, in kWh;

E_{IT} = (annual) energy consumption of IT equipment, in kWh.

The PUE is calculated over a full environmental cycle, *i.e.* a full year.

The PUE is unitless.

A PUE of 1 would mean that all data center power consumption would be dedicated to IT consumption. However, datacenters consume additional electricity for systems attached to IT equipment (cooling, lighting, offices, security systems), so that in practice, the PUE is greater than 1.

The PUE is calculated for each datacenter and then consolidated for the Group

- $OVHcloud\ PUE = \sum E_{DC}(kWh) / \sum E_{IT}(kWh)$

Note

- Emergency generators are excluded from the PUE calculation.
- Temperature and climate conditions have a significant influence on the PUE result: it takes more energy to cool datacenter in hot and humid climates than in hot and dry climates, or cold and humid ones.

Production of the indicator

The electricity consumption of the sites is calculated on the basis of invoicing.

The electricity consumption of the servers is the result of actual measurements taken from sensors positioned in the data centers..

Coverage rate

The coverage rate of the measurement represents the energy share taken into account for the actual measurement of the PUE of a series of datacenters.

The PUE coverage rate is given by the formula:

- $Coverage\ rate = E_{DCsPUE} / E_{DCs}$

Where

E_{DCsPUE} = total (annual) energy consumption of the datacenters for which a PUE measurement is performed (using sensors), in kWh;

E_{DCs} = total (annual) energy consumption of datacenters for which a PUE measurement is performed (using sensors) as well as for datacenters for which a PUE measurement is not performed, excluding shared datacenters, in kWh;

For the 2021 financial year, only the Gravelines site (France) was equipped with sensors. Since then, the system has been rolled out at other sites in France and internationally, making the PUE measurement more reliable. The deployment of sensors will continue over the next few years until all energy consumption is covered.

Note

- Shared data centers and network points of presence are excluded from the measurement.

Review and update of the indicator

The PUE is calculated in an internal data aggregation platform. This indicator is updated monthly. It is audited annually during the ISO 50001 certification audit of the energy management system.

The reporting scope covers all Group sites equipped with sensors. The following are excluded from the scope: (i) energy consumption of head offices and sites not containing datacenters, (ii) energy consumption of datacenters not equipped with sensors. For the 2022 financial year, the PUE measure covers 59% of energy consumption. This coverage rate is lower than the 2021 financial year, which was based on an estimate, but the measurement has gained in precision and reliability because it reflects an actual measurement based on sensors. For the 2023 financial year, the continued deployment of sensors in the Group's datacenters should make it possible to cover around 80% of energy consumption.

Water Usage Effectiveness or WUE

Calculation of the indicator

The Water Usage Effectiveness or WUE measures the efficiency of water use: it is the ratio between the water consumption of cooling systems (in litres) and the electricity consumption in kWh of services. Water is used in the datacenters for the following purposes:

- Water losses related to the closed circuit cooling system;
- Water evaporation linked to the adiabatic cooling system;
- Sanitary uses of data centre offices.

This indicator, expressed in L/kWh IT, is measured per data centre using the following formula:

- *WUE = Annual data centre water consumption (L) / Annual consumption of electricity by servers (kWh)*

All of this data is then consolidated to obtain a WUE at Group level.

Note

- Temperature and climate conditions have a significant influence on the WUE result: more water is required to cool datacenters in hot and humid climates than in hot and dry climates, or cold and humid ones.

Production of the indicator

The WUE is calculated in an internal data aggregation platform which makes it possible to communicate an overall WUE covering all the datacenters.

The water consumption of the sites is calculated on the basis of the billing, to which is added the well water for the sites that have it. Where appropriate, for the purpose of standardising water consumption for which invoices would not be obtained at the end of the financial year in question, a factor is applied to extrapolate consumption over the period.

Review and update of the indicator

This indicator is updated annually.

The scope of reporting concerns all of the Group's sites, except for:

- Beauharnois (BHS, Canada), which accounts for approximately 15% of water consumption, where a water meter was installed in financial year 2022, allowing full measurement from financial year 2023;
- Paris, because there is no cooling process involving water consumption.

Carbon Usage Effectiveness or CUE

Calculation of the indicator

The Carbon Usage Effectiveness (CUE) measures the carbon intensity of datacenters. This is a ratio of the scopes 1 and 2 greenhouse gas emissions to the energy consumption of the sites containing the datacenters, weighted by the PUE. It is expressed in TCO_2e / MWh IT.

- *CUE = Datacenter energy consumption GHG emissions (T CO_2e) / Datacenter annual energy consumption (MWh) * PUE*

For the Group, the CUE is obtained using the following formula:

- *CUE = ∑(GHG emissions related to datacenter energy consumption (T CO2e)) / ∑(Annual datacenter energy consumption (MWh)) * PUE*

Production of the indicator

GHG emissions related to energy consumption are included in the annual carbon footprint, and take into account scope 1 and scope 2 for datacenters.

Annual datacenter electricity consumption is taken from Company accounting data.

Scope 1 greenhouse gas emissions are related to the consumption of generators and air conditioning and those in scope 2 are related to energy consumption and datacenter production. The emission factors are taken from the ADEME Carbon Base® and equivalent databases for Canada and the United States.

Review and update of the indicator

This indicator is updated annually and presented in the Group's environmental policy.

The scope of reporting concerns all of the Group's sites containing datacenters.

3

Renewable Energy Factor or REF

Calculation of the indicator

The REF – Renewable Energy Factor, measures the proportion of renewable energy consumed by datacenters compared to their total consumption.

This indicator is calculated as follows:

- *REF = Annual datacenter renewable energy consumption (kWh) / Annual datacenter energy consumption (kWh)*

The annual energy consumption of the datacenters is obtained from all electricity bills for the financial year in question.

The annual renewable energy consumption of the datacenters is obtained by the purchase of renewable energies (Corporate PPA), by the certificates of renewable origin (GoO) as well as by the electricity generated on the sites, during the financial year in question.

Production of the indicator

Annual energy and renewable energy consumption is compiled by the financial teams, then reviewed and analysed by the "Carbon" team which calculates the indicator.

Review and update of the indicator

This indicator is updated annually and shared in the Group's environmental policy.

Reused components ratio

Calculation of the indicator

The reused components ratio represents the proportion of non-new, reconditioned components used by the Group for its server production. The indicator relates to the servers connected during the financial year in question (in use, available, to be connected, to be repaired) and is calculated by dividing the number of refurbished components present in the servers by the total number of components. It is expressed as a %: a rate of 20% means that at least twenty out of one hundred of the components used to manufacture servers are second-life components.

- *Reused components ratio = ∑(Second-life components used) / ∑(Components used)*

Production of the indicator

As the servers are assembled in the production centres of Croix (Nord, France) and Beauharnois (Quebec, Canada), the Group has control over the assembly stages and its inventory. In particular, refurbished components available on the market are recognised.

The components concerned are as follows: motherboard, drives (HDD/SSD), memory, CPU, power supply.

The vast majority of reconditioned components come from OVHcloud's internal production department. A residual share of less than 5% is purchased on the market for reconditioned components.

Review and update of the indicator

The scope concerned for the financial year concerns the Group's two production sites: Croix (Nord, France) and Beauharnois (Canada).

3.5.4 Methodological note for business conduct indicators

Success rate of cyber attack simulations campaigns

Calculation and production of the indicator

OVHcloud constantly raises its employees' awareness of the risk of IT attacks, in particular by carrying out simulated cyber attack campaigns (phishing campaigns). In addition to the Group's headcount, these campaigns target any person with a company email address and include interns and service providers.

Three indicators are calculated: share of employees tested, share of employees who reported phishing, and share of employees for whom phishing was performed. The calculation is fully automated.

Review and update of the indicator

The data is available in real time, and the calculation is carried out over the financial year.

3.5.5 Methodological note for social and societal indicators

Loyalty rate:

Calculation of the indicator

The indicator measures the percentage of employees still present in the Group one year after their arrival.

Only permanent contracts and permanent professionalisation contracts are included in the calculation of the indicator.

Engagement score:

Calculation and production of the indicator

The indicator is calculated from the results of an internal survey conducted *via* a survey software (Peakon). Service providers, temporary workers and interns are excluded from the measure.

Employee training rate:

Calculation of the indicator

The indicator is calculated by dividing the number of employees trained in a financial year by the number of employees at the end of the period.

E-learning training courses are excluded from the calculation because they are recorded on independent platforms which, to date, do not communicate with the Learning Management System (training monitoring information system). A new training tool will be rolled out in financial year 2023, directly integrating the e-learning training modules offered by the Group's training centre.

The training courses included in the induction week for new employees are not recognised to date.

An employee whose training spans two periods will be counted as a person trained for each of those periods.

The scope concerned for the financial year concerns OVH Groupe, including the US from 2022.

% of women in management

Calculation of the indicator

The proportion of women in management is calculated by comparing the number of women managers to the total number of employees holding managerial positions in the Group at the end of the period.

For this calculation, all employees are taken into account, regardless of the contract, country, activity rate, as well as interns, apprenticeship and professionalisation contracts. Temporary workers and service providers are excluded.

Note

- A manager is a person in charge of a team (with a hierarchical relationship).

% of women in top management (Executive Committee)

Calculation of the indicator

The proportion of women in top management is calculated by dividing the number of women members of the Executive Committee by the total number of members of the Executive Committee, at the end of the financial year.

Frequency rate (with lost time) FR1

Calculation of the indicator

The frequency rate FR1 is calculated by dividing the number of work-related accidents with lost time by the number of hours worked, multiplied by 1,000,000.

Theoretical hours are calculated taking into account the hours of the following profiles:

- OVH permanent/fixed-term employee;
- Temporary employees;
- Paid interns.

Does not include external service providers, unpaid interns

The theoretical hourly time is calculated using the following method:

Theoretical hour = Legal working time (contractual) - absences (holidays - illnesses - work-related accidents).*

Note

- absences for training, travel and on-call duty are not considered as absences, but as working time.

Frequency rate (with or without lost time) FR2

Production of the indicator

Work-related accidents are reported by site managers or Hygiene, Health and Environment managers *via* a dedicated internal application.

Hours worked are theoretical hours. They are communicated monthly by the sites or calculated directly to the head office based on the monthly headcount and employment contracts.

Calculation of the indicator

The frequency rate FR2 is calculated by dividing the total number of work-related accidents (with or without lost time) by the number of hours worked, multiplied by 1,000,000.

Theoretical hours are calculated taking into account the hours of the following profiles:

- OVH permanent/fixed-term employee;
- Temporary employees;
- Paid interns.

Does not include external service providers, unpaid interns

The theoretical hourly time is calculated using the following method:

- *Theoretical hour = Legal working time (contractual) - absences* (holidays - illnesses - work-related accidents).*

Note

- Absences for training, travel and on-call duty are not considered as absences, but as working time.

Production of the indicator

Work-related accidents are reported by site managers or Hygiene, Health and Environment managers *via* a dedicated internal application.

Hours worked are theoretical hours. They are communicated monthly by the sites or calculated directly to the head office based on the monthly headcount and employment contracts.

3.6 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL PERFORMANCE

For the period ended 31 August 2022

To the Annual General Meeting,

In our capacity as statutory auditor of your company (hereinafter "entity"), designated as an independent third party or OTI ("third party"), accredited by COFRAC under number 3-1884 (1), we carried out work aimed at formulating a reasoned opinion expressing a conclusion of moderate assurance on the historical information (recorded or extrapolated) of the consolidated Statement of Non-Financial Performance, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the financial year ended 31 August 2022 (hereinafter the "Information" and the "Statement" respectively), presented in the Group's management report pursuant to the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures we have implemented, as described in the "*Nature and scope of our work*" section, and the information we have collected, we have not identified any material misstatements that would call into question the fact that the Statement complies with the applicable regulatory provisions and that the Information, taken as a whole, is presented fairly in accordance with the Guidelines.

Comments

Without calling into question the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comment:

- As specified in the methodological note, the Power Usage Effectiveness indicator is calculated according to a new, more precise calculation method, using real data thanks to the installation of measurement sensors. The scope covered by the sensors and therefore the indicator for this exercise represents 59% of total energy consumption. The continued deployment over the next few years will make it possible to increase the scope of coverage of the indicator.

Preparation of the Statement of Non-Financial Performance

The absence of a generally accepted and commonly used reference framework or established practices on which to evaluate and measure the Information allows the use of different but acceptable measurement techniques that may affect comparability between entities and over time.

Consequently, the Information must be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement and available on request at the entity's head office.

Limitations inherent in the preparation of the Information

The Information may be subject to inherent uncertainty in the state of scientific or economic knowledge and in the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates used to prepare it and presented in the Statement.

1) *Cofrac Validation and Verification Accreditation, No. 3-1884, available on the website www.cofrac.fr.*

Responsibility of the entity

Management is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Information;
- preparing a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key indicators performance and the information provided for in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- preparing the Statement by applying the entity's Guidelines as mentioned above; as well as
- implementing the internal control procedures that it deems necessary to prepare the information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared by the Board of Directors.

Responsibility of the Statutory Auditors appointed as independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with Article R. 225-105 I, 3° and II of the French Commercial Code, *i.e.*, the outcomes, including key performance indicators, and the measures implemented considering the principal risks.

As we are responsible for making an independent conclusion on the Information as prepared by management, we are not authorised to be involved in the preparation of such Information as this could compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular in terms of information provided for by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy) and the fight against corruption and tax evasion);
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional doctrine

Our work described below was carried out in accordance with the provisions of Articles A. 225 1 *et seq.* of the French Commercial Code, the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes, in particular the technical opinion of the Compagnie Nationale des Commissaires aux Comptes, *Intervention of the statutory auditors, intervention of the OTI – Statement of Non-Financial Performance*, supplemented where applicable by our own procedures [1], in lieu of a verification programme, and the international standard ISAE 3000 [2].

Independence and quality control

Our independence is defined by the requirements of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have set up a quality control system that includes documented policies and procedures to ensure compliance with applicable laws and regulations, ethical rules and the professional doctrine of the Compagnie nationale des commissaires aux comptes (French National Association of Statutory Auditors) applicable to this intervention.

Means and resources

Our work was carried out by a team of six people between September and November 2022 and took a total of four weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted a dozen interviews with the people responsible for preparing the Statement.

1) Procedures of the KPMG France ESG Centre of Excellence for the verification of Statement of Non-Financial Performance as an OTI.

2) ISAE 3000 (amended) – international standard on assurance engagements other than audits or reviews of historical financial information.

Nature and scope of our work

We planned and carried out our work taking into account the risk of material misstatement of the Information.

We believe that the procedures we have conducted, exercising our professional judgment, enable us to formulate a conclusion of moderate assurance:

- We took note of the entity's business and the description of the main risks;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Statement covers each category of information provided for in III of Article L. 225-102-1 in terms of social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion;
- We verified that the Statement provides the information required under Article R. 225-105, II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented,
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important (1). Our work was carried out at the head office of the consolidating entity;
- We verified that the Statement covers the scope of consolidation, *i.e.* all the entities within the scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important (2), we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - detailed tests on the basis of sampling or other means of selection, consisting of verifying the correct application of definitions and procedures and reconciling the data with the supporting documents. This work was carried out at the head office of the entity and covers 100% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement in relation to our knowledge of the entity.

The procedures implemented as part of a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes; a higher level of assurance would have required more extensive verification work.

Paris-La Défense, December 16th, 2022

KPMG S.A.

Anne Garans	Jacques Pierre
Partner	*Partner*
ESG Centre of Excellence	

1) *Partnership actions to reduce the environmental impact, Anti-corruption systems, Whistleblowing procedure and reporting platform, Strategic governance and CSR, Data protection governance, Signature rate for the supplier code of conduct.*

2) *Power Usage Effectiveness, Water Usage Effectiveness, Carbon Usage Effectiveness, Renewable Energy Factor, Reused component ratio, Success rate of cyber attack simulations campaigns, Employee training rate, Loyalty rate, Employee engagement score, Percentage of women in management, Percentage of women in top management (Executive Committee), Frequency rate (with lost time) FR1, Frequency rate (with and without lost time) FR2.*


OVHcloud

4

CORPORATE GOVERNANCE

INTRODUCTION: STATEMENT ON CORPORATE GOVERNANCE

Since the admission of the Company's shares to trading on the Euronext Paris regulated market in October 2021, the Company has referred to and complies with the Corporate Governance Code for Listed Companies drawn up by the French Association of Private Companies (the "AFEP") and the Mouvement des entreprises de France (the "MEDEF") in its version updated in January 2020 (the "AFEP-MEDEF Code"), except for the Article 11.3 recommendation for the reasons detailed below.

The AFEP-MEDEF Code with which the Company complies may be consulted online at http://www.medef.com or http://www.afep.com. The Company permanently maintains copies of such code that may be reviewed by the members of its corporate bodies.

Aritcle 11.3 of the AFEP-MEDEF Code	OVHcloud reasons
It is recommended to organize at least one meeting each year. without the presence of the executive corporate officers	The Lead Director has proposed the organization of a meeting without the presence of the executive corporate officers in August 2022. However, the Company closing its accounts on August 31 and having been listed for less than a year, it was difficult to organize this meeting during the fiscal year, it should be planned for the second quarter of fiscal year 2023.

4.1 GOVERNANCE OVERVIEW

4.1.1 Composition of the Board of Directors

4.1.1.1 Summary presentation of the Board of Directors

Since the publication of the 2021 Universal Registration Document, there has been no change in the composition of the Board of Directors and its committees except for the appointment of two directors representing employees appointed to the Board on 5 April 2022.

As of the date of this Universal Registration Document, the Company has a Board of Directors composed of eleven (11) members, a majority of whom are independent directors and two (2) non-voting members:

- Four (4) directors appointed on the proposal of the Klaba family:
  - Mr. Octave Klaba (Chairman of the Board of Directors),
  - Mr. Miroslaw Klaba,
  - Mr. Henryk Klaba, and
  - Mr. Michel Paulin (Chief Executive Officer).
- Five (5) independent directors:
  - Mr. Bernard Gault (lead director),
  - Ms. Isabelle Tribotté,
  - Ms. Corinne Fornara,
  - Ms. Diana Einterz, and
  - Ms. Sophie Stabile.
- Two (2) directors representing employees:
  - Ms. Pauline Wauquier,
  - Mr. Hugues Bodin.
- Two (2) non-voting members:
  - Mr. Karim Saddi
  - Mr. Jean-Pierre Saad.

The table below shows the composition of the Board of Directors at the date of this Universal Registration Document:

SUMMARY PRESENTATION OF THE BOARD OF DIRECTORS

	Personal information						Position on the Board			
Name	**Age**	**Gender**	**Nationality**	**Number of shares**	**Number of current terms of office in listed companies**	**Independent director**	**Start of current term of office**	**Expiry of current term of office**	**Seniority on the Board**	**Committee** [(1)]
Octave Klaba Chairman of the Board of Directors	47	M	French	57,115,386	N/A	No	14/10/2021	AGM 2026	1 year	CNRG, CSRSE
Michel Paulin Chief Executive Officer	62	M	French	801,572	N/A	No	14/10/2021	AGM 2026	1 year	CSRSE
Miroslaw Klaba R&D Director	40	M	French	56,289,519	N/A	No	14/10/2021	AGM 2023	1 year	A, CSRSE
Henryk Klaba R&D Director for Infrastructures	73	M	French	432,459	N/A	No	14/10/2021	AGM 2024	1 year	CNRG
Bernard Gault Independent director and lead director	63	M	French	41,331	1	Yes	14/10/2021	AGM 2025	1 year	CNRG
Diana Einterz Independent director	63	F	American	1,000	N/A	Yes	14/10/2021	AGM 2025	1 year	CSRSE
Corinne Fornara Independent director	56	F	French	2,703	N/A	Yes	14/10/2021	AGM 2025	1 year	A
Isabelle Tribotté Independent director	52	F	French	1,250	1	Yes	14/10/2021	AGM 2023	1 year	CNRG, CSRSE
Sophie Stabile Independent director	52	F	French	1,000	2	Yes	14/10/2021	AGM 2024	1 year	A, CNRG
Pauline Wauquier Director representing employees	31	F	French	0	N/A	No	05/04/2022	AGM 2026	1 year	N/A
Hugues Bodin Director representing employees	37	M	French	0	N/A	No	05/04/2022	AGM 2026	1 year	CNRG
Karim Saddi Non-voting director	47	M	French	0	N/A	N/A	14/10/2021	AGM 2026	1 year	N/A
Jean-Pierre Saad Non-voting director	42	M	Belgian	0	N/A	N/A	14/10/2021	AGM 2026	1 year	N/A

(1) A: Audit Committee, CNRG: Appointments, Compensation and Governance Committee, CSRSE: Strategy and CSR Committee

4.1.1.2 Detailed presentation of the members of the Board of Directors

Octave Klaba

CHAIRMAN OF THE BOARD OF DIRECTORS

NATIONALITY: French

DATE OF BIRTH: 23 January 1975

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ended 31 August 2025

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2022: 57,115,386 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 2, rue Kellermann, 59100 Roubaix, France

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): No

Passionate about computer science, he earned a computer science degree from ICAM Lille in 1999, and at the same time, created OVH for one simple reason: no provider was able to meet his expectations. Twenty years later, Octave is still working to grow his business.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

- Chairman of the Board of Directors of the Company
- Chairman of ForePaaS

OUTSIDE THE GROUP:

- Chairman of DIGITAL SCALE SAS and YELLOW SOURCE SAS
- Manager of GREEN BRICK
- Representative of DIGITAL SCALE SAS, Chairman of JEZBY VENTURES SAS
- Representative of DIGITAL SCALE SAS, representative of SAS JEZBY VENTURES, itself Chairperson of SAS MUSIC FOR FREEDOM
- Representative of DIGITAL SCALE SAS, representative of SAS JEZBY VENTURES, itself Chairperson of SAS POWEEND

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

- Chairman of MANOVH and MENOVH
- Vice-Chief Executive Officer of OVH SAS
- Chairman and director of OVH Holding US Inc.
- Chairman of Data Center Vint Hill LLC
- Chairman of Data Center West Coast LLC
- Chairman of OVH Data US LLC
- Chairman of OVH US LLC
- Chairman, Vice-Chairman and director of Holding OVH Canada Inc.
- Vice-Chairman and Director of Hébergement OVH Inc.
- Vice-Chairman and Director of OVH Infrastructures Canada Inc.
- Vice-Chairman and Director of OVH Serveurs Inc.
- Vice-Chairman and Director of Technologies OVH Inc.
- Director of OVH Limited

OUTSIDE THE GROUP:

N/A

Michel Paulin

CHIEF EXECUTIVE OFFICER OF OVH GROUPE

NATIONALITY: French

DATE OF BIRTH: 20 June 1960

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ended 31 August 2025

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2022: 801,572 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 2, rue Kellermann, 59100 Roubaix, France

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): No

Michel Paulin has spent most of his career in the IT, telecom and internet segments. He was Chief Executive Officer of Neuf Cegetel, where he carried out the IPO of Méditel (now Orange Maroc) and SFR. His appointment in 2018 is part of a new phase of OVHcloud’s development. Michel Paulin will oversee the implementation of the Smart Cloud strategic plan, aimed at consolidating OVHcloud’s position as an alternative leader in the cloud segment. Michel Paulin graduated from École Polytechnique.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

- Chief Executive Officer of the Company
- Chairman of OVH SAS

OUTSIDE THE GROUP:

- Chairman of Erraza SAS
- Independent director of Opencell

WITHIN THE GROUP:

- Before the transformation of the Company into a public limited company (*société anonyme*), Michel Paulin was Chief Executive Officer of the Company in its simplified joint stock company (*société par actions simplifiée*) form.

OUTSIDE THE GROUP:

N/A

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

N/A

Miroslaw Klaba

DIRECTOR

R&D DIRECTOR

NATIONALITY: French

DATE OF BIRTH: 3 December 1981

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ended 31 August 2022

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2022: 56,289,519 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 2, rue Kellermann, 59100 Roubaix, France

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): No

Miroslaw Klaba is R&D Director of the Company. After earning an engineer degree from ICAM Lille, he joined OVHcloud in 2004, holding different positions on project development. As part of his mission, Miroslaw Klaba leads the teams encouraging transformation and participating in the maturity of businesses by providing tools and an information system to help increase effectiveness.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

- Chairman of Technologies OVH Inc.
- Chairman of Hébergement OVH Inc.
- Director of OVH Australia Pty Ltd
- Manager (*Geschäftsführer*) of OVH GmbH
- Manager of OVH Hosting (Morocco)
- Director of OVH Hosting Limited
- Director of OVH Hosting OY
- Director of OVH Limited
- Director of OVH Singapore Pte Ltd
- Chairman (*Prezes Zarządu*) of OVH Sp. z.o.o.
- Director of UAB OVH
- Director of OVHTECH R&D (India)
- Director of ALTIMAT DC INDIA PRIVATE Limited

OUTSIDE THE GROUP:

- Manager of BLUE SPACE
- Chairman of DEEP CODE SAS, INNOLYS SAS and BLEU SOURCE SAS
- Representative of DEEP CODE, Chairperson of SNC FLY AWAY

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

- Before the transformation of the Company into a public limited company (*société anonyme*), Miroslaw Klaba was Vice-Chief Executive Officer of the Company in its simplified joint stock company (*société par actions simplifiée*) form.
- Chief Executive Officer of OVH SAS
- Prior to the sale of the entire share capital and voting rights of CENTRALE ÉOLIENNE DE ORTONCOURT and DDIS to Poweend, Miroslaw Klaba was Manager of CENTRALE ÉOLIENNE DE ORTONCOURT and Chairman of DDIS [(1)].
- Prior to the sale of the entire share capital and voting rights of Shadow to Jezby Ventures, Miroslaw Klaba was Chairman of Shadow (formerly Hubic).
- Member of the Board of Managers of OVH US LLC
- Director of Data Center Sydney Pty Ltd.
- Director of Altimat Data Center Singapore Pte Ltd
- Manager (*Geschäftsführer*) of OVH BSG GmbH
- Manager (*Geschäftsführer*) of DCD Data Center Deutschland GmbH
- Director of Data Center Erith Ltd

OUTSIDE THE GROUP:

- Chief Executive Officer of MANOVH

Henryk Klaba

DIRECTOR

R&D DIRECTOR FOR INFRASTRUCTURES

NATIONALITY: French

DATE OF BIRTH: 12 February 1949

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ended 31 August 2023

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2022: 432,459 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 2, rue Kellermann, 59100 Roubaix, France

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): No

Henryk Klaba is an engineer, graduated from the Polytechnic School in Warsaw. He settled in France after the fall of the Berlin Wall. He is currently an employee of the Company, as R&D Director for Infrastructures.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

- Chief Executive Officer (*Jednatel*) of OVH CZ, s.r.o. (Czech Republic)
- Sole director (*Administrator único*) of OVH Hispano S.L. (Spain)
- Manager of OVH SARL (Senegal)
- Manager of OVH SARL (Tunisia)
- Manager of OVH Tunisie
- Manager of OVH Hosting (Morocco)

OUTSIDE THE GROUP:

- Chairman of INVEST BLEU
- Manager of SCI IMMOSTONE, SCI IMMOBLES, SCI OVH, SOCIÉTÉ CIVILE IMMOBILÈRE IMMOLYS

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

- Before the transformation of the Company into a public limited company (*société anonyme*), Henryk Klaba was Vice-Chief Executive Officer of the Company under its simplified joint stock company (*société par actions simplifiée*) form.
- Chairman of OVH SAS
- Vice-Chairman and director of OVH Holding US Inc.
- Vice-Chairman of Data Center Vint Hill LLC
- Vice-Chairman of Data Center West Coast LLC
- Vice-Chairman of OVH Data US LLC
- Chairman and director of Holding OVH Canada Inc.
- Chairman and director of Hébergement OVH Canada Inc.
- Chairman and director of OVH Infrastructures Canada Inc. 2
- Chairman and director of OVH Serveurs Inc.
- Chairman and director of Technologies OVH Inc.
- Director of Altimat Data Center Singapore Pte Ltd.
- Manager (*Geschäftsführer*) of DCD Data Center Deutschland GmbH
- Manager (*Geschäftsführer*) of OVH GmbH
- Director of OVH Hosting OY
- Director of OVH Hosting Limited
- Sole director of OVH Srl
- Director of OVHHosting Sistemas Informaticos Unipessoal Lda
- Director of OVH UAB
- Director of Data Center Ozarow Sp. z o.o.
- Director of OVH Sp. z o.o.

OUTSIDE THE GROUP:

N/A

Bernard Gault

INDEPENDENT DIRECTOR AND LEAD DIRECTOR

NATIONALITY: French

DATE OF BIRTH: 29 September 1958

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ended 31 August 2024

NUMBER OF COMPANY SHARES HEALD ON 31 AUGUST 2022: 41,331 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: 1

BUSINESS ADDRESS: Apt 301 - 4 Pearson Square - London W1T 3 BH - UK

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): Yes

Bernard Gault is an investment banker and investor and is the founding partner of the investment firm Barville & Co, formed in 2016. He is currently Chairman and Chief Executive Officer of Elior Group, a world leader in contract catering. He is also a founding partner of Perella Weinberg Partners, a global financial services firm set up in 2006 offering financial advisory and asset management services. He began his career in 1982 at Compagnie Financière de Suez before joining Morgan Stanley in 1988 where he went on to serve as Managing Director of the bank's Paris office and head of its private equity fund for Europe, Morgan Stanley Capital Partners. He is an engineer from École Centrale Paris and holds a degree from Institut d'études politiques de Paris.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Manager of Barville & Co
- Director of Peugeot Invest UK
- Chairman and Chief Executive Officer of Elior Group*
- Member of the advisory board of Port Noir SA
- Chairman of Fondation Centrale Supélec
- Manager of Prime Vineyards Partners SA and its subsidiaries SCI de la Vigne aux Dames and SCEA de la Vigne aux Dames
- Manager of Domaines Partners SA

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

- Before the transformation of the Company into a public limited company (*société anonyme*), Bernard Gault was director of the Company in its simplified joint stock company (*société par actions simplifiée*) form.

OUTSIDE THE GROUP:

- Director of Balmain SA
- Senior adviser of Perella Weinberg Partners
- Director of FFP UK
- Director and Chairman of the Compensation Committee of Elior Group
- Director of Fondation Centrale Supélec
- Director of the Fonds Saint Michel endowment fund

** Listed company*

Diana Einterz

INDEPENDENT DIRECTOR

NATIONALITY: American

DATE OF BIRTH: 8 December 1958

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ended 31 August 2024

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2022: 1,000 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 75, 14th street, Atlanta, GA 30309 United States

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): Yes

Until 31 July 2022, Diana Einterz was President, Americas at SITA. She began her career at AT&T Corporation and held several positions there until 2000. She joined Orange in 2000 where, from 2013 to 2017, she was “Directrice des Grands Comptes” at Orange Business Services. She graduated from McGill University with a degree in Computer Science.

Through her functions, in particular at AT&T Corporation, Orange Business Services and Sita (service provider information technology and communications for air transport), Diana Einternz has a global experience in customer engagement, cybersecurity and data privacy.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

N/A

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

Key Accounts Director at Orange Business Services France (2013 – 2017)

President Americas of SITA (Geneva)

Corinne Fornara

INDEPENDENT DIRECTOR

NATIONALITY: French

DATE OF BIRTH: 20 August 1966

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ended 31 August 2024

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2022: 2,703 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 6, rue du Caporal Peugeot 94210 - La Varenne-Saint-Hilaire

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): Yes

Since 2018, Corinne Fornara has been Chief Financial Officer of the AccorInvest group in charge of finance, internal control and risk management. She began her career at Deloitte as Financial Auditor before joining the Kering group in 1993 as head of the consolidation department. In 1995, she joined the Atos group where she held various positions in the finance department. In 2000, she was appointed Chief Administrative and Financial Officer of Atos Euronext, a subsidiary of Atos group and Euronext group, in charge of Finance, Legal Affairs and Risk Management and Secretary of the Supervisory Board. In 2009, she became Chief Financial Officer of NYSE (New York Stock Exchange) Euronext for Europe. In 2013, she was appointed Group Controller at Constellium and then served as interim Chief Financial Officer in 2016. Corinne Fornara was also a member of the Constellium Executive Committee. Corinne Fornara graduated from ESCEM, Tours Business School and also holds a DESCF degree in Accounting and Finance.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Chief Financial Officer of the AccorInvest Group
- Director of SHAC
- Manager of Berlin Checkpoint Charlie Holding
- Manager of Hig Lux S.à.R.L
- Manager of Accord Newday German Holdco Sàrl
- Member of the Supervisory Board of AHN
- Director of SONKK
- Director of RCH
- Director of CHB

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Chief Financial Officer/Group Controller of Constellium (July 2016 to May 2018)
- Offices held in Constellium Group companies
- Manager of Accor Newday Holdings Luxembourg Sàrl
- Member of the Supervisory Board of ACCORINVEST GERMANY GMBH

Isabelle Tribotté

INDEPENDENT DIRECTOR

NATIONALITY: French

DATE OF BIRTH: 18 December 1969

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ended 31 August 2022

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2022: 1,250 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: 1

BUSINESS ADDRESS: 1, rue Champ Lagarde, 75800 Versailles

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): Yes

Since 2022, Isabelle Tribotté has held the position of Chief Executive Officer of SIGNIFY France (formerly Philips Eclairage). She joined Schneider Electric in 2000 where she managed the international commercial operations of the medium voltage division from 2018 to 2021. She also held several management positions in the industrial automation department, where she managed the French subsidiary from 2012 to 2015. In 2015, she took over the management of Quality and Customer Experience. She began her career in 1992 at VELUX France before joining Parker Hannifin from 1995 to 1999. Isabelle Tribotté graduated from École Centrale de Nantes and ESCP Paris.

Isabelle Tribotté has extensive experience in environment-focused solutions through her current role as Director general manager of Signify (world leader in lighting systems and services) and her 21-year experience at Schneider Electric where she held responsibilities including power systems, industrial automation, customer experience, quality...

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Independent director of FORSEE POWER
- Independent director of CROUZET
- Chief Executive Officer of Signify France*

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Advisory/consultant of BPI/CD Sud

** Listed company*

Sophie Stabile

INDEPENDENT DIRECTOR

NATIONALITY: French

DATE OF BIRTH: 19 March 1970

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ended 31 August 2023

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2022: 1,000 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: Independent director and Chairperson of the Audit Committee of Sodexo

BUSINESS ADDRESS: 4, rue de Presbourg, 75016 Paris

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): Yes

Sophie Stabile is Group Chief Financial Officer of Lagardère. She began her career by holding several positions at Deloitte, before holding various management positions within the Accor group until 2018. She notably held the position of Chief Executive Officer of HotelsServices France and Switzerland and that of Chief Financial Officer and member of the Executive Committee of Accor. She is a graduate of the École supérieure de gestion et finances.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Group Chief Financial Officer of Lagardère*
- Independent director and Chairperson of the Audit Committee of Sodexo*
- Independent director and Chairperson of the Appointments Committee of BpiFrance
- Treasurer and director of the Institut français des administrateurs
- Manager of Révérence EURL (consulting and investment company (since 2018))

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Chairperson of the Supervisory Board of Orbis
- Member of the Board of Directors of Ingenico
- Chief Executive Officer of HotelsServices France and Switzerland
- Chief Financial Officer and member of the Executive Committee of Accor
- Member of the Supervisory Board of Unibail-Rodamco-Westfield
- Independent director of BPI Investissement
- Member of the Supervisory Board of Altamir

** Listed company*

Pauline Wauquiez

DIRECTOR REPRESENTING EMPLOYEES

NATIONALITY: French
DATE OF BIRTH: 29 September 1990
TERM OF OFFICE EXPIRES: 31 August 2026
NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2022: 0 shares
NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None
BUSINESS ADDRESS: 2, rue Kellermann, 59100 Roubaix, France
INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): No

Pauline Wauquier joined OVHcloud in 2017 and holds the position of Data Scientist within the Data teams. She has a PhD in computer science since May 2017. She completed her Cifre thesis between 2013 and 2017 in collaboration with the start-up Clic and Walk and the Magnet research team (CRIStAL laboratory).

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

N/A

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

N/A

Hugues Bodin

DIRECTOR REPRESENTING EMPLOYEES

NATIONALITY: French
DATE OF BIRTH: 21 July 1984
TERM OF OFFICE EXPIRES: 31 August 2026
NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2022: 0 shares
NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None
BUSINESS ADDRESS: 19, place Françoise Dorin, 75017 Paris, France
INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): No

Hugues Bodin joined OVHCloud in 2018 as Head of Data Centre Construction Programmes. He previously worked in the renewable energy segment as a project manager and business developer internationally. Hugues Bodin is a graduate of École Centrale Paris.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:
N/A
OUTSIDE THE GROUP:
N/A

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:
N/A
OUTSIDE THE GROUP: N/A

The General Shareholders' Meeting of the Company of 14 October 2021 decided to modify the term of office of directors to allow staggered renewal, subject to the condition precedent of the admission of the shares to trading on the Euronext Paris regulated market. Accordingly, the term of office of directors has been modified as follows:

- Miroslaw Klaba: one year, *i.e.* until the end of the Ordinary General Meeting called to approve the financial statements for the financial year ended on 31 August 2022;
- Isabelle Tribotté: one year, *i.e.* until the end of the Ordinary General Meeting called to approve the financial statements for the financial year ended on 31 August 2022;
- Henryk Klaba: two years, *i.e.* until the end of the Ordinary General Meeting called to approve the financial statements for the financial year ended on 31 August 2023;
- Sophie Stabile: two years, *i.e.* until the end of the Ordinary General Meeting called to approve the financial statements for the financial year ended on 31 August 2023;
- Corinne Fornara: three years, *i.e.* until the end of the Ordinary General Meeting called to approve the financial statements for the financial year ended on 31 August 2024;
- Bernard Gault: three years, *i.e.* until the end of the Ordinary General Meeting called to approve the financial statements for the financial year ended on 31 August 2024; and
- Diana Einterz: three years, *i.e.* until the end of the Ordinary General Meeting called to approve the financial statements for the financial year ended on 31 August 2024;

The terms of office of Michel Paulin and Octave Klaba remain unchanged.

In addition, two directors representing employees were appointed on 13 April 2022, in accordance with Article 13.3 of the Company's bylaws and Article L. 225-27-1 of the French Commercial Code, and one of them, Hugues Bodin joined the Appointments, Compensation and Governance Committee on 27 October 2022 as a member.

The Board of Directors is also composed of two (2) non-voting members, whose profiles are presented below. Messrs. Karim Saddi and Jean-Pierre Saad were appointed as non-voting members of the Board of Directors on 18 October 2021 and the decision was ratified by the General Meeting of 15 February 2022. Non-voting directors will not be remunerated. Non-voting directors will participate in the work of the Board of Directors without having a right to vote and will not, at this stage, benefit from any specific missions.

Karim Saddi

NON-VOTING DIRECTOR

NATIONALITY: French

DATE OF BIRTH: 27 February 1975

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ended 31 August 2025

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 1 St James's Market, Carlton Street, London SW1Y 4AH, United Kingdom

Karim Saddi is a director of Infopro Digital Holding SAS, Co-Chairman and Managing Director of TowerBrook, Co-Chairman of the Portfolio Committee and member of the Management Committee. Mr. Saddi was a member, then a partner, of Soros Private Equity. Prior to that, he was a member of the mergers, acquisitions and restructuring department of Morgan Stanley Dean Witter in London and Los Angeles. Karim Saddi is a graduate of HEC Paris.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Member of the Supervisory Board of Talan Holding SAS
- Director of TowerBrook Capital Partners Limited
- Director of Sabena Technics Participations SAS
- Director of EasyInvest 1 SAS (JJA)
- Member of the Supervisory Board of Aernnova Aerospace Corporation SA
- Director of Infopro Digital Group BV
- Director of TCP Kaporal Holdings Sarl, Kaporal Manco Sarl and Kaporal 5 Sarl
- Director of Infopro Digital Holding SAS

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Director of Metallo Holdings 1 B.V., Metallo Holdings 2 B.V. and Metallo Holdings 3 B.V. (Metallum)
- Director of GSE (Luxembourg) Sarl
- Director of Comidas Holdings 1 B.V. (Van Geloven)

Jean-Pierre Saad

NON-VOTING DIRECTOR

NATIONALITY: Belgian

DATE OF BIRTH: 20 September 1980

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ended 31 August 2025

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 18 Hanover Square, London W1S 1JY, United Kingdom

Jean-Pierre Saad joined KKR in 2008 and is a member of the European Private Equity platform where he manages the TMT activities. He is a member of the European Private Equity Committee, the Portfolio Management Committee and the KKR Next Generation Technology Growth Investment Committee. He managed KKR's investments in Koerber Supply Chain Software, Cegid, Devoteam, Masmovil, Exact, OVH, SoftwareONE and United Group and was previously involved in NXP Semiconductors, Acteon, Van Gansewinkel and Legrand. He currently sits on the Board of Directors of Koerber Supply Chain Software, Cegid, Devoteam, Masmovil, Exact and OVH. Before joining the firm, he worked in the TMT team of Lehman Brothers in London. Mr. Saad holds a degree from HEC Paris and an engineering degree with a high distinction in computer science and communications from the American University of Beirut.

TERMS OF OFFICE (AS AN EXCUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Partner of KKR Management LLP
- Director of KKR Saudi Limited
- Director of Claudius France SAS (Cegid)
- Director of Castillon SAS (Devoteam)
- Director of Lorca JVCO Limited (Masmovil)
- Director of Exact Group B.V.
- Director of KSCS HoldCo GmbH

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Director of United Group B.V.
- Director and member of the Audit Committee of SoftwareONE Holding AG

4.1.2 Reappointments proposed to the General Meeting of 16 February 2023

On the recommendation of the Appointments, Compensation and Governance Committee, the Board of Directors, at its meeting of 15 December 2022, decided to propose to the Combined General Meeting of 16 February 2023 the renewal of the term of office as director of Mr. Miroslaw Klaba for a term of four years, until the end of the Ordinary General Meeting in 2027, which will be called to approve the financial statements for the year ended 31 December 2026, and the renewal of the term of office as director of Ms. Isabelle Tribotté for a term of four years, until the end of the Ordinary General Meeting in 2027, which will be called to approve the financial statements for the year ended 31 December 2026.

4.1.3 Diversity policy

On 13 September 2021, the Board of Directors, on the basis of recommendations issued by the Appointments, Compensation and Governance Committee, met to review the composition of the Board and approve the implementation of its applicable diversity policy.

In accordance with its internal regulations, the Board of Directors examines the desirable balance of its composition and that of its committees, particularly in terms of diversity (representation of women and men, nationalities, age, qualifications and professional experience, etc.).

In this context, the Board carefully analysed its composition and that of its committees with regard to these elements:

- **Age:**

  The age of directors over the past financial year was between 32 and 73 years old, with an average of 52.9 years. The Board considered that this average age was satisfactory and remains quite far from the statutory average age.

- **Parity:**

  In accordance with Articles L. 225-23 and L. 225-27-1 of the French Commercial Code, directors representing employees are not taken into account when determining the gender balance on the Board of Directors. Thus, by not counting the directors representing employees in the calculation, the Board is composed of four women directors out of the nine directors to be taken into account, thus representing 44.44% of women on the Board. The Board considered this percentage to be satisfactory and remains vigilant in maintaining a rate above the legal ratio of 40%.

- **Diversity of skills:**

  The directors of the Company come from different backgrounds and have varied experience and skills, thus reflecting the targets of the Board of Directors. The presentation of the profile of each director in this chapter provides a better understanding of this diversity and complementarity of experience. The Board considered that the diversity of the profiles of the directors was of excellent quality.

- **Nationalities:**

  As of the date of this Universal Registration Document, Ms. Diana Einterz, American, is the only member of the Board of Directors of foreign nationality.

- **Independence of directors:**

  The Board of Directors assessed the independence of the directors with regard to the criteria recommended by the AFEP-MEDEF Code and considered that Mr. Bernard Gault, Ms. Diana Einterz, Ms. Corinne Fornara, Ms. Isabelle Tribotté and Ms. Sophie Stabile are independent, *i.e.* a Board of Directors composed of 56% independent directors. The Board considers that this level of independence is satisfactory and remains vigilant to maintain this level.

4.1.4 Independence of directors

It is recalled that Messrs Octave Klaba, Miroslaw Klaba and Henryk Klaba cannot be considered as independent due to their status and the control they exercise over several companies holding, as of the date of this document, 69.3% of the Company's share capital. Mr. Michel Paulin cannot be considered independent either, since he holds the position of Chief Executive Officer of the Company. Lastly, the directors representing the employees are not considered as independent in their capacity as employees of the Group.

The table below summarises the current position of each director with respect to the criteria of independence in Article 9 of the AFEP-MEDEF Code, as assessed by the Compensation Committee and the Board of Directors of the Company.

Independence of directors		Diana Einterz	Corinne Fornara	Isabelle Tribotté	Bernard Gault	Sophie Stabile
Criterion 1:	Not to be or have been an employee or corporate officer during the previous five years	✓	✓	✓	✓	✓
Criterion 2:	Not to hold cross-directorships	✓	✓	✓	✓	✓
Criterion 3*:	Not to have significant business relationships	✓	✓	✓	✓	✓
Criterion 4:	Not to have close family ties with a corporate officer	✓	✓	✓	✓	✓
Criterion 5:	Not to have been an auditor of the Company during the previous five years	✓	✓	✓	✓	✓
Criterion 6:	Not to have been a director of the Company for more than 12 years	✓	✓	✓	✓	✓
Criterion 7:	Status of the non-executive corporate officer: may not receive variable compensation in cash or securities or any compensation linked to the performance of the Company	✓	✓	✓	✓	✓
Criterion 8:	Status of the significant shareholder: may not participate in the control of the Company	✓	✓	✓	✓	✓
Independent director under the AFEP-MEDEF Code criteria		Yes	Yes	Yes	Yes	Yes

In this table: "✓" represents an independence criterion met and "X" represents an independence criterion not met.

* *In the absence of business relations, the Board of Directors, at its meeting on 28 September 2021, qualified Diana Einterz, Corinne Fornara, Isabelle Tribotté, Bernard Gault and Sophie Stabile as independent.*

4.1.5 Attendance at meetings of the Board of Directors and its committees

Individual attendance rate

	Hugues Bodin	Diana Einterz	Corinne Fornara	Bernard Gault	Henryk Klaba	Miroslaw Klaba	Octave Klaba	Michel Paulin	Sophie Stabile	Isabelle Tribotté	Pauline Wauquiez
Board of Directors	100%	100%	100%	100%	88.88%	100%	100%	100%	88.88%	100%	100%
Audit Committee	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A
Appointments, Compensation and Governance Committee	N/A	N/A	N/A	100%	100%	N/A	100%	100%	100%	100%	N/A
Strategy and CSR Committee	N/A	100%	N/A	N/A	N/A	100%	100%	N/A	N/A	100%	N/A

Overall attendance rate by body

Board of Directors	Audit Committee	Appointments, Compensation and Governance Committee	Strategy and CSR Committee
97.78%	100%	100%	100%

4.1.6 Duties, operation and work of the Board of Directors

Duties

The Board of Directors determines the Company's business strategies and ensures their implementation in accordance with its corporate interest, taking into consideration the social and environmental challenges of its activity. Subject to the powers expressly granted to the General Shareholders' Meetings and within the limits of the Company's corporate purpose, it shall examine any and all matters pertaining to the efficient operation of the Company and make decisions about any and all issues concerning the Company. The Board of Directors strives to promote the Company's long-term value creation by considering the social and environmental challenges of its activities. In connection with the strategy defined, it regularly examines the opportunities and risks such as the financial, legal, operational, social and environmental risks as well as the measures taken as a result.

More specifically, the Board of Directors is generally entrusted with the following duties:

- determining the method of senior management of the Company and set, depending on the mode of governance, the duration of the term of office(s), the application limits and the compensation of the executive corporate officers;
- ensuring the implementation of a non-discrimination and diversity policy and its implementation by the executive corporate officers;
- assessing and reporting on the independence rate of the members of the Board of Directors;
- ensuring the implementation of a system to prevent and detect corruption and influence peddling; and
- overseeing the quality of the information provided to shareholders and the financial markets through the financial statements it approves and the annual report or on the occasion of major transactions.

In addition, the internal regulations of the Board of Directors list the following missions as reserved for the Board of Directors:

- setting the annual budget of the Group, the business plan of the Group including any modifications;
- deciding on any individual investment expenditure that would exceed the annual budget expenditure by 7.5%;
- assessing any acquisition or sale of assets (including patents and intellectual property rights), goodwill, shares by a company of the Group, not included in the annual budget, for an individual amount exceeding €25,000,000;
- approving any grant of significant guarantees, off-balance sheet commitments and liabilities, or securities not included in the annual budget, for an amount individually exceeding €10,000,000 per year;
- amending the Company's bylaws; and
- taking any decision of a Group company taken to enter into a new financing agreement (other than with a Group company and other than in the context of an existing Revolving Credit Facility) for an amount exceeding €25,000,000 and not included in the annual budget.

Method of operation

In accordance with Article 2 of the Board of Directors' internal regulations, the Board meets at least four times a year and as often as necessary when convened by its Chairman. Directors may participate in meetings by video conference or telecommunication. Meetings are held according to the agenda set by the Chairman in close consultation with the Chief Executive Officer and notified to the directors. The Board of Directors also appoints a secretary, who may be chosen from among the directors or from outside them. The Board of Directors shall validly deliberate only if at least half of the members are present. Decisions are taken by a majority of members present or represented. In the event of a tie vote, the Chairman of the meeting shall cast the deciding vote. Any director may, by any written means, authorise another director to represent him or her at a meeting of the Board of Directors. This mandate is only valid for one meeting and each director may only have one proxy at a given meeting.

Work carried out during the past financial year

The Board meeting of 11 January 2022 presented the revenue for the first quarter, provided an update on the hyper-resilience programme and deliberated on the update of the product roadmap.

The Board meeting of 15 February 2022 carried out the following work:

- modification of the composition of the Appointments, Compensation and Governance Committee and modification of the Board of Directors' internal regulations to allow this;
- inclusion of a stipulation in the internal regulations governing the communication of information (as defined in the internal regulations) between the members of the Board of Directors (director(s) and/or non-voting member(s)) appointed on the proposal of a shareholder and said shareholder;
- delegation of powers granted to the Board of Directors to implement free share plans to the Chief Executive Officer;
- implementation of the share buyback programme.

The Board meeting of 7 April 2022 approved the acquisition of ForePaas SAS.

The Board meeting of 13 April 2022 approved the half-year financial statements and deliberated on the year-end projection. It authorised the Chief Executive Officer to issue sureties, endorsements and guarantees on behalf of OVH Groupe and its subsidiaries within certain financial limits, including the associated amendment to the Board's internal regulations; welcomed two directors representing employees; adopted an Internal Charter on regulated and current agreements of OVH Groupe in accordance with Article L. 22-10-12 of the French Commercial Code. The purpose of this procedure is to regularly assess whether agreements relating to current transactions entered into under normal conditions not subject to Board authorisation meet these conditions.

On 29 June 2022, the Board presented the financial statements for the third quarter; Presentation of the CSR strategy, and the presentation of the "Long Term Incentive Plan" (LTIP), which will be implemented in 2023.

The Board meeting of 21 July 2022 reviewed the 2023 budget.

Board of Directors without executive corporate officers

The Lead Director has proposed the organization of a meeting without the presence of the executive corporate officers in August 2022. However, the Company closing its accounts on August 31 and having been listed for less than a year, it was difficult to organize this meeting during the fiscal year, it should be planned for the second quarter of fiscal year 2023.

4.1.7 Duties, operation and work of the committees

In accordance with Article 16 of the Company's bylaws, the Company's Board of Directors may set up committees responsible for examining any matter submitted by the Board of Directors or its Chairman.

Three Board of Directors' committees have been set up: an Audit Committee, an Appointments, Compensation and Governance Committee and a Strategy and CSR Committee. The main provisions of the internal regulations of these committees are presented below.

Their composition complies with the recommendations of the AFEP-MEDEF Code.

4.1.7.1 Audit Committee

Composition

The Audit Committee is composed of three members, two-thirds of whom are independent directors.

At the date of this Universal Registration Document, the members of the Audit Committee are:

- Sophie Stabile* (*Chairperson*);
- Corinne Fornara*;
- Miroslaw Klaba.

** Independent director*

It is specified that the three (3) members of the Audit Committee have specific expertise in finance and accounting.

Duties

The goal of the Audit Committee is to monitor questions related to the preparation and the control of accounting and financial information and to monitor the efficiency of risk monitoring and operational internal control, in order to facilitate the Board of Director's duties to control and verify such matters.

The Audit Committee's main duties are as follows:

- monitoring the financial reporting process;
- monitoring the effectiveness of internal control, internal audit and risk management systems relating to financial and accounting information;
- monitoring the statutory audit of the financial statements and consolidated financial statements by the Company's statutory auditors;
- monitoring the independence of the Company's statutory auditors and their selection and reappointment procedures; and
- examining and monitoring the systems and procedures in place to ensure the dissemination and application of policies and rules of good practice in the areas of ethics, competition, fraud and corruption and, more generally, compliance with the regulations in force.

Method of operation

The Audit Committee meets as often as necessary and, in any event, at least twice a year when the annual and interim financial statements are prepared. Meetings are held before the meeting of the Board of Directors and, to the extent possible, at least two (2) days before this meeting when the Audit Committee's agenda concerns the review of the half-year financial statements and prior to their review by the Board of Directors. The recommendations made by the Audit Committee are adopted by a simple majority of the members attending the meeting, each member having one vote. In the event of a tie, the Chairperson of the Audit Committee or, in his/her absence, another independent member shall have the casting vote.

Work carried out during the past financial year

During the past financial year, the Audit Committee met three (3) times. The attendance rate of members was 100%.

The Audit Committee met to discuss the following topics, in order to formulate opinions and recommendations to the Board of Directors:

- review of accounting and financial documents, prior to presentation to the Board of Directors;
- review of the main accounting positions and the methods used;
- review of the quarterly financial reports on the Group's performance, the consolidated financial statements for 2021, the half-year financial statements for 2022, and the draft financial press releases, before their transmission to the Board of Directors;
- review of related-party transactions;
- review and analysis of legal and tax risks (including those related to the Strasbourg incident).

4.1.7.2 Appointments, Compensation and Governance Committee

Composition

The Appointments, Compensation and Governance Committee is composed of five members, including a majority of independent directors.

At the date of this Universal Registration Document, the members of the Appointments, Compensation and Governance Committee are:

- Bernard Gault (*Chairman*)*;
- Isabelle Tribotté*;
- Sophie Stabile*;
- Octave Klaba;
- Henryk Klaba;
- Hugues Bodin.

** Independent director*

Duties

The Appointments, Compensation and Governance Committee is a specialised committee of the Board of Directors whose principal duty is to help the Board of Directors in the composition of the managing bodies of the Company and the Group and in the determination and regular evaluation of all the compensation and benefits of the Company's executive corporate officers, including any deferred benefits and/or benefits arising upon voluntary or involuntary departure from the Group.

The main duties of the Appointments, Compensation and Governance Committee are as follows:

- With regard to appointments and governance:
  - proposals for the appointment of the members of the Board of Directors and its committees and of the Company's executive corporate officers;
  - preparation of a succession plan for the members of the Board of Directors and its committees and the Company's executive corporate officers;
  - assessment of the advisability of reappointing directors;
  - annual review of the Board of Directors' diversity policy and monitoring of gender parity, age and diversity of skills;
  - annual assessment of the independence of the members of the Board of Directors;
  - implementation of a director selection procedure with increased attention to the assessment of the independence of candidates;
  - monitoring of the gender and wage equality policy.
- Regarding compensation:
  - review and proposal to the Board of Directors concerning all the components and conditions of the compensation of the Chairman of the Board of Directors, the Chief Executive Officer and the Vice-Chief Executive Officer(s);
  - determination of the general compensation policy for the other members of the Executive Committee;
  - review and proposal to the Board of Directors concerning the method for distributing the overall annual compensation package allocated by the Annual General Meeting.

Method of operation

The Appointments, Compensation and Governance Committee meets as often as necessary and, in any event, prior to any meeting of the Board of Directors to decide on the setting of executive compensation and the appointment of Board members or the distribution of annual compensation. The recommendations made by the Appointments, Compensation and Governance Committee are adopted by a simple majority of the members present. In the event of a tie, that of the Chairman of the Appointments, Compensation and Governance Committee, or in his/her absence, that of another independent member shall prevail.

Work carried out during the past financial year

During the past financial year, the Appointments, Compensation and Governance Committee met six (6) times.

The attendance rate of members was 100%. The Appointments, Compensation and Governance Committee met to discuss the following topics in particular, with a view to formulating opinions and recommendations to the Board of Directors:

- proposals relating to the compensation of non-independent directors: Mr. Octave Klaba, Mr. Miroslaw Klaba, Mr. Henryk Klaba and Mr. Michel Paulin;
- review and recommendations relating to the allocation of variable compensation to the Chief Executive Officer;
- proposals relating to the compensation of the lead director;
- proposals relating to the compensation of independent directors;
- implementation of an employee shareholding plan;

- proposals relating to the implementation of the Company's new governance following the IPO;
- proposals relating to the composition of the newly formed Board of Directors after the Company's IPO;
- review of the independence of director candidates;
- implementation and monitoring of the Board of Directors' diversity policy;
- review and approval of new hires with a proposed salary of more than €150,000 per year;
- proposals relating to the setting of targets for the variable portion of the compensation attributable to the Chief Executive Officer and members of the Executive Committee;
- implementation of an obligation to retain free shares allocated to the Chief Executive Officer;
- reflection and implementation of a long-term incentive plan (LTIP);
- review of the relevant parts of the Universal Registration Document and the documents appended thereto;
- review of the resolutions relating to *ex-post* and *ex-ante* compensation presented to the Annual General Meeting;
- monitoring of the election of the two (2) directors representing employees; and
- review of the employee opinion survey.

4.1.7.3 Strategy and CSR Committee

Composition

The Strategy and CSR Committee is composed of five members with the presence of independent directors.

At the date of this Universal Registration Document, the members of the Strategy and CSR Committee are:

- Octave Klaba (*Chairman*);
- Isabelle Tribotté*;
- Diana Einterz*;
- Michel Paulin;
- Miroslaw Klaba.

* *Independent director*

Duties

In the fields falling within the scope of its duties, the Strategy and CSR Committee is responsible for preparing the work and facilitating the decision-making process of the Board of Directors relating to the review of:

- the analysis of major external growth projects by the Company;
- corporate strategy, matters relating to the evolution, prospects and opportunities of the segment, particularly concerning innovations and disruptive technologies;
- ensuring that matters relating to social and environmental responsibility (such as diversity and non-discrimination policies and compliance and ethics policies) are taken into account in the Group's strategy and in its implementation;
- examining the statement of non-financial performance on social and environmental matters provided for in Article L. 22-10-36 of the French Commercial Code;
- examining the opinions expressed by investors, analysts and other third parties and, if applicable, the potential action plan drawn up by the Company to improve the points raised on social and environmental matters; and
- reviewing and assessing the relevance of the Group's social and environmental commitments and strategic directions on social and environmental matters, in light of the challenges specific to its activity and targets, and following their implementation; and
- all other relevant matters which do not fall within the scope of the duties of the Company's Audit Committee or Appointments, Compensation and Governance Committee.

Method of operation

The Strategy and CSR Committee meets as often as necessary and, in any case, at least once (1) a year. The Strategy and CSR Committee makes its decisions by simple majority of the members attending the meeting, each member having one vote. The vote of the Chairman of the Strategy and CSR Committee is not decisive in the event of a tie. To fulfil its duties, the Strategy and CSR Committee may meet with managers of the Company or the Group whose responsibilities or expertise are useful to the works of the committee. The Strategy and CSR Committee may resort to external experts where necessary.

Work carried out during the past financial year

During the past financial year, the Strategy and CSR Committee met three (3) times. The attendance rate of members was 100%.

The Strategy and CSR Committee met to discuss the following topics, in order to formulate opinions and recommendations to the Board of Directors:

- "Green" strategy:
  - approach, positioning, KPI, action plan,
  - risks and opportunities for OVHcloud, commitments, programme budget;
- expansion of OVHcloud data centres, OVHcloud product roadmap;
- participation in the EU Code of Conduct for Energy Efficiency in Data Centres to achieve data centre climate neutrality by 2030.

4.1.8 Assessment of the work of the Board of Directors

In accordance with Article 6 of the Board of Directors' internal regulations, the Board sent questionnaires to the directors in November 2022 in order to carry out an assessment of its operation to report to the shareholders. As provided for in the internal regulations, this assessment may be carried out at least once every three years by an external firm, which the Board of Directors plans to do next year under the supervision of the lead independent director and the Appointments, Compensation and Governance Committee.

4.1.9 Other information concerning the directors

4.1.9.1 Role of the lead director

On the recommendation of the Appointments, Compensation and Governance Committee, the Board of Directors may appoint a lead director from among its members who are qualified as independent. Within the Board as it is composed at the date of this document, Mr. Bernard Gault serves as lead director.

The lead independent director is responsible for ensuring that the rules of the Board of Directors are respected at all times and is responsible for:

- managing conflicts of interest and reviewing related-party agreements;
- assisting the Chairman in the organisation of Board of Directors' meetings (and replacing him/her when the latter is unable to chair Board meetings);
- managing relations with independent directors; and
- monitoring relations with shareholders.

4.1.9.2 Conflicts of interest

To the Company’s knowledge and other than the relationships described in Chapter 4.3 of this Universal Registration Document, as of the date of this Universal Registration Document, there are no potential conflicts of interest between the duties of the members of the Board of Directors and of the Senior Management to the Company and their private interests.

To the Company’s knowledge, as of the date of this Universal Registration Document, there are no agreements or undertakings of any kind with shareholders, customers, suppliers or others pursuant to which any member of the Company’s Board of Directors or Senior Management has been appointed to such position. However, it is specified that a shareholders’ agreement was concluded between the members of the Klaba family on 6 May 2022 and that this agreement provides for the appointment by the Klaba family of at least three (3) members of the Company's Board of Directors as well as consultation between the members appointed by the family for a common position on the appointment of the Chairman of the Board of Directors, as long as the Klaba family holds control of the Company. In this respect, the first members of the Company's Board of Directors after the IPO to be appointed on the proposal of the Klaba family are Messrs. Octave Klaba, Henryk Klaba, Miroslaw Klaba and Mr. Michel Paulin.

To the Company’s knowledge, as of the date of this Universal Registration Document, commitments under free share allocation plans (refer to Section 4.2 of this Universal Registration Document), and customary lock-up agreements have been concluded with the underwriters in connection with the planned listing of the Company’s shares on the regulated market of Euronext Paris, and the conclusion of the shareholders’ agreement entered into among members of the Klaba family (which is described in Chapter 6 of this Universal Registration Document). Furthermore, the members of the Board of Directors and the Senior Management have not agreed to any restriction on their right to sell shares of the Company, with the exception of rules relating to prevention of insider trading and the recommendations of the AFEP-MEDEF Code or of the law imposing a lock-up on the shares.

4.1.9.3 Family ties

The following members of the Klaba family, which holds the majority of the share capital of the Company as of the date of this Universal Registration Document, sit on the Board of Directors of the Company: Octave Klaba (Chairman of the Board of Directors, founder of the Company), his father Henryk Klaba (member of the Board of Directors) and his brother Miroslaw Klaba (member of the Board of Directors). In addition, Miroslaw Klaba is the R&D Director of the Company and Henryk Klaba is the R&D Director for Infrastructures.

As of the date of this Universal Registration Document, to the Company’s knowledge, other than the above-referred relationship among the members of the Klaba family, there are no family relationships among the members of the Board of Directors, or between members of the Board of Directors and members of the Company’s Senior Management.

As of the date of this Universal Registration Document, to the Company’s knowledge, there are no family ties between the non-voting members of the Board of Directors and members of the Board of Directors or members of the Company's Senior Management.

4.1.9.4 Statements relating to the Board of Directors and Senior Management

In addition, to the Company’s knowledge over the last five years, (i) no members of the Board of Directors or Senior Management have been convicted of fraud; (ii) no member of the Board of Directors or Senior Management has been involved in a bankruptcy, receivership, liquidation or placing of undertakings in receivership, (iii) no incrimination and/or official public sanction has been pronounced against the members of the Board of Directors or the Senior Management by judicial or administrative authorities (including designated professional bodies); and (iv) no member of the Board of Directors or Senior Management has been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer, or intervening in the management or conduct of the business of an issuer.

In addition, to the Company’s knowledge over the last five years, (i) no non-voting members of the Board of Directors have been convicted of fraud; (ii) no non-voting member of the Board of Directors has been involved in a bankruptcy, receivership, liquidation or placing of undertakings in receivership; (iii) no incrimination and/or official public sanction has been pronounced against the non-voting members of the Board of Directors by judicial or administrative authorities (including designated professional bodies); and (iv) no non-voting member of the Board of Directors has been prevented by a court from acting as a member of an administrative, management or supervisory body, or intervening in the management or conduct of the business of an issuer.

4.1.9.5 Share ownership

In accordance with the Board of Directors’ internal regulations, directors are required to hold a minimum of 1,000 shares and shall have a period of six months to acquire these shares from their appointment. Directors representing employees are not required to own Company shares.

4.1.9.6 Internal regulations

General provisions

The Board of Directors of OVH Groupe has approved internal regulations governing the Board's work. The regulations were updated at the Board meeting of 13 April 2022 in order to authorise the granting of sureties, endorsements and guarantees by the Chairman. The internal regulations of the three committees are appended to the internal regulations.

Acceptance of new corporate offices

Each member of the Board of Directors undertakes not to accept more than four (4) other terms of office as a member of the Board of Directors or Supervisory Board in listed companies outside the Group, including foreign companies, and must inform the Board of Directors of offices held in such other companies, including its participation in the Board Committees of these French or foreign companies.

Prevention of conflicts of interest

With regard to the management of conflicts of interest, the lead independent director brings to the attention of the Board of Directors any conflicts of interest concerning the executive corporate officers and other members of the Board of Directors that he/she may have identified or that have been reported to him/her. Each director has the obligation to inform the Board of Directors of any situation of conflict of interest, even potential, and must abstain from participating in the debate and the vote of the corresponding deliberation.

4.1.10 Senior Management

At its meeting of 28 September 2021, the Board of Directors of the Company decided that the Senior Management of the Company will be exercised by a Chief Executive Officer and that, accordingly, the Chairman of the Board of Directors will not hold the functions of Chief Executive Officer.

Mr. Octave Klaba was appointed Chairman of the Board of Directors at the Board of Directors' meeting of 28 September 2021, for a period equivalent to his term of office as a director, *i.e.* until the end of the Ordinary General Meeting of the Company called to approve the financial statements for the financial year ended on 31 August 2025.

Mr. Michel Paulin was appointed Chief Executive Officer at the Board of Directors' meeting of 28 September 2021, for a period equivalent to his term of office as a director, *i.e.* until the end of the Ordinary General Meeting of the Company called to approve the financial statements for the financial year ended on 31 August 2025.

As of the date of this Universal Registration Document, no Vice-Chairman of the Board of Directors has been appointed.

In addition to Michel Paulin, the executive team of the Company includes the following persons:

Ludivine Boutry, *Chief Digital Marketing Officer*: Ludivine Boutry joined OVHcloud in February 2020 as Chief Digital Marketing Officer. She is responsible for enhancing the brand image and developing digital assets to promote the Company's solutions. Prior to OVHcloud, Ludivine worked for fifteen years in the global marketing agencies Publicis and Havas, as well as three years in the international retail segment where she held the role of Chief Customer Activation Officer. Ludivine Boutry left the Company in October 2022.

Yona Brawerman, *Chief Strategy and CSR Officer*: Yona Brawerman is Chief Strategy and CSR Officer at OVHcloud. She steers the definition of OVHcloud's major strategic orientations and supports their implementation alongside all of the Company's business lines. As part of her activities, Yona is also responsible for the development of OVHcloud's corporate social responsibility policy and orchestrates relations with industrial analysts. With more than 15 years of experience in the definition and implementation of strategic projects to support the hyper-growth of technology companies, Yona joined OVHcloud in 2018, after having worked for a software publisher and within a world leader in management consulting.

Line Cadel, *Chief Human Resources Officer*: In her role, Line Cadel leads all HR activities, from recruitment, training, talent management and development to social and payroll operations at a global level. Line Cadel joined OVHcloud in January 2017 as HR Business Partner and became Chief Human Resources Officer in November 2018. She has 16 years of experience in HR in various environments such as IT & Digital and retail companies.

Mathieu Delobelle, *Chief Information Officer*: Mathieu Delobelle is Chief Information Officer at OVHcloud. His role ranges from the infrastructure hosting our services to the development, integration and maintenance of solutions for all OVHcloud business units. After spending 20 years in the telecommunications and high-tech segment – where he was an entrepreneur and responsible for transformation in large-scale M&A contexts – Mathieu joined OVHcloud in May 2020. He steers the information system transformation process and the high-resilience plan.

Frédéric Etheve, *Executive Vice President – Chief Operations Officer*: Frédéric Etheve has been Chief Operations Officer since August 2017. After working 17 years in the tech industry in Europe, North America and Africa, Frédéric Etheve leads the development and management of the OVHcloud's operations activities to support and accelerate the Group's overall growth and drive OVHcloud's transformation.

Georges de Gaulmyn, *Chief Industrial Officer*: Georges de Gaulmyn is Chief Industrial Officer at OVHcloud. He leads the teams in charge of the technical infrastructure, from the design and production lines of the servers, to the construction and operation of the Group's data centres on a global scale. Georges joined the OVHcloud adventure in April 2022, after having worked for 25 years in global industrial players such as ExxonMobil, Philip Morris, Philips and Essilor; notably in Benelux, Switzerland, Malaysia and France. His expertise in production, supply chain and business transformation allows Georges to deploy the most relevant strategies to support the growth of OVHcloud across its entire vertically integrated model.

Yann Leca, *Executive Vice President – Chief Financial Officer*: Yann Leca is responsible for the Company's corporate functions and manages all aspects of the financial scope, from accounting to corporate finance, real estate, procurement and pricing. Yann Leca joined the Company in January 2019, after 30 years in corporate financial functions, including 23 years as a Chief Financial Officer of large, international fast-growing companies. Yann Leca left the Company at the end of October 2022.

Axel Mac Namara, *Chief Customer Officer*: Axel Mac Namara is in charge of ensuring customer success through the various support offers and the accompanying of key accounts. Axel Mac Namara joined OVHcloud in March 2021. As a result of his strong background covering both consulting and industry, he is a strong contributor to OVHcloud's strategy thanks to his pragmatic approach on complex transformations. For more than 14 years, Axel Mac Namara has been implementing innovative strategies within international companies and SMEs, in tech and aeronautics segments.

Dominique Michiels, *Chief Service Delivery Officer*: Dominique Michiels joined OVHcloud in January 2018. His role involves running all services delivered to the Group's customers. An IT enthusiast for 40 years, he accumulated his considerable experience in IT production and development, performing diverse roles at Worldline (Atos subsidiary), such as the management of large cost centres & profit centres, including running large, complex international projects. In a multicultural landscape, he was also a key contributor to the various M&A and transformation programmes.

Sylvain Rouri, *Chief Sales Officer*: Sylvain Rouri is responsible for successfully driving the Company's growth since he joined in December 2017. Focusing on meeting the needs of the OVHcloud universes (target audiences), Sylvain Rouri leads both direct and indirect sales forces to implement global sales strategies. Prior to OVHcloud, Sylvain Rouri worked for 22 years in sales at both SME's and at large companies, including Survey Sampling International where he held the position of Senior Vice President, Global Sales Operations.

Thierry Souche, *Chief Technology Officer*: Thierry Souche joined the Company in March 2021 to manage the "Products" business unit, the team in charge of Research & Development, as well as the deployment of the OVHcloud products and solutions offered across the Company's four target audience universes. Thierry Souche spent 25 years in the Orange group where he led entrepreneurial projects to transform the business and develop product and customer centricity.

Solange Viegas Dos Reis, *Chief Legal Officer*: Solange Viegas Dos Reis is Chief Legal Officer. She joined OVHcloud in September 2022 after more than 20 years in telecommunications and international tech companies (LDCom Networks, Neuf Cegetel, SFR, Believe), supervising teams and activities based in Europe, MENA, Asia and the Americas. With strong experience in technical environments and knowledge of local and global issues specific to groups present in various jurisdictions, Solange knows how to develop legal strategies to maximise performance and support growth.

4.1.11 Summary table of transactions carried out by executives on the Company's shares

To the best of the Company's knowledge, the following transactions were carried out during the past financial year in the Company's shares by the persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code:

Name	Number of shares purchased	Number of shares sold	Purchase date	Sale price
Corinne Fornara	2,703		15/10/2021	19.7000
Miroslaw Klaba		54,054(1)	18/10/2021	18.5000
Octave Klaba		54,054(1)	18/10/2021	18.5000
Bernard Gault		3,512(1)	18/10/2021	18.5000
Michel Paulin		86,156(1)	18/10/2021	18.5000
Digital Scale (2)		567,568(1)	18/10/2021	18.5000
Deep Code (3)		189,189(1)	18/10/2021	18.5000
Isabelle Tribotté	1,250		21/12/2021	21.9200
Diana Einterz	1,000		07/03/2022	20.6014
Sophie Stabile	1,000		18/05/2022	19.0400
Yann Leca	6,000		01/07/2022	16.5000
Thierry Souche	1,890		04/07/2022	15.7900
Véronique Souche (4)	4,675		04/07/2022	15.7900
Yona Brawerman	6,000		11/07/2022	15.5800

(1) These disposals took place as part of the offer made as part of the Company's IPO, in accordance with the prospectus approved by the AMF under number 21-431 dated 4 October 2021.

(2) Digital Scale is an entity controlled by Mr. Octave Klaba.

(3) Deep Code is an entity controlled by Mr. Miroslaw Klaba.

(4) Véronique Souche is the spouse of Mr. Thierry Souche.

4.1.12 Board of Directors' corporate governance report

The information relating to Corporate Governance and constituting the report of the Board of Directors on this subject is already present in other parts of this Universal Registration Document. In order to limit repetition, the cross-reference table below provides a link between each section of the report and the corresponding paragraph of this document.

Information required under the French Commercial Code	**Sections of the 2022 Universal Registration Document**
Governance (Articles 22-10-10 and L. 227-37-4 of the French Commercial Code)	
List of all offices and functions exercised in any company by each of the corporate officers during the financial year	4.1.1.2
Agreements entered into between a subsidiary and a corporate officer or a shareholder holding over 10% of voting rights	4.3
Table summarising the current delegations of authority granted to increase the share capital	6.5.1
Choice of senior management procedures	4.1.1.1
Composition, conditions of preparation and organisation of the Board of Directors' work	4.1.1.1; 4.1.5; 4.1.6
Diversity policy applied to the members of the Board of Directors and the Executive Committee and results in terms of diversity in the 10% of positions with the highest responsibility within the Company	3.3.1.3; 4.1.2
Limits on the powers of the Chief Executive Officer	7.2.1 b)
Provisions of the Corporate Governance Code that have been waived and the place in which this code may be consulted	4
Specific procedures for shareholder participation in the General Meeting	7.2
Description of the procedure for regulated agreements and regulated and free commitments set up by the Company and its implementation	4.3
Executive compensation (L. 22-10-8, L. 22-10-9, L. 225-185 and L. 225-197-1 of the French Commercial Code)	
Presentation of the compensation policy for corporate officers to be submitted to the General Meeting as part of the *ex-ante* vote	4.2.2
Compensation of corporate officers paid during the period ended or allocated in respect of this period	4.2.2
Relative proportion of fixed and variable compensation	4.2.2
Use of the option to request the return of compensation paid	N/A
Commitments for the benefit of corporate officers due to them taking office, ending the term of office or changing their functions	4.2
Compensation paid or allocated by a consolidated company	4.2.2
Ratio between the compensation of company executives and the average compensation of employees	4.2.2.2
Annual change in compensation, the Company’s performance, the average compensation of the Company’s employees and the aforementioned ratios over the five most recent financial years for comparison	4.2.2.2
Explanation of how the total compensation complies with the adopted compensation policy, including how it contributes to the Company’s long-term performance and how the performance criteria have been applied	4.2.2
Method in which the vote of the last Ordinary General Meeting provided for in I of Article L. 22-10-34 of the French Commercial Code was taken into account	4.2.2
Any differences between the compensation policy and any waivers applied in accordance with paragraph III of Article L. 22-10-8, including the explanation of the type of exceptional circumstances and the indication of the specific components to which it is a waiver	N/A

Information required under the French Commercial Code	**Sections of the 2022 Universal Registration Document**
Implementation of the legal provisions with regard to the suspension of payment of directors' compensation, if applicable	N/A
Allocation and retention of options by corporate officers	4.2.3
Allocation and retention of free shares to executive corporate officers	4.2.3
Factors likely to have an impact in the event of a public tender offer (L. 22-10-11 Of the French Commercial Code)	
Company share capital structure	6.1.1; 6.1.3
Statutory restrictions on the exercise of voting rights and share transfers	7.2.2
Direct or indirect interests in the Company's share capital	6.1.1
List of holders of any securities with special control rights	N/A
Control mechanisms provided for in an employee shareholding system	6.1.4
Agreements between shareholders which may result in restrictions on the transfer of shares and the exercise of voting rights	6.1.2
Rules applicable to the appointment and replacement of members of the Board of Directors and to the amendment of the Company's bylaws	7.2.1; 7.2.2
Powers of the Board of Directors (specifically with regard to the issue or buyback of shares)	4.1.5
Agreements entered into by the Company which are amended or terminated in the event of a change of control of the Company, unless such disclosure, other than in the case of a legal obligation to disclose, would seriously harm its interests	N/A
Agreements providing for compensation for members of the Board of Directors or employees, if they resign or are dismissed without real and serious cause or if their employment is terminated due to a takeover bid or exchange offer	N/A

Information recommended in accordance with the AFEP-MEDEF Corporate Governance Code	**Section of the AFEP-MEDEF Code**	**Sections of the 2022 Universal Registration Document**
Presentation of the Board of Directors' activities during the past financial year	1.8	4.1.5
Internal regulations of the Board of Directors	2.2	4.1.9.6; 7.2
Quantitative and qualitative criteria used to assess the significance or otherwise of the relationship with the Company or its group	9.5.3	4.1.4
Assessment of the work of the Board of Directors	10.1	4.1.7
Number of meetings of the Board of Directors and of the Board committees held during the past financial year and information on the individual attendance of directors at these meetings and sessions	11.1	4.1.4; 4.1.5; 4.1.6
Dates of beginning and end of the term of office of each director, their nationality, their age and their main function, the nominative composition of each Board committee	14.3	4.1.1; 4.1.6
Presentation on the activities of the committees during the past financial year	15.2	4.1.6
Number of shares held by directors	20	4.1.1.1; 4.1.1.2
Rules for allocating directors' compensation and the individual amounts of payments made to directors in this respect	21.4	4.2.2.1
Minimum number of shares that executive corporate officers must hold in registered form	23	4.1.9.5
Recommendations of the High Committee and the reasons why the Company has decided not to act on them	27.1	N/A

4.2 COMPENSATION AND BENEFITS

The summary of the components of the compensation of the executive corporate officers, Mr. Octave Klaba and Mr. Michel Paulin, paid during or awarded in respect of the 2022 financial year, as well as the 2023 compensation policy, submitted to the vote of the shareholders at the Combined General Meeting of 16 February 2023, are presented in Section 4.2.2.2.

Total compensation paid during the 2022 financial year or awarded in respect of the same financial year to the Chairman of the Board of Directors and the Chief Executive Officer, directors and other non-corporate officers, both by the Company and by controlled companies within the meaning of Article L. 233-16 of the French Commercial Code, is detailed below. It is recalled that the Board of Directors of OVH Groupe, at its meeting of 15 December 2022, confirmed that the AFEP-MEDEF Code is the one to which the Company refers, in particular concerning the compensation of executive corporate officers. This Universal Registration Document and in particular the tables in Section 4.2.2.2 (share subscription and/or purchase options, free shares, performance shares), have been prepared in accordance with the format recommended by the AFEP-MEDEF Code and AMF recommendation 2012-02.

4.2.1 Compensation policy for corporate officers

The principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the total compensation and benefits of any kind attributable to the executive corporate officers (1) by virtue of their office constituting the compensation policy concerning them are approved by the Board of Directors on the recommendations of the Appointments, Compensation and Governance Committee, and are subject to shareholder approval ("*ex-ante* vote on the compensation policy") at the General Shareholders' Meeting in accordance with Article L. 225-37-2 of the French Commercial Code.

In addition, pursuant to Article L. 22-10-34 of the French Commercial Code, the General Shareholders' Meeting rules on: (i) the fixed, variable and exceptional components of the total compensation and (ii) the benefits of any kind paid during the past financial year or awarded in respect of the same financial year to the executive corporate officers ("*ex-post* vote on compensation in respect of the previous financial year"). As a result, the payment of variable or exceptional compensation in respect of a financial year is subject to their approval by the General Shareholders' Meeting called to approve the financial statements of that financial year.

Mr. Octave Klaba in his capacity as Chairman of the Board of Directors and Mr. Michel Paulin in his capacity as Chief Executive Officer are the only corporate officers.

4.2.2 Compensation and benefits paid to executive corporate officers and non-executive officers

4.2.2.1 Compensation of members of the Board of Directors

In accordance with the law, the maximum amount of compensation allocated to directors is set by the General Shareholders' Meeting. During the written consultation of the shareholders closed on 27 September 2021, the shareholders set the total annual amount of compensation allocated to the Board of Directors for the 2022 financial year at €500,000.

On 15 December 2022, the Board of Directors approved the following compensation policy for members of the Board of Directors:

- a fixed portion (€15,000) and a variable portion (€30,000 in the event of attendance at all meetings), these amounts being increased for the lead director (fixed portion increased to €25,000 and variable portion increased to €45,000); and
- with regard to the audit committee: fixed portion of 7,500 euros and a variable portion of 10,000 euros in the event of participation in all meetings for members, and 8,500 euros for the fixed portion and a variable portion of €6,500 for the Chairman,
- with regard to the Appointments, Remuneration and governance: fixed portion of €7,500 and variable portion of 10,000 euros in the event of participation in all the meetings for members, and 5,000 euros for the fixed portion and a variable portion of 5,000 euros for the Chairman,
- with regard to the Strategy and CSR Committee: fixed portion of 5,000 euros and variable portion of 7,500 euros in the event of attendance at all meetings for members and 3,000 euros for the fixed portion and a variable portion of 2,000 euros for the Chairman.

Only independent directors will receive compensation. The compensation of the members of the Board of Directors is paid quarterly in arrears for the fixed portion and annually in arrears for the variable portion. The members of the Board of Directors will be reimbursed for their expenses (including travel expenses) incurred in the course of their duties.

The non-voting members receive no compensation, although the Board of Directors has the power to allocate part of the compensation to non-voting members and to grant additional compensation for special assignments.

TABLE 3 (AMF NOMENCLATURE)

TABLE OF COMPENSATION RECEIVED BY DIRECTORS AND OTHER COMPENSATION RECEIVED BY NON-EXECUTIVE OFFICERS

Non-executive officers	Amounts granted during the financial year ended 31 August 2021	Amounts paid during the financial year ended 31 August 2021	Amounts granted during the financial year ended 31 August 2022	Amounts paid during the financial year ended 31 August 2022
HENRYK KLABA (2)				
Compensation (fixed, variable)	208,000.00	208,000.00	300 965,14	300 965,14
Other compensation (3)	4,216.66	4,216.66	5 205,30	5 205,30
MIROSLAW KLABA (2)				
Compensation (fixed, variable)	195,000.00	195,000.00	235 437,10	235 437,10
Other compensation (3)	8,651.69	8,651.69	1 543,12	1 543,12
BERNARD GAULT				
Compensation (fixed, variable)	75,000.00	356,250.00 (1)	97 500,00	80 932,50
Other compensation	N/A	N/A	N/A	N/A
SOPHIE STABILE				
Compensation (fixed, variable)			95 000,00	63 131,25
Other compensation	N/A	N/A	N/A	N/A
CORINNE FORNARA				
Compensation (fixed, variable)			62 500,00	41 781,25
Other compensation	N/A	N/A	N/A	N/A
DIANA EINTERZ				
Compensation (fixed, variable)			57 500,00	47 960,00
Other compensation	N/A	N/A	N/A	N/A
ISABELLE TRIBOTTÉ				
Compensation (fixed, variable)			75 000,00	50 093,76
Other compensation	N/A	N/A	N/A	N/A

(1) For the period from October 2016 to June 2021, the amounts due for the financial years prior to 2021 were paid in 2021 only; they were previously provisioned in the Company's accounts.

(2) During the 2021 financial year, Messrs. Henryk and Miroslaw Klaba were each Vice-Chief Executive Officer of the Company and received their compensation as such.

(3) Company car.

4.2.2.2 Compensation of executive corporate officers

Policy and general principles applicable to the compensation of the Chairman of the Board of Directors and the Chief Executive Officer

In accordance with the provisions of the AFEP-MEDEF Code, the Board of Directors, on the recommendations of its Compensation Committee, conducts an annual review of all components of the compensation of the Chairman of the Board of Directors and the Chief Executive Officer on the basis of a regulation defining the principles and general policy applicable to the components of the compensation of the Chairman of the Board of Directors and the Chief Executive Officer. This regulation may be reviewed and amended each year according to changes in the Group's strategic priorities or in the event of the occurrence of significant new events. Barring significant new events or changes in strategic priorities, it determines:

(i) the amount of the annual fixed compensation;

(ii) the criteria for determining annual and long-term variable compensation;

(iii) the applicable terms and conditions.

As part of the implementation of this regulation and the determination of the components of the compensation of the Chairman of the Board of Directors and the Chief Executive Officer, the Board of Directors, on the recommendations of its Compensation Committee, ensures, in particular, that the compensation policy is aligned with the Group's strategy, and takes into account the balance between the components of their compensation (annual fixed and variable compensation, long-term compensation plan and other benefits or additional compensation components). In addition, the review of the components of the compensation of the Chairman of the Board of Directors and the Chief Executive Officer also takes into account the studies and benchmarks relating to the compensation applicable in companies comparable to the OVH Groupe and in those included in the SBF 120.

a) Chairman of the Board of Directors

In respect of his office as Chairman of the Board of Directors of the Company, the compensation of Mr. Octave Klaba is determined in accordance with the principles set out below. These principles were reviewed by the Company's Appointments and Compensation Committee and approved by the Board of Directors on 15 December 2022.

The compensation of the Chairman of the Board of Directors is fully in line with the compensation policy.

Compensation

The compensation of the Chairman of the Board of Directors includes an annual fixed compensation of five hundred and twelve thousand two hundred euros (€512,200), paid annually in thirteen equal monthly instalments.

This compensation corresponds to the compensation that was allocated to him for his duties as Chairman of the Company prior to its transformation into a public limited company (*société anonyme*), in view of his new duties and his specific role in this respect in terms of strategy and innovation.

The compensation of the Chairman of the Board of Directors does not include a variable portion.

The amount of fixed compensation is determined by the Company's Board of Directors on the recommendation of the Appointments, Compensation and Governance Committee, taking into account market practices and the compensation observed for similar positions in French listed companies.

Exceptional bonus

N/A

Compensation as a director

The Chairman of the Board of Directors may receive compensation in respect of his office as a director. The Chairman will not receive any compensation as a director beyond his compensation as Chairman of the Board of Directors.

Other collective benefits

The Chairman of the Board of Directors may also benefit from all the collective rights and benefits enjoyed by Company executives from the date of his appointment.

Benefits in kind

The Chairman of the Board of Directors benefits from the provision of a company car in accordance with the Car Policy in force in the Company or the reimbursement of mileage allowances according to tax scales if the use of a personal vehicle is preferred.

The Chairman of the Board of Directors is also entitled to the reimbursement of reasonable business travel and entertainment expenses incurred in the course of his duties.

He is covered by the Company's pension, mutual and provident schemes applicable to managers, under the same conditions.

Share options, performance shares or other long-term compensation items

None.

Supplementary pension plan

The Chairman of the Board of Directors does not currently benefit from any supplementary pension scheme.

Severance pay: departure benefit

The Chairman of the Board of Directors does not receive any severance pay.

Non-compete compensation

The Chairman of the Board of Directors does not receive any non-compete compensation.

This compensation policy was submitted for approval from the General Meeting of 15 February 2022. After examination by the Appointments, Compensation and Governance Committee, this compensation will remain unchanged for the 2023 financial year, and will be submitted for approval to the General Meeting of 16 February 2023.

The tables below show the compensation paid by the Company and by any Group company during the financial years ended 31 August 2021 and 31 August 2022 to Mr. Octave Klaba, Chairman of the Board of Directors of the Company in its simplified joint stock company (*société par actions simplifiée*) form in 2021 and since its transformation into a public limited company (*société anonyme*).

TABLE 1 (AMF NOMENCLATURE)

SUMMARY OF COMPENSATION, OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER

(amounts paid in euros)	2021	2022
Octave Klaba *Chairman*		
Compensation for the financial year *(see Table 2 below for details)*	517,843.44	518,361.43
Value of multi-year variable compensation paid during the financial year	N/A	N/A
Value of stock options granted during the financial year *(see Table 4 below for details)*	N/A	N/A
Value of free shares granted *(see Table 6 below for details)*	N/A	N/A
Value of other long-term incentive plans	N/A	N/A
TOTAL	**517,843.44**	**518,361.43**

TABLE 2 (AMF NOMENCLATURE)

SUMMARY OF COMPENSATION PAID TO EACH EXECUTIVE CORPORATE OFFICER

	2021		2022	
(amounts paid in euros)	**Amounts granted**	**Amounts paid**	**Amounts granted**	**Amounts paid**
Octave Klaba *Chairman*				
Fixed compensation*	512,200	512,200	512,200	512,200
Annual variable compensation*	N/A	N/A	N/A	N/A
Multi-year variable compensation*	N/A	N/A	N/A	N/A
Exceptional bonus*	N/A	N/A	N/A	N/A
Compensation received as member of the Board of Directors	N/A	N/A	N/A	N/A
Benefits in kind (1)	5,643.44	5,643.44	6,161.43	6,161.43
TOTAL	**517,843.44**	**517,843.44**	**518,361.43**	**518,361.43**

** On a gross basis before social security contributions and taxes.*

(1) Company car.

TABLE 11 (AMF NOMENCLATURE)

Executive corporate officers	**Employment contract**		**Supplementary pension plan**		**Indemnities or benefits due or likely to be due following the termination of change of functions**		**Non-compete compensation**	
	No	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**
Octave Klaba *Chairman*	X		X		X		X	

b) Chief Executive Officer

Mr. Michel Paulin was appointed director by written consultation of the shareholders of the Company closed on 27 September 2021, then Chief Executive Officer by decision of the Board of Directors of the Company in its new form of public limited company (*société anonyme*) on 28 September 2021, for a period equivalent to his term of office as a director, *i.e.* until the end of the Company's Ordinary General Meeting called to approve the financial statements for the financial year ended on 31 August 2025.

In respect of his office as Chief Executive Officer of the Company, the compensation of Mr. Michel Paulin is determined in accordance with the principles set out below. These principles were assessed by the Appointments and Compensation Committee of the Company under its form of simplified joint stock company (*société par actions simplifiée*) and decided by the Board of Directors on 28 September 2021.

The compensation of the Chief Executive Officer is fully in line with the compensation policy.

Compensation

The compensation of the Chief Executive Officer includes a fixed portion and an annual variable portion, the latter being based on performance criteria set by the Board of Directors, after consulting the Appointments, Compensation and Governance Committee, these criteria being reviewed by the Board of Directors annually.

The payment of variable and, where applicable, exceptional compensation awarded in respect of the financial years ended after the date of admission of the Company's shares to trading on the Euronext Paris regulated market was subject to approval from the Ordinary General Meeting on 15 February 2022 for the components of compensation paid to the Chief Executive Officer during the course of the last financial year.

Fixed compensation

The amount of fixed compensation is determined by the Company's Board of Directors on the recommendation of the Appointments, Compensation and Governance Committee, taking into account market practices and the compensation observed for similar positions in French listed companies of comparable size.

The annual fixed compensation of the Chief Executive Officer is set at €500,000 gross, paid in thirteen equal monthly instalments.

Annual variable compensation

The variable portion of the Chief Executive Officer's compensation is equal to 100% of his fixed compensation if the targets are achieved, with a decelerating coefficient below 100%. This percentage may reach 145% of the fixed portion of his compensation in the event of overperformance in respect of the criteria defined by the Board of Directors.

For the 2021 financial year, the Company paid the Chief Executive Officer variable compensation of €384,000 in 2022. This variable compensation breaks down based on achievement of the following criteria:

Performance indicators for the 2021 financial year	Rate of achievement
Revenue growth	72.0%
EBITDA growth	0.0%
Weight of Capex in relation to revenue	90.0%
Preparation of the IPO	150.0%
TOTAL	**76.8%**

The performance criteria defined by the Board of Directors for the 2022 financial year are as follows, with the following weightings:

1. Revenue growth (this indicator represents 40% of variable compensation. It is triggered from a 70% achievement rate with a decelerating coefficient of 0.9 between an achievement level of 70% and 100%. Above 100%, an accelerating coefficient of 1.05 is triggered. The overall achievement level, including the accelerator, is capped at 200%);
2. Growth in adjusted EBITDA (this indicator represents 25% of the variable compensation. It is triggered when the target reaches 50%. The increase is linear between 50% and 120%. The level of achievement is capped at 120%);
3. Weight of maintenance Capex in relation to revenue (this indicator represents 5% of variable compensation. It is triggered at 100% achievement and is capped at 100% in the event of outperformance);
4. Weight of growth Capex in relation to revenue growth (this indicator represents 5% of variable compensation. It is triggered at 100% achievement and is capped at 100% in the event of outperformance);
5. Carbon Usage Effectiveness (this indicator represents 10% of variable compensation. It is triggered at 100% achievement and is capped at 100% in the event of outperformance);
6. Employee commitment, a criterion measured on the basis of surveys carried out using a survey software (Peakon) (this indicator represents 15% of variable compensation. It is triggered at 100% achievement and is capped at 100% in the event of outperformance).

Carbon Usage Effectiveness (CUE) measures the carbon intensity of data centers. The methodology linked to this indicator is available on chapter 3 section 3.5.5 of this Universal Registration Document.

For the 2022 financial year, variable compensation of €428,129 will be proposed to the vote at the General Meeting of 16 February 2023. This variable compensation breaks down based on achievement of the following criteria:

Performance indicators for the 2022 financial year (to be paid in 2023 – *ex-post*)	Rate of achievement
Revenue growth	110.31%
Growth in adjusted EBITDA	86.01%
Weight of Capex in relation to revenue	100%
Weight of growth Capex in relation to revenue growth	0%
CUE results	0%
Employee commitment (Peakon measurement)	100%
TOTAL	**85.63%**

The criteria and their weighting will be reviewed by the Board of Directors, in principle annually. At its meeting of 27 October 2022, the Board of Directors defined the performance criteria for the 2023 financial year, as well as their weighting. These criteria are as follows:

Performance indicators for the 2023 financial year (*ex-ante*)	Triggers & Modalities
Revenue growth	Minimum threshold at 70%, 100% at target, 70% <0.9 x% performance <100%, 100% <1.05 x% performance <200%, maximum achievement of 200%
Growth in adjusted EBITDA	Minimum threshold at 50%, 100% at target, 50% <% achieved <120%, maximum 120% achieved
Weight of Capex in relation to revenue	at target (0 or 100%)
Weight of growth Capex in relation to revenue growth	at target (0 or 100%)
Target PUE results below 1.28	at target (0 or 100%)
Employee commitment (Peakon measurement)	Target at 7.3, gradual triggering up to the target, minimum threshold of 7.0 with triggering of 25%, 100% at target, maximum of 100% of achievement

The payment of variable compensation awarded in respect of the past financial year is subject to approval by the Ordinary General Meeting of the components of the compensation and benefits of any kind paid to the Chief Executive Officer during the past financial year, or awarded in respect of said financial year.

Exceptional bonus

For the 2022 financial year, an exceptional bonus was paid to the Chief Executive Officer of the Company. With this exceptional bonus, the Company wished to reward the involvement and essential role played by its Chief Executive Officer within the framework of the preparation for its successful IPO, and in particular the management of exceptional circumstances arising during the period such as the occurrence of a fire in a Company site in Strasbourg. The exceptional quality of work done in this regard has indeed made it possible to carry out the process completed with particularly marked success compared to other initial public offerings carried out during the same year, thus opening a new sequence of development for OVHcloud.

The Board of Directors may decide, on the proposal of the Appointments, Compensation and Governance Committee, to grant exceptional compensation in the light of very specific circumstances.

The payment of this type of compensation must be able to be justified by an event such as the completion of a major or structuring transaction for the Company or if very specific circumstances justify it (for example, because of their importance for the Group, of the involvement they require and the difficulties they present).

Compensation as a director

The Chief Executive Officer may receive compensation in respect of his office as a director. This is not the case.

Benefits in kind

The Chief Executive Officer benefits from:

- the reimbursement of reasonable business travel and entertainment expenses incurred in the performance of duties upon presentation of receipts;
- a company vehicle, in accordance with the Car Policy in force in the Company or reimbursement of mileage expenses related to the use of the personal vehicle;
- “Formula 70” GSC (private unemployment insurance) cover for 12 months paid in full by the Company (generating a benefit in kind in this respect);
- the pension, mutual and welfare plans in force within the Company applicable to managers, under the same conditions; and
- 25 working days off per year.

In addition, the Company has taken out third-party liability insurance for all directors and the Chief Executive Officer.

Other collective benefits

The Chief Executive Officer may also benefit from all the collective rights and benefits enjoyed by the Company’s executives from the date of his appointment.

Share options, performance shares or other long-term compensation items

The Chief Executive Officer has the option, where applicable, of receiving long-term compensation defined by the Board of Directors.

Supplementary pension plan

The Chief Executive Officer does not currently benefit from any supplementary pension plan.

Severance pay: departure benefit

The Chief Executive Officer does not receive any severance pay.

Non-compete compensation

The Chief Executive Officer benefits from a non-compete clause for a period of one year following the end of his term of office, as consideration for compensation equal to 50% of the compensation (fixed + variable) in respect of the financial year prior to departure. This clause will not apply in the event of retirement or in case of reaching the age of 65.

This commitment will be applicable in the Territory (defined as the worldwide) for the duration of the term of office (including in the event of renewal) and for a period of one year, starting from the date of termination of the duties of Chief Executive Officer.

The Company reserves the right to unilaterally waive this non-competition undertaking as from the date of notification of the termination of duties, in which case the Chief Executive Officer will be free and no compensation will be due.

This compensation policy will be submitted to the General Meeting for approval.

The tables below show the compensation paid to Mr. Michel Paulin, Chief Executive Officer of the Company, by the Company and by any Group company during the financial years ended 31 August 2021 and 31 August 2022.

TABLE 1 (AMF NOMENCLATURE)

SUMMARY OF COMPENSATION, OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER

(amounts paid in euros)	2021	2022
Michel Paulin *Chief Executive Officer*		
Compensation for the financial year *(see Table 2 below for details)*	1,005,715.92	1,005,849.33
Value of multi-year variable compensation paid during the financial year	N/A	N/A
Value of stock options granted during the financial year *(see Table 4 below for details)*	N/A	N/A
Value of free shares granted *(see Table 6 below for details)*	N/A	N/A
Value of other long-term incentive plans	N/A	N/A
TOTAL	**1,005,715.92**	**1,005,849.33**

TABLE 2 (AMF NOMENCLATURE)

SUMMARY OF COMPENSATION PAID TO EACH EXECUTIVE CORPORATE OFFICER

(amounts paid in euros)	2021		2022	
	Amounts granted	Amounts paid	Amounts granted	Amounts paid
Michel Paulin *Chief Executive Officer*				
Fixed compensation*	500,000	500,000	500,000	500,000
Annual variable compensation*	500,000	375,000	500,000	384,000
Multi-year variable compensation*	N/A	N/A	N/A	N/A
Exceptional bonus*	-	N/A	-	125,000 (1)
Benefits in kind (2)	5,715.92	5,715.92	5,849.33	5,849.33
TOTAL	**1,005,715.92**	**880 715.92**	**1,005,849.33**	**1,014,849.33**

** On a gross basis before social security contributions and taxes.*

(1) Corresponding to an exceptional bonus.

(2) Company car.

TABLE 11 (AMF NOMENCLATURE)

Executive corporate officers	Employment contract		Supplementary pension plan		Indemnities or benefits due or likely to be due following the termination of change of functions		Non-compete compensation	
	No	Yes	No	Yes	No	Yes	No	Yes
Michel Paulin *Chief Executive Officer*	X		X		X			X

c) Equity ratios for OVH Groupe

In accordance with points 6 and 7 of Article L. 22-10-9 of the French Commercial Code, the Company must present the ratios and the changes between the level of compensation of the Chairman of the Board of Directors and the Chief Executive Officer and the median compensation of employees other than corporate officers.

The ratios were calculated on the basis of the median and the average compensation (basic salary and variable compensation) paid to Company employees.

Changes

The total compensation awarded to the Chairman of the Board of Directors during 2022 amounted to €512,200, *i.e.* the same fixed compensation as in 2021 (€512,200). Total compensation remained stable between 2021 and 2022. This change is compared to the growth in adjusted EBITDA and a change in average employee compensation of (4.68)%.

Methodology

The equity ratios take into account the components of compensation (fixed compensation and variable compensation). In order to avoid potential bias, employer contributions and benefits in kind are not considered in these ratios.

The ratios were calculated on the population of the company OVH Groupe, which is made up of only ten people.

TABLE – COMPARISON OF EXECUTIVE CORPORATE OFFICER COMPENSATION WITH THE COMPANY'S PERFORMANCE AND MEAN AND MEDIAN COMPENSATION OF EMPLOYEES

Chairman of the Board of Directors	2018	2019	2020	2021	2022	Evolution 2021/2022
Compensation *(in euros)*	512,200	512,200	512,200	512,200	512,200	0
Ratio compared to the average compensation of employees	1.61	1.65	1.30	1.34	1.40	4.9%
Ratio compared to the median compensation of employees	1.68	1.68	1.45	1.55	1.47	(5.4)%
Growth in adjusted EBITDA	(8.6%)	37.1%	23.5%	(0.4%)	17.4%	17.4%

Chief Executive Officer	2018	2019	2020	2021	2022	Evolution 2021/2022
Compensation *(in euros)*	512,200**	1,000,000	1,000,000	1,000,000	1,000,000	0
Ratio compared to the average compensation of employees	1.61	3.22	2.54	2.61	2.74	4.9%
Ratio compared to the median compensation of employees	1.68	3.27	2.84	3.03	2.87	(5.4)%
Growth in adjusted EBITDA	(8.6%)	37.1%	23.5%	(0.4%)	17.4%	17.4%

** Ratio based on CRC99-02*

*** Before the transformation of the Company into a public limited company, Mr. Octave Klaba was acting as Chief Executive Officer during the financial year ended 31 August 2018.*

d) Equity ratios for the France scope

In accordance with points 6 and 7 of Article L. 22-10-9 of the French Commercial Code, the Company must present the ratios and the changes between the level of compensation of the Chairman of the Board of Directors and the Chief Executive Officer and the median compensation of employees other than corporate officers.

The ratios were calculated on the basis of the median and the average compensation (basic salary and variable compensation) paid to Company employees.

Changes

The total compensation awarded to the Chairman of the Board of Directors during 2022 amounted to €512,200, *i.e.* the same fixed compensation as in 2021 (€512,200). Total compensation remained stable between 2021 and 2022. This change is compared to the growth in adjusted EBITDA and a change in average employee compensation of 7.37%.

Methodology

The ratio of average compensation of employees and the ratio of median compensation of employees, compared to the compensation of the Chairman of the Board of Directors and the Chief Executive Officer, tend to decrease, as shown in the tables below. It is in absolute value.

The equity ratios take into account the components of compensation (fixed compensation and variable compensation). In order to avoid potential bias, employer contributions and benefits in kind are not considered in these ratios.

The ratios were calculated on the population of the company OVH SAS (*Société par Actions Simplfiée* registered with the RCS of Lille Métropole under number 424 761 419), a subsidiary of the Company OVH Groupe which concentrates the permanent staff in France (permanent contract, on a full-time basis, and present for the last 12 months) of OVHcloud and of the company OVH Groupe. This scope is more representative than OVH Groupe only, which is made up of only ten people. France represents nearly 70% of the total permanent workforce as defined above. This avoids any potential bias in exchange rates and local remuneration practices.

TABLE – COMPARISON OF EXECUTIVE CORPORATE OFFICER COMPENSATION WITH THE COMPANY'S PERFORMANCE AND MEAN AND MEDIAN COMPENSATION OF EMPLOYEES

Chairman of the Board of Directors	2018	2019	2020	2021	2022	Evolution 2021/2022
Compensation *(in euros)*	512,200	512,200	512,200	512,200	512,200	0
Ratio compared to the average compensation of employees	11.38	10.62	10.21	9.76	9.09	(6.9)%
Ratio compared to the median compensation of employees	13.41	13.13	12.31	11.73	10.69	(8.9)%
Growth in adjusted EBITDA	(8.6%)	37.1%	23.5%	(0.4%)	17.4%	17.4%

Chief Executive Officer	2018	2019	2020	2021	2022	Evolution 2021/2022
Compensation *(in euros)*	512,200**	1,000,000	1,000,000	1,000,000	1,000,000	0
Ratio compared to the average compensation of employees	11.38	20.73	19.92	19.06	17.75	(6.9%)
Ratio compared to the median compensation of employees	13.41	25.64	24.04	22.91	20.87	(8.9%)
Growth in adjusted EBITDA	(8.6%)	37.1%	23.5%	(0.4%)	17.4%	17.4%

** Ratio based on CRC99-02*

*** Before the transformation of the Company into a public limited company, Mr. Octave Klaba was acting as Chief Executive Officer during the financial year ended 31 August 2018.*

4.2.3 Stock purchase and subscription option grants – Free shares grants

Grant of subscription options

TABLE 4 (AMF NOMENCLATURE)

STOCK SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE CORPORATE OFFICER BY THE ISSUER AND BY ANY GROUP COMPANY

Name of executive corporate officer	Plan No. and date	Type of options (purchase or subscription)	Value of the options according to the method used for the consolidated financial statements	Number of shares granted during the financial year	Exercise price	Exercise period
Octave Klaba	N/A	N/A	N/A	N/A	N/A	N/A
Michel Paulin	N/A	N/A	N/A	N/A	N/A	N/A
Henryk Klaba	N/A	N/A	N/A	N/A	N/A	N/A
Miroslaw Klaba	N/A	N/A	N/A	N/A	N/A	N/A

TABLE 5 (AMF NOMENCLATURE)

STOCK OPTIONS EXERCISED DURING THE YEAR BY EACH EXECUTIVE CORPORATE OFFICER

Name of executive corporate officer	Plan No. and date	Number of options exercised during the year	Exercise price
Octave Klaba	N/A	N/A	N/A
Michel Paulin	N/A	N/A	N/A
Henryk Klaba	N/A	N/A	N/A
Miroslaw Klaba	N/A	N/A	N/A

TABLE 8 (AMF NOMENCLATURE)

HISTORICAL INFORMATION ABOUT STOCK OPTION GRANTS

Information about stock options	Plan No. 1	Plan No. 2	Plan No. 3	etc.
Date of General Meeting				
Date of Chairman's decisions				
Total number of shares under option, including the number that may be subscribed for or purchased by:				
Starting date of exercise period				
Expiry date of exercise period		N/A		
Exercise or purchase price				
Exercise procedures (if the plan includes several tranches)				
Number of shares subscribed for				
Cumulative number of cancelled or lapsed share subscription or purchase options				
Options outstanding at year-end				

TABLE 9 (AMF NOMENCLATURE)

Stock options granted to the top ten employees who are not corporate officers and options exercised by them	Total number of options granted/shares subscribed for or purchased	Weighted average price	Plan No. 1	Plan No. 2
Options granted during the year by the issuer and any companies included in the stock option plan to the ten employees of the issuer or of those companies who received the most options (aggregate)		N/A		
Options held in the issuer and in the above-mentioned companies that were exercised during the year by the ten employees of the issuer or of those companies who exercised the most options (aggregate)				

Free allocation of shares

A lock-up obligation for Mr. Paulin was approved at the Board of Directors' meeting of 15 November 2021. Michel Paulin is subject to a lock-up for a period of one year. From the end of this lock-up period, he is subject to an obligation to retain 75% of the free shares attributed in 2019 and definitively vested for a period expiring at the end of his term of office.

TABLE 6 (AMF NOMENCLATURE)

FREE SHARES GRANTED TO EACH CORPORATE OFFICER

Free shares granted during the financial year to each corporate officer by the General Shareholders' Meeting of the issuer and of any Group company (list of names)	Plan No. and date	Number of shares granted during the financial year	Value of the shares according to the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance conditions
Octave Klaba	N/A	N/A	N/A	N/A	N/A	N/A
Michel Paulin	N/A	N/A	N/A	N/A	N/A	N/A
Henryk Klaba	N/A	N/A	N/A	N/A	N/A	N/A
Miroslaw Klaba	N/A	N/A	N/A	N/A	N/A	N/A

TABLE 7 (AMF NOMENCLATURE)

Free shares that have vested for each corporate officer	Plan No. and date	Number of shares released from lock-up during the financial year	Vesting conditions
Octave Klaba	N/A	N/A	N/A
Michel Paulin	N/A	N/A	N/A
Henryk Klaba	N/A	N/A	N/A
Miroslaw Klaba	N/A	N/A	N/A

TABLE 10 (AMF NOMENCLATURE)

HISTORY OF FREE SHARE GRANTS

Information on free shares

Free share plans	Plan No. 1	Plan No. 2	Plan No. 3	Plan No. 4	Plan No. 5
Date of General Meeting	10 October 2017	10 October 2017	13 July 2020	13 July 2020	13 July 2020
Date of Chairman's decisions	20 October 2017	15 February 2019	22 July 2020	23 February 2021	20 July 2021
Total number of free shares granted [(1)], of which the number granted to:	1,108,049	1,776,316	385,236	442,186	250,976
Octave Klaba	N/A	N/A	N/A	N/A	N/A
Michel Paulin	N/A	861,562	N/A	N/A	N/A
Henryk Klaba	N/A	N/A	N/A	N/A	N/A
Miroslaw Klaba	N/A	N/A	N/A	N/A	N/A
Share vesting date	20 October 2018	15 February 2020	22 July 2021	23 February 2022	20 July 2022
End of lock-up period	20 October 2019	15 February 2021	22 July 2022	23 February 2023	20 July 2023
Number of shares subscribed for	1,008,105	1,733,779	371,952	442,186	200,183

1) *The balance of shares allocated under the free share plans was allocated to Company employees.*

Long-term compensation

On the basis of the principles and recommendations of the AFEP-MEDEF Code (see Article 25.3.3) and in accordance with the regulations on the compensation of the executive corporate officer, on the recommendations of its Compensation Committee, the Board monitors the implementation of long-term compensation in addition to annual variable compensation, proportionate to the fixed and variable portion of the annual compensation with demanding performance conditions to be met over a period of several consecutive years.

When developing a new plan, the performance conditions are reviewed according to the long-term strategic priorities of OVH Groupe and may include internal and/or external performance conditions. This long-term compensation is intended not to apply exclusively to the executive corporate officer, but also to senior executives and other categories of Group employees (high potential employees or key contributors, for example), the scope of beneficiaries being determined at the time each long-term compensation plan is set up. In the event of the departure of the executive corporate officer before the expiry of the period provided for the assessment of the performance criteria, payment of the multi-year compensation is excluded, except for exceptional provisions justified by the Board. As part of the policy of setting up long-term compensation schemes, the draft of the new performance share plan, which will be submitted for approval to the General Meeting of 16 February 2023, is recalled.

Draft performance share plan implemented in 2022 for financial years 2023, 2024 and 2025

In the context of the implementation of the Group's compensation policy and the authorisation of the Extraordinary General Meeting of 14 October 2021, the Board of Directors decided, on 15 December 2022, on the proposal of its Compensation Committee, to include around 120 beneficiaries, including senior executives, high potentials and key contributors to the Group, including the Chief Executive Officer (list currently being prepared) in a long-term (three-year) compensation plan.

This plan should be finished during the 2023 financial year and would be based on:

1. for 50% on a continued presence condition at the end of the plan (3 years); and
2. for 50% on the achievement of performance targets:
   - 25% on the increase in revenue over three years (the trigger would be when 90% of the target is reached and would be reduced to reach 70%. At 95% of the target, a reduction would still apply to retain 85% of achievement. Beyond 110%, an increase would apply to retain 125% of achievement, beyond 120% an increase would apply to retain 150% of the achievement. Outperformance would be capped at this achievement level of 150%),
   - 12.5% on the adjusted Ebitda/Capex ratio (target achieved or not achieved, no triggering below target or exceeding in case of outperformance); and
   - 12.5% on a CSR rating target by an external agency (triggering will be from a rating of 71/100, assuming that the target has been achieved at 20%. The increase would be linear to reach 100% with a score of 75/100. This target would be capped at 100% and would therefore not exceed 100% of achievement).

The condition of continued employment at the end of the plan would be essential: any departure before the end of the plan (three years) would result in a loss of rights.

With regard to the Chief Executive Officer, the achievement of 100% of the targets would allow an allocation of free shares equivalent to an amount of two million euros.

4.2.4 Total amounts set aside or accrued by the Company or its subsidiaries to provide for pension, retirement or similar benefits

The Company has not made any provisions for the payment of pensions, retirement benefits or similar benefits to its executive corporate officers.

4

4.3 REGULATED AGREEMENTS AND COMMITMENTS

4.3.1 List of regulated agreements and commitments

Related entities mainly include companies controlled by Mr. Octave Klaba, founder and current Chairman of the Company's Board of Directors, and other entities controlled by other members of the Klaba family, who are direct or indirect partners of the Company. The Company is currently controlled by the Klaba family.

Pursuant to the agreements detailed below entered into with related parties and related to the conduct of the business, the Group recognised a total amount of operating expenses of €13,895,000 for 2022 *versus* €7,523,000 for 2021, and concerning net finance income (expense) (IFRS 16), €(125,000) for 2022 *versus* €(140,000) for 2020. More detailed figures for the related-party transactions are set out in Note 5.3 to the consolidated financial statements for the period ended 31 August 2022, contained in Chapter 5 of this Universal Registration Document. .

The main related-party transactions are described in this chapter.

4.3.1.1 Agreements and commitments that continued during the 2022 financial year

Agreements entered into as part of the Company's initial public offering

- **Underwriting Agreement**

The placement of the Company's shares as part of its IPO was guaranteed by a group of financial institutions comprising BNP Paribas, Citigroup Global Markets Europe AG, J.P. Morgan AG and KKR Capital Markets (Ireland) Limited as global coordinators (the "Global Coordinators"), lead managers and associate bookrunners, Crédit Suisse Bank (Europe) S.A., Goldman Sachs Bank Europe SE, Morgan Stanley Europe SE and Société Générale as lead managers and associate bookrunners and Crédit Industriel et Commercial S.A. as lead partner (the "Guarantors") for all the shares offered under the terms of a contract in English ("Underwriting Agreement").

This agreement was entered into on 14 October 2021 between the Company, BNP Paribas Securities Services ("BP2S", acting as seller, on behalf of individuals from whom BP2S acquired shares of the Company) and the other selling shareholders, namely Spiral Holdings SCA, Spiral Holdings BV, Deep Code SAS and Digital Scale SAS (together with BP2S, the "Selling Shareholders"), on the one hand, and the Guarantors on the other hand, the latter having each undertaken up to a maximum number of shares offered specified in the said contract, to acquire and pay, subscribe and pay up, or where applicable to acquire and pay up, subscribe for and release themselves, the shares offered as part of the initial public offering at the price of the offer on the settlement date.

The maximum amount of fees payable by the Company under the Underwriting Agreement amounts to approximately €9.7 million excluding tax.

The signature of the Underwriting Agreement was authorised by the Company's Board of Directors at its meeting of 14 October 2021.

The conclusion of the Underwriting Agreement was authorized by the Board of Directors of the Company at its meeting of October 14, 2021. The directors concerned, namely Octave Klaba, Miroslaw Klaba, Michel Paulin, Bernard Gault, Daniel Bernard and Jean-Pierre Saad abstained from participating in the vote.

- **Non-compete compensation for the Chief Executive Officer**

The Company has granted Michel Paulin, the Company's Chief Executive Officer, a non-compete clause for a period of one year following the end of his term of office, as consideration for 50% of his compensation (fixed + variable) for the year preceding his departure. This clause will not apply in the event of retirement or in case of reaching the age of 65.

This commitment will be applicable in the Territory (defined as the worldwide) for the duration of the term of office (including in the event of renewal) and for a period of one year, starting from the date of termination of the duties of Chief Executive Officer.

The Company reserves the right to unilaterally waive this non-compete undertaking as from the date of notification of the termination of duties, in which case the Chief Executive Officer will be free and no compensation will be due.

It is in the Company's interest to be able to ensure, in the event of Mr. Michel Paulin's departure, that the Company is able to prohibit him from competing with the Company, under the conditions provided for in the non-compete clause.

This agreement was the subject of prior approval by the Board of Directors on 28 September 2021 and of a special report on 29 September 2021. This agreement was approved by the Combined General Shareholders' Meeting on 14 October 2021. Mr. Michel Paulin abstained from participating in the vote.

At its meeting held on 15 December 2022, the Board of Directors reviewed the agreements and commitments authorised and entered into during previous financial years, the execution of which was continued during the 2022 financial year, in accordance with Article L. 225-40-1 of the French Commercial Code.

4.3.1.2 Agreements and commitments entered into during the 2022 financial year

None.

4.3.1.3 Transactions concluded with related parties by a subsidiary within the meaning of Article L. 225-37-4 of the French Commercial Code

a. Service agreement known as "TSA" by OVH SAS for the benefit of Shadow SAS (formerly called Hubic SAS)

Under the terms of a share purchase agreement dated 18 December 2020, OVH SAS sold to Jezby Ventures SAS, a company controlled by Octave Klaba, the entire share capital of Hubic SAS, then a subsidiary created by OVH SAS to operate its offer called "Hubic". The Group ceased to develop this activity as it was not considered to be a strategic activity for the Group. Hubic SAS was renamed "Shadow SAS" in July 2021, now held indirectly by Messrs. Octave and Miroslaw Klaba. Shadow SAS offers file storage and other related digital services to individuals.

In this context, a transitional service agreement was signed on 11 February 2021 between OVH SAS and Shadow SAS under the terms of which OVH SAS undertook to provide administrative services to Shadow SAS. This agreement was amended in September 2021 and in March 2022 to adjust the services provided and the associated compensation.

The amount invoiced by OVH SAS during the 2022 financial year in respect of this contract amounts to €131,987.10 excluding tax.

The contracts between Shadow SAS and OVH SAS are agreements in which the ultimate beneficiaries are Octave and Miroslaw Klaba for Shadow SAS and OVH SAS, in which they indirectly hold more than 10% of the share capital.

The provision of these services, incidental to the disposal of Hubic SA, remains exceptional for OVH SAS since they are intended to support the takeover of the assets sold in order to ensure the best possible transition. These agreements correspond to transactions that do not present the nature of current agreements and therefore fall within the scope of regulated agreements for the entity OVH SAS.

b. Equipment acquisition agreement between Shadow SAS and OVH SAS following the takeover of Blade SAS

Following the takeover by Shadow SAS of the company Blade in April 2021 as part of the receivership procedure of Blade SAS, Shadow acquired second-hand equipment that it did not wish to operate directly but which could be used by OVH SAS. OVH SAS and Shadow therefore entered into a purchase agreement on 9 June 2022 for an amount of €1,912,808 excl. tax setting the terms and conditions of purchase by OVH SAS of this used IT equipment located in France.

This contract provides for the acquisition of used equipment in order to migrate it within these data centres and reuse it.

These acquisitions of second-life equipment and their migration to OVH SAS data centres are not routine for the company. However, they are consistent with OVH Groupe SA's ambitions to limit its environmental impact, in particular by using existing equipment and components whose performance allows reuse.

c. Credit issuance and repayment service by OVH SAS for customers of Shadow SAS

As part of the activities of Hubic acquired by Shadow SAS in 2021, Shadow SAS wished to migrate the marketing of the existing "Hubic" platform and propose to its customers to migrate to a new data storage service, called "Shadow Drive".

To this end, on 23 August 2022, Shadow SAS ordered a service from OVH SAS to issue credit notes and repay certain customers on its behalf, since the latter issues invoices and collects receivables in respect of the historical "Hubic" service under the TSA services contract.

This service will be provided during the 2023 financial year, and OVH SAS will invoice these transactions for a total amount of €8,900 excl. tax.

This service of issuing credit notes and repayments for a third party is not part of the current business of OVH SAS but is ancillary to the so-called "TSA" contract.

d. Retrofit agreement between OVH SAS and Shadow SAS

Shadow SAS signed a contract with OVH SAS for the purpose of providing services on IT equipment, including the assembly of computer components to make servers from 5 July 2021.

OVH SAS has a plant that assembles IT components in order to build its own servers, and has developed a "retrofit" activity to disassemble and then reassemble existing equipment components. A contract was therefore signed with Shadow SAS for the disassembly and reassembly (retrofit), storage and transport of certain IT components.

OVH SAS does not usually offer this type of service for third parties.

The amount of this service is €21,151.78 excl. tax.

4.3.2 Procedure implemented pursuant to Article L. 22-10-12 of the French Commercial Code

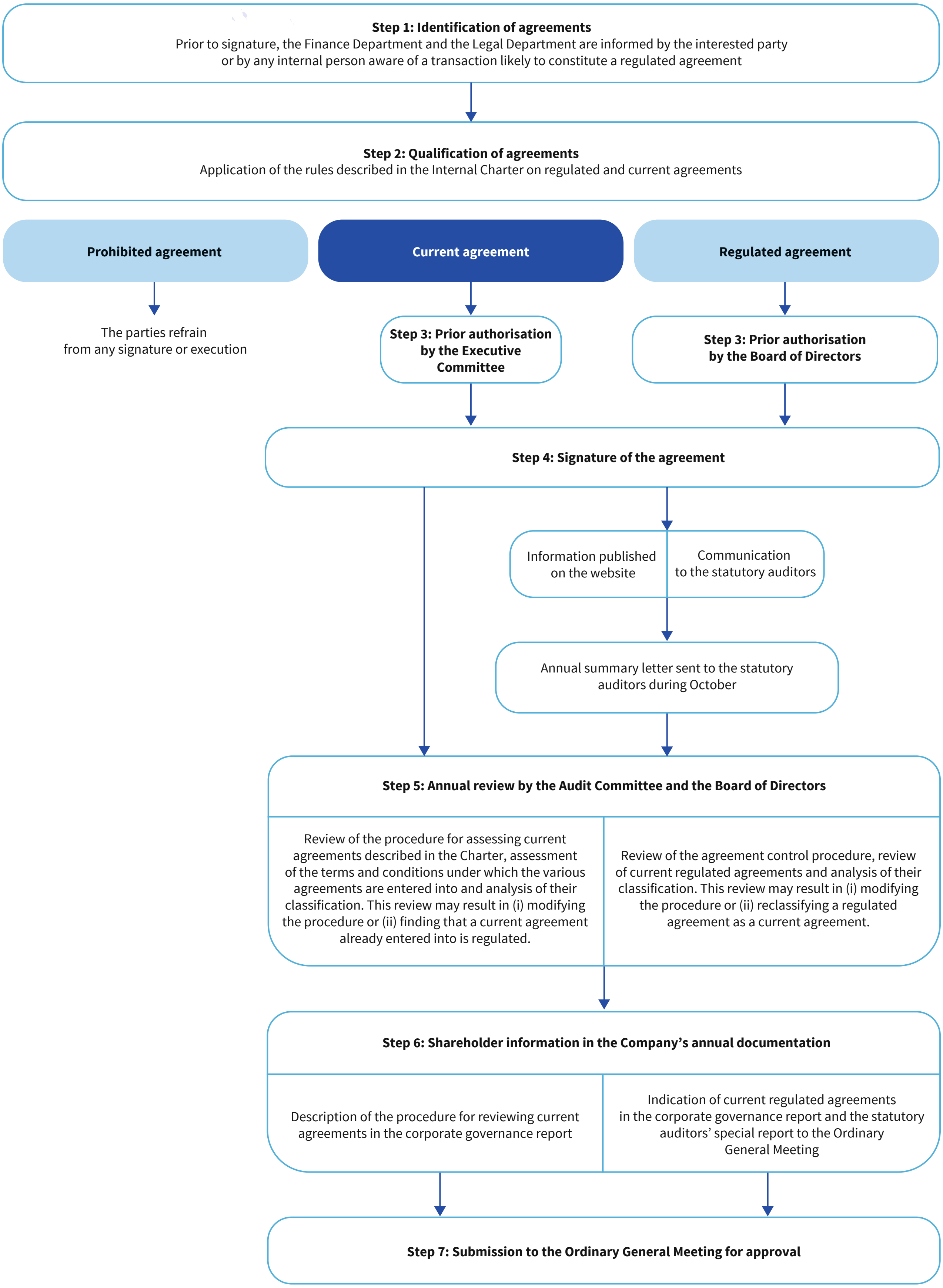
On 13 April 2022, the Company's Board of Directors adopted and implemented a charter for the annual appraisal of agreements relating to current transactions concluded under normal conditions, in accordance with the provisions of Article L. 22-10-12 of the French Commercial Code. This charter is published on the OVHcloud website (https://corporate.ovhcloud.com). It may be updated at any time by deliberation by the Board of Directors, in particular to take into account any legislative and regulatory changes.

This charter (the "Charter") is in line with (i) the applicable regulations[1] in France for current and regulated agreements, (ii) AMF recommendation nNo. 2012-05 of 2 July 2012, as amended on 5 October 2018 (the "AMF Recommendation"), as well as (iii) the study prepared by the Compagnie Nationale des Commissaires aux Comptes in February 2018 on regulated and current agreements.

The purpose of this charter is to:

- provide clarifications on the methodology applied internally to qualify the various agreements entered into between OVH Groupe and its related parties;
- review the regulatory framework applicable to regulated agreements, in particular the authorisation and control procedure required by law; and
- detail the procedure for regularly assessing current agreements.

The Charter applies to OVH Groupe ("OVH GROUPE SA" or the "Company") as well as to the French companies of the OVHcloud Group (the "Group" or "OVHcloud") that may be subject to regulations on regulated and current agreements.


Step 1: Identification of agreements
Prior to signature, the Finance Department and the Legal Department are informed by the interested party or by any internal person aware of a transaction likely to constitute a regulated agreement
Step 2: Qualification of agreements
Application of the rules described in the Internal Charter on regulated and current agreements
Prohibited agreement
Current agreement
Regulated agreement
The parties refrain from any signature or execution
Step 3: Prior authorisation by the Executive Committee
Step 3: Prior authorisation by the Board of Directors
Step 4: Signature of the agreement
Information published on the website
Communication to the statutory auditors
Annual summary letter sent to the statutory auditors during October
Step 5: Annual review by the Audit Committee and the Board of Directors
Review of the procedure for assessing current agreements described in the Charter, assessment of the terms and conditions under which the various agreements are entered into and analysis of their classification. This review may result in (i) modifying the procedure or (ii) finding that a current agreement already entered into is regulated.
Review of the agreement control procedure, review of current regulated agreements and analysis of their classification. This review may result in (i) modifying the procedure or (ii) reclassifying a regulated agreement as a current agreement.
Step 6: Shareholder information in the Company’s annual documentation
Description of the procedure for reviewing current agreements in the corporate governance report
Indication of current regulated agreements in the corporate governance report and the statutory auditors’ special report to the Ordinary General Meeting
Step 7: Submission to the Ordinary General Meeting for approval

4.3.3 Statutory auditors' report on regulated agreements

General Meeting held to approve the financial statements for the year ended 31 August 2022

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby present to you our report on regulated agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit to the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce) of the continuation of the implementation, during the period, of the agreements previously approved by the General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

Agreements submitted for approval to the General Meeting

Agreements approved and entered into during the year

We hereby inform you that we have not been notified of any agreements authorised and concluded during the period to be submitted to the General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code (Code de commerce).

Agreements previously approved by the General Meeting

Agreements approved in prior financial years

We hereby inform you that we have not been notified of any agreements already approved by the General Meeting in previous years, the execution of which continued during the past financial year.

Agreements approved during the past financial year

We were also informed of the continuation of the following agreements during the past financial year:

Underwriting Agreement between the Company and the selling shareholders and the guaranteeing banks

The placement of OVH Groupe's shares as part of its IPO was guaranteed by a group of financial institutions comprising BNP Paribas, Citigroup Global Markets Europe AG, JP Morgan AG and KKR Capital Markets (Ireland) Limited as global coordinators (the "Global Coordinators"), lead managers and associate bookrunners, of Crédit Suisse Bank (Europe) SA, Goldman Sachs Bank Europe SE, Morgan Stanley Europe SE and Société Générale in their capacity as lead managers and associated bookrunners and Crédit Industriel et Commercial SA as associate manager (the "Guarantors") relating to all the shares offered under an English-language contract entitled "Underwriting Agreement" (the "Underwriting Agreement").

This agreement was entered into on 14 October 2021 between the Company, BNP Paribas Securities Services "BP2S" (BP2S, acting as assignor, in particular on behalf of individuals from whom BP2S has acquired shares in the Company) and the other selling shareholders, namely Spiral Holdings SCA, Spiral Holdings BV, Deep Code SAS and Digital Scale SAS (together with BP2S, the "Selling Shareholders"), on the one hand, and the Guarantors on the other hand, each of the latter having undertaken, up to a maximum number of shares offered as specified in the said Agreement, to have the shares offered in the IPO acquired and paid for, subscribed for and paid up, or, as the case may be, to acquire and pay for, subscribed for and paid up themselves, at the offer price on the settlement-delivery date.

The Underwriting Agreement having been entered into with entities holding more than 10% of the Company's share capital (i.e. Digital Scale SAS, wholly owned by Octave Klaba, Chairman and director of the Company, and Deep Code SAS, wholly owned by Miroslaw Klaba, director of the Company) and, among the assignors, directors (Michel Paulin, who is also the Company's Chief Executive Officer, and Bernard Gault, as well as Provestis Partenariat) and entities that have proposed the appointment of directors to the Board of Directors, this agreement falls under the provisions of Article L. 225-38 of the French Commercial Code (Code de commerce).

The maximum amount of fees payable by the Company under the Underwriting Agreement amounts to approximately €9.7 million excluding tax. The conclusion of the Underwriting Agreement and the undertakings of the Company under this agreement are in accordance with the practices for this type of exceptional transaction, namely an initial public offering, and is in the Company's best interest.

This agreement was the subject of prior approval by the Board of Directors on 14 October 2021 and of a special report by us issued on 15 December 2021. This agreement was approved by the General Shareholders' Meeting of 15 February 2022.

Non-compete compensation for the Chief Executive Officer

The Company has granted Michel Paulin, the Company's Chief Executive Officer, a non-competition clause for a period of one year following the end of his term of office, as consideration for 50% of his compensation (fixed + variable) for the year preceding his departure. This clause will not apply in the event of retirement or in case of reaching the age of 65.

The Company reserves the right to unilaterally waive this non-compete commitment from the date of notification of the termination of office, in which case the Chief Executive Officer will be free and no compensation will be due to him.

It is in the Company's interest to be able to ensure, in the event of Mr. Michel Paulin's departure, that the Company is able to prohibit him from competing with the Company, under the conditions provided for in the non-compete clause.

This agreement was the subject of prior approval by the Board of Directors on 28 September 2021 and of a special report by us on 29 September 2021. This agreement was approved by the Combined General Shareholders' Meeting on 14 October 2021.

Neuilly-sur-Seine and Paris La Défense, 16 December 2022

The statutory auditors

Grant Thornton		**KPMG Audit**	
French Member of Grant Thornton International		**Department of KPMG S.A.**	
Vincent Papazian	Pascal Leclerc	Jacques Pierre	Stéphanie Ortega
Partner	*Partner*	*Partner*	*Partner*

4.4 ANNUAL GENERAL MEETINGS

4.4.1 Meetings

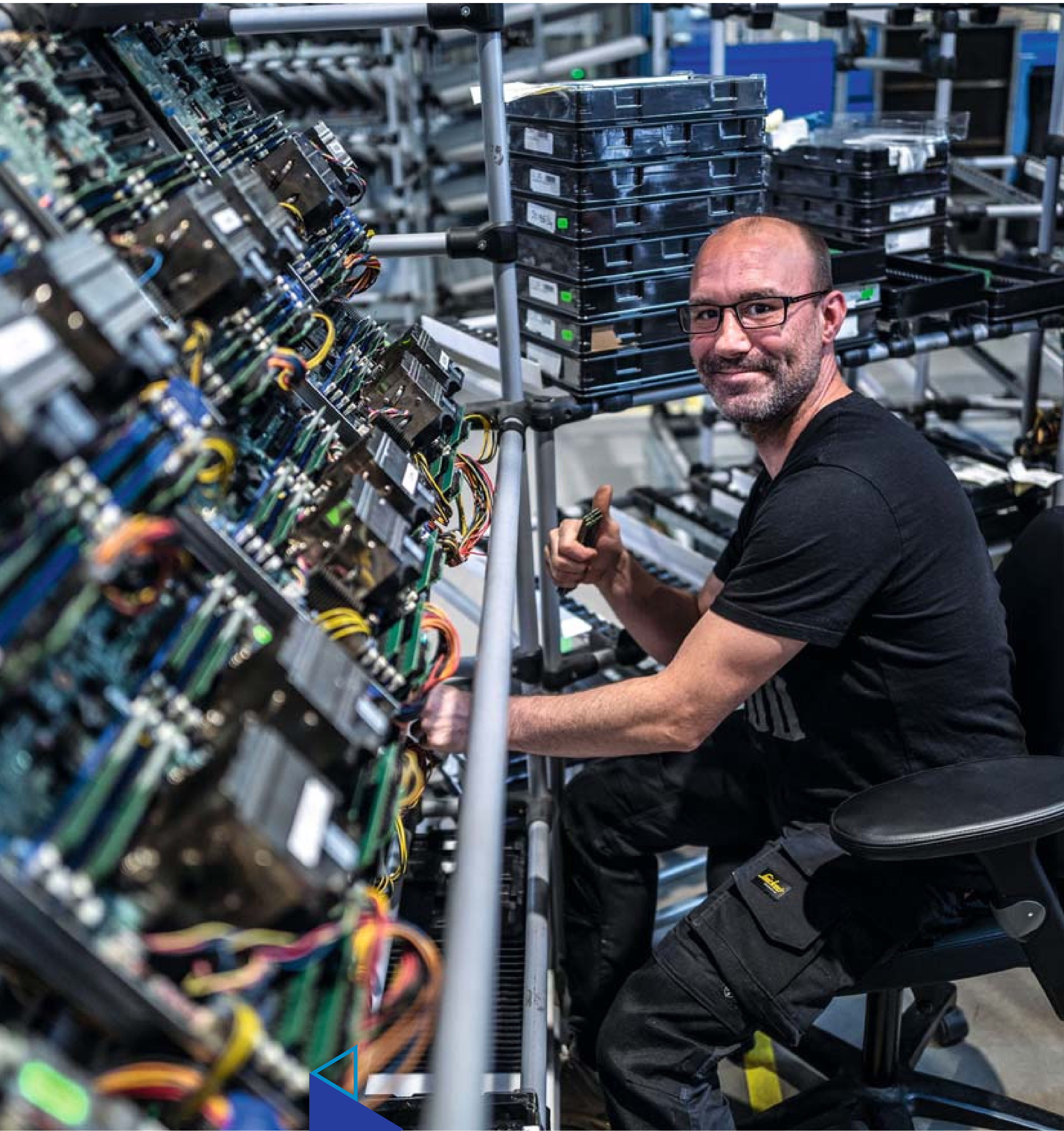
OVH's General Shareholders' Meetings are convened and deliberate under the conditions provided for by law and in the bylaws.

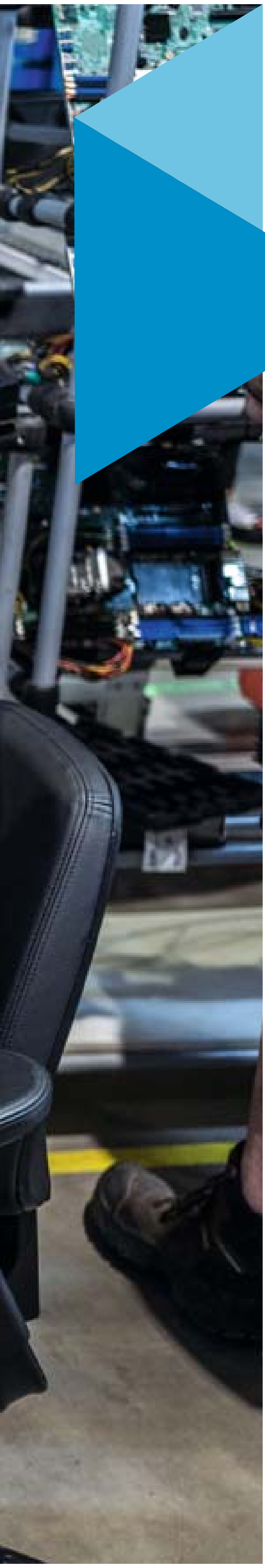
The provisions of OVH's bylaws relating to General Meetings and the procedures for exercising voting rights at General Meetings are set out in Title IV – General Meetings – Article 22 – Meetings, Composition, Deliberations, of OVH's bylaws, which are available online at www.corporate.ovhcloud.com, Governance section).

4.4.2 2023 Annual General Meeting

The 2023 Annual General Meeting will be held on 16 February 2023.

The resolutions submitted to the vote of the 2023 Annual General Meeting will be published in the notice of meeting to be published in the "Bulletin des Annonces Légales Obligatoires" and in the notice of meeting. These notices will also be available on the Company's website at www.corporate.ovhcloud.





5

FINANCIAL AND ACCOUNTING INFORMATION /AFR/

5.1 COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

5.1.1 Overview

Key figures

The following table presents the key figures for the 2022 period.

(in millions of euros)	2021	2022	Change (%)	Change (%) LFL (Like-for-like) [(3)]
REVENUE	**663.3**	**788.0**	**18.8%**	**12.4%**
Current EBITDA [(1)]	240.0	277.1	15.4%	2.7%
Current EBITDA margin	*36.2%*	*35.2%*		
ADJUSTED EBITDA [(2)]	**262.0**	**307.6**	**17.4%**	**5.4%**
Adjusted EBITDA margin	*39.5%*	*39.0%*		
GROSS CASH FLOW FROM OPERATING ACTIVITIES	**289.5**	**262.2**		
Recurring Capex [(4)]	122.4	150.9		
Growth Capex [(4)]	220.8	301.0		

(1) The current EBITDA indicator corresponds to operating income before depreciation, amortisation, impairment and other non-current operating income and expenses.

(2) In addition to the current EBITDA, the Group follows the adjusted EBITDA. This alternative performance indicator corresponds the current EBITDA restated, on the one hand, from expenses related to share-based compensation and, on the other hand, from earn-outs.

(3) Like-for-like (LFL): at constant exchange rates and scope of consolidation vs. 2021 and excluding the direct effects of the Strasbourg incident.

(4) OVHcloud analyses its Capex according to two categories:

- recurring Capex represents the capital expenditure on servers (and related infrastructure and networks) needed to maintain income at the same level from one period to the next. It concerns the capital expenditure needed to produce new servers to replace the income from servers that were downgraded or taken offline during the period (either definitively or for refurbishment), determined on the basis of the average income per server taken offline and of the average income of new servers assembled during the period;

- growth Capex represents all capital expenditure other than recurring Capex, necessary to deliver the growth in revenue.

Summary of results for the period: OVHcloud exceeds its income target and confirms its acceleration strategy

- Revenue of €788 million in 2022, up strongly by 18.8% compared to 2021. Like-for-like revenue growth of 12.4%
- Adjusted EBITDA of €308 million, a 39.0% margin, and reported growth of 17.4% compared to the previous period
- Recurring and growth Capex respectively 19% and 36% [(1)] of revenue for the period
- Acceleration trajectory confirmed for 2023 with an organic revenue growth target of between +14% and +16% and an adjusted EBITDA margin in line with FY2022
- Targeted recurring and growth Capex of 16-20% and 28-32% of 2023 revenue respectively
- Confirmed mid-term targets with an organic revenue growth around 25%, an adjusted EBITDA margin close to 42%, recurring Capex and growth Capex respectively between 14% and 16% and between 28% and 32%

1) *Growth Capex excludes the acquisition of additional IPv4 addresses and external acquisitions.*

OVHcloud Chief Executive Officer Michel Paulin said:

"The 2022 annual results demonstrate OVHcloud's ability to deliver a strong, sustainable and profitable growth acceleration strategy. In a hyper-growth cloud market, our European leadership has enabled us to step up the deployment of our sovereign solutions while constantly increasing our environmental responsibility. Building on our skills, along with robust, innovative partnerships, our expansion has been particularly supported by the rapid enrichment of our product portfolio and our customers' international development. Our integrated operating model and trusted offering allow us to successfully absorb the volatility of the current environment. We are particularly confident in our ability to continue this momentum throughout 2023 and thereafter in order to achieve our 2025 targets."

In 2022, OVHcloud confirmed its position as the leader for a sustainable cloud with ambitious medium-term commitments and key performance indicators amongst the best in the market.

Ambitious medium-term commitments:

- **100% low-carbon energy by 2025**, with the aim of limiting the use of high-carbon energy by promoting renewable energy and other low-carbon energy sources;
- **Contribution to global Net Zero for scopes 1 & 2 by 2025**, with scopes 1 & 2 representing almost 40% of OVHcloud's carbon footprint;
- **Contribution to global Net Zero for all scopes by 2030**, with scope 3 being mainly related to component manufacturing;
- **0% landfill by 2025**, for waste related to OVHcloud's processes, on a LFL (Like-for-like) basis in terms of geographical scope.

Similarly, OVHcloud has an ambitious and recognised human resources policy. At end August 2022, the Group employed 2,800 people, including 60% tech. OVHcloud is particularly focused on its employees' well-being, which can be seen in a strong engagement score (7.5/10, up 0.2 point compared to 2021) and a high loyalty rate of 79%. These very encouraging scores give OVHcloud confidence in its ability to deliver its growth acceleration plan.

Highlights

Strasbourg 5: the first achievement of the hyper resilience plan

SBG5, a strong symbol of the Group's industrial strategy, is the first data centre designed as part of the hyper resilience plan. The site, with a surface area of 1,700 m^2, has a total of 19 isolated rooms with masonry that compartmentalises the different segments in order to provide two hours of fire resistance. The gas fire extinguishing system meets the APSAD R13 standard and the VESDA smoke detectors comply with the APSAD R7 standard. The seven power rooms and the three battery rooms are located outside the building.

In addition, in order to manage the environmental impact, the SBG5 site benefits from the principles of frugality and efficiency perfected for more than 20 years by OVHcloud, particularly its water-cooling system for server components that achieves a water efficiency index (WUE) of less than 0.2 L/kWh, *i.e.* the equivalent of a glass of water to cool a server for 10 hours of use. OVHcloud stands out with its closed circuit system that limits liquid losses, and also by the use of dry coolers and the absence of air conditioning in the server rooms.

Commercial performance

2022 was marked by numerous commercial wins, notably in Q4 with the signature of new contracts and the acquisition of new customers such as AIFE (State financial agency), Mastercard, Arianespace, Alstom, Fencecore, EQS Group and Efalia. Growth was notably driven by continuous improvement in ARPAC [(1)] and the development of strong partnerships with IT integrators such as Capgemini, Accenture and Sopra Steria. OVHcloud also recorded double-digit revenue growth with its global and local partners, which now number 1,100 including over 500 international partners. Lastly, at end August 2022, OVHcloud was offering 81 IaaS and PaaS solutions to its customers, with a doubling, during the year, of PaaS solutions in general availability. The development of PaaS solutions is in line with the Group's initial business plan. OVHcloud's ability to grow with its customers is reflected in a net revenue retention rate of 114% for FY2022. It reached 108% LFL (Like-for-like), up significantly compared to the previous year.

2022 also demonstrated the success of the strategy implemented by OVHcloud. The Group is driven by continued solid sales momentum, notably in Public Cloud and Private Cloud, development in PaaS uses by customers, sustained international development and a sovereign offering that has shown results with over 35 customers for its SecNumCloud offering, up significantly during Q4.

This year's positive momentum is also reflected in the shift of the business mix towards Public Cloud and Private Cloud and the growing share of international business in the Group's revenue, reaching 51% for the year. By reaching a share of 54% of revenue over the year, up 2 percentage points compared to the previous year, the Enterprise segment confirms its good performance and the effectiveness of its dedicated growth strategy.

Expanding and strengthening its global footprint

OVHcloud confirms the deployment of the industrial component of its growth acceleration plan. The latter includes the extension of historical sites, along with new sites and new countries:

- The Roubaix campus will be strengthened by a tenth data centre;
- In Gravelines, OVHcloud will deploy new capacities with a new dedicated space;
- An AZ (availability zone) region of three data centres in the Paris region will be commissioned in 2023;
- On the other side of the Rhine, the Limburg campus will open a new data centre in Q3 2023 to support local growth and a new remote site has been launched to open in 2024;
- As a result of strong growth in North America, the Group plans to equip the Beauharnois campus with its ninth data centre and to open a new data centre in Toronto in 2023;
- In the Asia region, in which OVHcloud is also seeing strong growth, the Group deployed its first data centre in Mumbai, India in 2022. From 2023, the Group plans to deploy a second data centre in Singapore.

1) ARPAC: Average revenue per active customer.

ForePaas: acquisition of complementary technological bricks

The Group acquired ForePaaS in April 2022 as part of its external growth policy, and in particular its desire to target startups with active customer bases or technologies allowing synergies with the rest of the OVHcloud portfolio and accelerate the development of its Platform as a Service (PaaS) offering. ForePaas is a unified platform specialising in data analytics, machine learning and artificial intelligence projects for companies. This merger will actively contribute to the deployment of OVHcloud's growth acceleration strategy through the enrichment of its offering (PaaS).

Macroeconomic environment

The current macroeconomic environment is particularly deteriorated by inflationary trends (in particular the increase in energy costs), and by the war in Ukraine.

The Group has several key assets in this inflationary dynamic:

- OVHcloud operates according to a vertically integrated model, which gives it control of its value chain;
- the Group has set up two interest rate swaps (exchanging the variable rate of the term loan for fixed rates) (Note 4.19 to the consolidated financial statements) enabling it to limit the risk induced by interest rate fluctuations;
- the Group uses forward foreign exchange contracts (Note 4.20 to the consolidated financial statements) to limit its exposure to potential currency fluctuations;
- the Group obtains its supplies through forward purchase contracts, at fixed or indexed prices, in order to reduce its exposure to the risk of an increase in the purchase price of energy. OVHcloud has also entered into an energy purchase agreement with the EDF Renouvelables group, providing for the provision by EDFR of electricity from an agrivoltaic park, for the exclusive benefit of the Group. OVHcloud plans to consume 100% of the green energy produced by this park, from January 2025, representing around 25% of the current annual electricity needs in France. This contract provides long-term visibility of the price of the electricity to be supplied.

With regard to the current geopolitical situation between Russia and Ukraine, the Group is constantly monitoring its domestic customers in Russia, Belarus and Ukraine. In this context, the Group is rigorously complying with all regulations in force. Furthermore:

- revenue generated in Russia, Belarus and Ukraine represents approximately 1.5% of the Group's revenue as at 31 August 2022;
- the Group does not have any employees in Ukraine, Russia or Belarus;
- the Group has no service providers (individuals) based in Ukraine;
- it has no infrastructure in these three countries;
- there is no material risk of recovery of receivables due at 31 August 2022.

Outlook

2022 confirms the Group's ability to implement its strategic plan and its growth acceleration trajectory.

2023 outlook

For FY2023, OVHcloud is targeting an organic revenue growth of 14-16%, up compared to FY2022.

The cost of electricity, particularly in Europe, is one of the most significant inflationary factors. Thanks to its active electricity hedging policy and government decisions, the Group already knows the cost of 90% of its electricity consumption for the 2023 financial year. This visibility enables OVHcloud to expect its electricity costs in 2023 to be around mid to high-single digit percentage of its revenue, up compared to mid-single digit in 2022. In this context, OVHcloud has announced gradual price increases, in line with cloud industry-wide rises, which will enable OVHcloud to maintain its 2023 adjusted EBITDA margin in line with 2022. OVHcloud's customer dynamic has been so far unaffected by those announcements.

Lastly, the Group is targeting recurring Capex between 16% and 20% of revenue and growth Capex between 28% and 32% of revenue. The lowering of the growth Capex range has been made possible by the scheduled reduction in component inventories, which expanded considerably during FY2022 in order to offset shortages, increased operational efficiency, mainly due to the SAP solution deployed in December 2021, and the expected levelling of average component prices compared to FY2022, a year marked by strong inflation.

Medium-term outlook confirmed

The Group reiterates its medium-term financial targets and aims to achieve the following by 2025:

- organic revenue growth accelerating to around 25% by FY2025 driven by a shift in business mix, deployment of the "Move to PaaS" strategy, international expansion, the benefits from the market shift to hybrid- and multi-cloud and the focus on data sovereignty;
- adjusted EBITDA margin close to 42%, by partly reinvesting economies of scale mainly achieved through better absorption of fixed costs over the period;
- recurring Capex benefiting from productivity improvements and decrease as a percentage of revenue towards a range of between 14% and 16%; likewise, growth Capex as a percentage of revenue, within a range of 28% to 32%.

5.1.2 Analysis of the Group's results and investments

Main factors influencing revenue

OVHcloud is positioned in a rapidly-growing global cloud market, deploying a strategy designed to capture customer growth in its existing markets, to realise growth from new cloud usages and innovative offerings, and to expand geographically. OVHcloud's revenue growth is based on the development of this strategy, which should enable it to fully benefit from a rapidly growing global cloud market.

OVHcloud believes that, as the only major European cloud service provider with a unique, sustainable and data-sovereign business model, it is well positioned to achieve sustainable and profitable growth in the coming years.

OVHcloud's revenue growth is derived from the net increase in the number of its customers, and from the income generated by each of its customers. OVHcloud uses a number of indicators to measure and analyse its actual and potential revenue growth, including in particular:

- revenue retention rate. The revenue retention rate for any period is equal to the percentage calculated by dividing (i) the revenue generated in year N from customers that were present in year N-1, by (ii) the revenue generated from those customers in year N-1. When the revenue retention rate exceeds 100%, it means that the revenue from the relevant customers increased from the relevant period in year N-1 to the same period in year N (meaning that the net increase in revenue from customers present over the two periods exceeded the reduction in revenue generated by customers no longer present in the second period);
- ARPAC. Average revenue per active customer (ARPAC) represents the revenue recorded in a given period from a given customer group, divided by the average number of customers from that group in that period (the average number of customers for a period is equal to the average number of single customers generating revenue for each month during the twelve months ending at the end of that period. A customer that subscribes for multiple services is treated as a single customer). ARPAC increases as customers in a given group spend more on OVHcloud services. It can also increase due to a change in mix, as an increase (or decrease) in the proportion of high-spending customers would increase (or decrease) ARPAC, irrespective of whether total income from the relevant customer group increase. OVHcloud measures the impact of ARPAC for each segment, with the impact at Group level representing the sum of the figures for the segments (as a direct calculation at Group level would be significantly impacted by the segment mix, and would thus be less meaningful).

As a general matter, OVHcloud tends to experience a relatively high level of customer churn in the first year after acquiring new customers. After the first year, the customer base turns out to be highly loyal. Private and Public Cloud customers generally increase spending steadily, particularly in the first three or four years of becoming customers, by subscribing for additional products or upgrading the services for which they subscribe. In 2022, OVHcloud confirmed these trends with a revenue retention rate (RRR) of 114% on a reported basis and 108% LFL (Like-for-like). This rate reflects significant growth in ARPAC throughout the year thanks to the Group's ability to grow with its customers and to achieve cross-sell or up-sell.

Change in business

Annual FY2022 revenue of €788 million, up 18.8% as reported and up 12.4% LFL (Like-for-like)

OVHcloud's consolidated revenue for FY2022 reached €788 million, up 18.8% compared to FY2021 as reported and up 12.4% LFL (Like-for-like), at constant exchange rates and scope of consolidation and excluding the direct effects of the Strasbourg incident. 2022 performance highlights the overall cloud market dynamism and in particular the significant growth opportunity in Public Cloud and Private Cloud.

REVENUE BY PRODUCT SEGMENT

(in millions of euros)	2021	2022	Change (%)	Change (%) LFL (Like-for-like)
Private Cloud	398	485	22.0%	14.5%
Public Cloud	94	126	33.9%	20.0%
Webcloud & Other	171	177	3.1%	2.5%
TOTAL REVENUE	**663**	**788**	**18.8%**	**12.4%**

Private Cloud, which includes Baremetal Cloud and Hosted Private Cloud, achieved a revenue of €485 million in 2022, up +22.0% as reported and up +14.5% LFL (Like-for-like). The strong growth of the segment during the half year reflects the double-digit increase in all regions during FY2022 and the continuous growth of ARPAC.

Public Cloud posted revenue of €126 million for FY2022, up +33.9% as reported and up +20.0% LFL (Like-for-like). Public Cloud was notably driven by strong growth in ARPAC, reflecting the success of the upsell and cross-sell efforts with our partners. PaaS services, including Beta and recently marketed solutions, continued to show encouraging signs of customer adoption with performance in line with the initial business plan. The strengthening of the offering, with 81 IaaS and PaaS solutions available as of end-August, gives OVHcloud customers access to comprehensive services closely tailored to their needs.

During 2022, the Web Cloud & Other segment was up +3.1% as reported and up +2.5% LFL (Like-for-like) compared to the previous year. This performance reflects the positive full-year performance of the Enterprise segment, which includes partners and resellers, and a lower-than-expected performance for the Connectivity and Telephone sub-segments, mostly linked to temporarily misfitted commercial offerings. Some of these offerings have recently been updated to better match customer needs and marketing work is underway to improve sales targeting.

REVENUE BY GEOGRAPHIC MARKET

(in millions of euros)	2021	2022	Change (%)	Change (%) LFL (Like-for-like)
France	343	389	13.6%	8.8%
Europe (excl. France)	193	224	16.4%	11.1%
Rest of the World	128	175	36.3%	23.4%
TOTAL REVENUE	**663**	**788**	**18.8%**	**12.4%**

The increase in revenue in France includes double-digit growth in Private and Public Cloud, notably driven by the Enterprise channel, which includes revenue generated with our partners. The Web Cloud & Other segment is penalised by the Connectivity and Telephone sub-segment, some of whose offerings have recently been updated to better match customer needs. Revenue growth also reflects the significant relative weight of this last segment, as well as the impact of the Strasbourg fire, to which France had a greater exposure than the other regions. Revenue grew by +8.8% LFL (Like-for-like) in France.

In the other European countries, revenue for Private and Public Cloud also saw double-digit growth, with the same trends as those observed in France. The region is benefiting from the creation of dedicated sales teams, as reflected by the positive performance of the Enterprise segment, particularly in Public Cloud.

In the Rest of the World, strong growth continued in the United States and Asia at +79.5% and +48.1% as reported and +65.2% and +37.0% LFL (Like-for-like) respectively. In the region, the Private and Public Cloud segments recorded double-digit growth for the year, with a strengthened comparison base compared to Q4 FY2021. The digital channel also continued on an excellent trend, with growth of +73.3% LFL (Like-for-like) in the United States. This performance was mirrored in Asia with growth of +70.8% LFL (Like-for-like). This sustained growth illustrates the success of OVHcloud's expansion strategy in both regions.

Current EBITDA and adjusted EBITDA

In FY2022, current EBITDA was €277 million and adjusted EBITDA, which is the non-GAAP indicator primarily followed by the Group, reached €308 million. Adjusted EBITDA increased by 17.4% over the period giving an adjusted EBITDA margin of 39.0%. During FY2022, OVHcloud's cost base includes an increase in electricity costs, notably during Q4, and a higher weight related to the mix effect of the dollar and acquisitions.

(in millions of euros)	2021	2022	Change (%)	Change (%) LFL (Like-for-like)
Private Cloud	145	168	15.6%	0.6%
Public Cloud	34	50	46.8%	21.5%
Web Cloud & Other	61	60	(2.4%)	(3.8%)
TOTAL CURRENT EBITDA	**240**	**277**	**15.4%**	**2.7%**
Private Cloud	158	188	18.8%	4.4%
Public Cloud	37	56	51.1%	27.0%
Web Cloud & Other	67	64	(4.5%)	(5.8%)
TOTAL ADJUSTED EBITDA	**262**	**308**	**17.4%**	**5.4%**

Profit or loss

Operating expenses

In 2022, OVHcloud recorded total operating expenses reflected in current EBITDA of €510.9 million, an increase of 21% compared to €423.3 million in 2021. Operating expenses represented 64.8% of income in FY2022 (*versus* 63.8% in FY2021). This increase, almost proportional to income growth (18.8% on a reported basis), mainly reflects the acceleration of the Group's growth and the increase in sales and marketing costs in line with the continued solid sales momentum focused on the development of partnerships, the acceleration of PaaS solutions, the enhancement of the digital channel and the international reach of the brand.

As of 31 August 2022, it should be noted that operating expenses exclude €32.3 million of capitalised personnel expenses (€27.8 million during FY2021), and include €8.7 million (€0.9 million euros in FY2021) relating to the contingent earn-outs with continued presence conditions in respect of the acquisition of ForePaaS and BuyDRM.

Expenses related to the Strasbourg fire and insurance indemnities are recorded in other non-current operating income and expenses, and do not impact current EBITDA.

Gross margin

The gross margin was €514.6 million in 2022, an increase of €82.7 million, or 19.1%, compared to €431.9 million in 2021, mainly reflecting the increase in income, partially offset by an increase in external service costs. The gross margin excludes €32.3 million of capitalised personnel expenses for development projects in 2021 (compared to €27.8 million in 2021).

The gross margin as a percentage of income increased from 65.1% of income in FY2021 to 65.3% in FY2022. After adjusting for vouchers issued and unbilled services due to the Strasbourg fire, the gross margin would have been 65.5% of income for FY2022 (66.5% for FY2021).

Sales and marketing costs

Sales and marketing costs increased from €70.2 million in 2021 to €97.2 million in 2022, an increase of 38.4%. As a percentage of income, sales and marketing costs also increased, from 10.2% in FY2021 (compared to income adjusted for the effects of the Strasbourg fire), to 12.3% in FY2022.

This increase is mainly due to the continued development of the geographical cluster sales initiative which required the strengthening of the commercial teams, targeted spending in digital channel optimisation, the acceleration of partnerships (such as Capgemini, Accenture and Sopra Steria) and the acceleration of PaaS solutions.

General and administrative expenses

General and administrative expenses were stable as a percentage of income (17.8% in FY2022 compared to 17.6% in FY2021, compared to income adjusted for the effects of the Strasbourg fire).

They increased by €18.7 million, from €121.7 million in 2021 to €140.4 million in FY2022, mainly reflecting the Group's growth ambition. It should be noted the recognition of an expense of €8.7 million for FY2022 (€0.9 million for FY2021) relating to the contingent earn-outs with continued presence conditions in respect of the acquisition of ForePaaS and BuyDRM.

Group net income

Depreciation and amortisation expenses

Depreciation and amortisation expenses amounted to €(268.7) million in 2022 compared to €(224.0) million in 2021. This change is mainly due to the growth in the Group's Capex, the commissioning of development projects capitalised during the financial year ended 31 August 2022, and the reduction in the depreciation period of certain components, following the fire on the Strasbourg site, and finally the additional provision for the depreciation of certain components due to a more precise analysis of the projected use of the components.

Operating income

The Group posted an operating loss of €(20.5) million in 2022, compared to operating income of €6.5 million for 2021. The impact of expenses related to the IPO, recent acquisitions and the Strasbourg fire represented €52 million for 2022, including €22 million in share-based compensation plans, €9 million in earn-out payments, €8 million in IPO-related expenses, €5 million in accelerated impairment of damaged servers in Strasbourg, €4 million in commercial gestures related to the Strasbourg incident and €4 million non-recurring expenses, mostly in connection with insurance premium surcharges. Excluding these non-recurring items, operating income would have been positive, at €31.5 million.

Other non-current operating income and expenses

Other non-current operating income and expenses amounted to €(28.8) million in 2022 compared to €(9.5) million in 2021. This change is due in particular to the costs directly induced by the occurrence of the Strasbourg incident, certain restructuring costs in connection with the overhaul of the Group's industrial processes in 2022, and the scrapping and revaluation of IT components assets, following the migration of data into the new SAP system and the overhaul of the Group's industrial processes.

Net finance income (expense)

Net finance income (expense) amounted to €0.7 million in 2022 compared to a net expense of €(28.6) million in 2021. This change is due in particular to a low interest expense of €19.1 million, in line with the more favourable refinancing conditions, and the change in net foreign exchange gains for €8.4 million, mainly related to US dollar positions.

Income tax expense

The income tax expense amounted to €(8.8) million in 2022 compared to €(10.2) million in 2021. The expenses, in 2022, in respect of share-based compensation plans and earn-outs for an amount of approximately €31 million, do not contribute to the formation of the Group's taxable income.

Net income and dividend policy

OVHcloud recorded a net loss of €(28.6) million in 2022, compared to €(32.3) million in the previous period.

OVHcloud intends to maintain its investment policy focusing on the growth of its business and does not plan to distribute dividends in the medium term. In line with its strategy, the Company does not plan to distribute dividends in respect of the period ended 31 August 2022, and recalls that it did not pay any dividends in respect of the financial years ended 31 August 2019, 2020 and 2021.

Cash and cash equivalents

The following table sets out the key data from the cash flow tables in OVHcloud's consolidated financial statements for 2021 and 2022 periods.

(in millions of euros)	2021	2022
Gross cash flow from operating activities	289.5	262.2
Change in operating working capital requirement	(20.0)	23.4
Tax paid	(1.3)	(11.5)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**268.2**	**274.1**
Recurring Capex	(122.4)	(150.9)
Growth Capex	(220.8)	(301.0)
M&A and other	(11.3)	(17.2)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(354.5)**	**(469.1)**
NET CASH FLOWS FROM FINANCING ACTIVITIES	**54.6**	**176.5**

Net cash flow from operating activities

Cash flow from operating activities totalled €262.2 million in FY2022 compared to €289.5 million in FY2021.

The Group's working capital requirement is detailed as follows:

(in millions of euros)	2021	2022
Trade receivables	35.5	38.8
Other receivables and assets	132.0	79.9
TOTAL OPERATING RECEIVABLES FROM ITEMS IN THE STATEMENT OF FINANCIAL POSITION	**167.4**	**118.7**
Accounts payable	(149.5)	(115.1)
Other operating liabilities	(164.6)	(182.1)
TOTAL OPERATING PAYABLES FROM ITEMS IN THE STATEMENT OF FINANCIAL POSITION	**(314.1)**	**(297.2)**
TOTAL WORKING CAPITAL REQUIREMENT FROM ITEMS IN THE STATEMENT OF FINANCIAL POSITION	**(146.7)**	**(178.6)**
Change in working capital requirement based on items in the statement of financial position	13.7	(31.9)
Impact of exchange rate and other	6.3	8.5
CHANGE IN WORKING CAPITAL REQUIREMENT FROM THE STATEMENT OF CASH FLOWS	**20.0**	**(23.4)**

The change in working capital requirement over the period includes:

- The collection, in September 2021, of a single lump-sum insurance indemnity of €58 million for damage caused by the Strasbourg fire recognised in "Other receivables" at 31 August 2021;
- The disbursement related to the costs incurred by the Group in the context of its IPO (mainly advisory fees) for an amount of €(8.6) million;
- The disbursement in 2022 of costs related to share-based payments of €(6.3) million recognised in other liabilities at 31 August 2021;
- The calendar effect of the execution of the weekly supplier payment campaign observed at 31 August 2021, in the amount of €(18.1) million;
- The increase in earn-outs for €7.7 million.

After taking into account changes in working capital requirements and tax payments, cash flow from operating activities increased from €268.2 million in 2021 to €274.1 million in 2022.

Net cash flow used in capital expenditure

OVHcloud's Capex includes primarily investments in the production of servers and in the construction of data centres.

As part of its vertically integrated model, OVH fully manages the production and life cycle of its servers. This allows the Group to extend the useful life of server components by reusing them in the various offering ranges. As a consequence, the same component may be reused several times within the same product segments, but also in another segment than its segment of origin.

OVHcloud maintains a stock of IPv4 addresses to ensure its ability to service customers, and typically makes purchases on an opportunistic basis.

Other Capex reflects primarily investments in the development of IT equipment, new technology and software, and administrative systems.

Main current or future capital expenditure

OVHcloud expects that its capital expenditure for the production of servers in the coming years will generally reflect the pace of its activity, and will include the production of servers to replace those taken out of service in order to maintain income, as well as investments in additional servers to support growth.

As part of its strategic plan, OVHcloud confirms the opening of 15 sites by 2024 to offer innovative IaaS and PaaS services to its customers looking for trusted and environmentally-friendly solutions. This ambitious industrial component will support the growth of existing sites, conquer new regions, and address new uses, by deploying a hyper-resilient and sustainable model. In this respect, OVHcloud plans to maintain its investments to improve its data centres and production sites to ensure that they are secure and fully compliant with applicable regulations, by allocating a budget of around €25 million in 2023 for investments in fire protection, detection and extinguishing systems.

Main Capex items

The following table provides a breakdown of the main Capex items for the periods indicated:

(in millions of euros)	2021	2022
IT equipment [1]	196.8	236.4
Data centre infrastructure [2]	55.7	91.9
Network [3]	18.6	16.9
IP addresses	4.1	19.9
TOTAL CAPITAL EXPENDITURE (CAPEX) FOR DATA CENTRES	**275.2**	**365.1**
Others	68.0	86.8
TOTAL CAPITAL EXPENDITURE (CAPEX)	**343.2**	**451.9**

(1) Mainly includes server components, network switches and server production costs. For the 2021 financial year, also includes the production of servers to meet the needs of customers impacted by the Strasbourg fire for €21 million.

(2) Mainly includes construction costs and investments in electricity treatment, water cooling and other equipment.

(3) Mainly includes connections and equipment dedicated to the transport of data within the data centre, between data centres and data centres to the end customers.

The increase in IT equipment Capex from €196.8 million for the 2021 financial year to €236.4 million for the 2022 financial year reflects, in particular, OVHcloud's desire to stock more components to cover any supplier shortages.

The increase in data centre infrastructure Capex from €55.7 million in 2021 to €91.9 million in 2022 reflects the continued acceleration of expansion projects in the United States, Asia-Pacific, France and Germany, and, to a lesser extent, capital expenditure to strengthen the security of data centres through the implementation of additional protection as part of the hyper resilience plan.

The change in network Capex is in line with the trends set out above.

Favourable market conditions explain the opportunistic acquisition of additional IPv4 addresses for €20 million during the 2022 financial year.

Other Capex amounted to €68.0 million in FY2021 and €86.8 million in FY2022. Expenditures in 2022 include €47.9 million for administration and production systems, mainly related to the SAP implementation, and €38.9 million for internal technology and software development.

Recurring Capex and growth Capex

Capex breaks down as follows for the periods indicated:

(in millions of euros)	2021	% of revenue	2022	% of revenue
Recurring Capex	122	18.4%	151	19.1%
Growth Capex (1)	221	33.3%	301	38.2%
TOTAL CAPITAL EXPENDITURE (EXCLUDING CORPORATE ACQUISITIONS)	**343**	**51.7%**	**452**	**57.3%**

(1) In 2021, capital expenditure related to the Strasbourg fire was presented in the growth Capex for €21 million.

Growth Capex varied mainly due to data centre expansion projects, increased Capex for product development and back office systems, additional acquisition of IPv4 addresses and, to a lesser extent, in connection with capital expenditure to strengthen the security of data centres through the implementation of additional protection. Restated for the additional acquisition of IPv4 addresses, growth Capex amounted to 35.7% of revenue for the 2022 financial year. In addition, it should be noted that capital expenditure related to the Strasbourg fire was presented in the growth Capex for the 2021 financial year for €21 million.

Net cash flows from financing activities

In 2022, net cash flows from financing activities amounted to €176.5 million, mainly characterised by:

- capital increases in connection with the IPO and the employee shareholding offer for a total amount of €349.3 million, net of IPO costs;
- the full repayment of the previous Loan Agreement (Term Loan and Revolving Credit Facility), as well as the Euro PP bonds, for an amount of €701.4 million (excluding interest);
- the new €500 million term loan;
- the drawdown of the new revolving credit facility for €60 million;
- the repayment of lease liabilities in the amount of €18.6 million, and the payment of interest on the debt in the amount of €10.5 million.

Financial indebtedness

Consolidated net debt at 31 August 2022 was €567.7 million compared to €708.6 million at 31 August 2021.

The decrease in gross financial debt is mainly due to:

- the full repayment of the previous Senior Credit Agreement (Term Loan and Revolving Credit Facility), as well as the Euro PP bonds, for an amount of €703.4 million (including interest on the debt);
- the new term loan of €500 million (€494.4 million including interest on debt and net of amortised borrowing costs);
- the drawdown of the new revolving credit facility for €60.1 million.

New credit facility with the European Investment Bank (EIB)

On 8 November 2022, the Group entered into a €200 million credit facility with the EIB. This credit line may be drawn down several times (a maximum of five drawdowns), at a fixed or variable rate, or a combination of both, within a period of 18 months. Each drawdown is repayable within a maximum of nine years. This new credit facility is subject to compliance with a net debt/EBITDA ratio of 4.50.

The following table shows the Group's gross and net financial debt as at 31 August 2021 and 2022:

(in millions of euros)	Interest rate	Final maturity	31 August 2021	31 August 2022
Bond B	4.00%	17/11/2021	58.8	-
Bond C	4.13%	27/05/2022	10.3	-
Term facility	Euribor +3.25% margin	04/12/2026	400.3	-
Term facility	Euribor +1.10% margin	23/10/2026		494.4
Revolving credit facility	Euribor +2.50% margin	04/12/2025	234.0	-
Revolving credit facility	Euribor +0.70% margin	23/10/2026		60.1
Term loan B (BPI loan)		31/03/2026	0.5	0.3
Green loan (BPI loan)	0.98%	30/06/2028	5.0	5.0
Other borrowings				1.8
TOTAL FINANCIAL DEBT			**709.0**	**561.5**
Lease liabilities (IFRS 16)			52.9	42.4
Bank overdrafts			0.3	-
TOTAL FINANCIAL DEBT			**762.2**	**603.9**
Cash and cash equivalents			(53.6)	(36.2)
NET FINANCIAL DEBT			**708.6**	**567.7**
Lease liabilities (IFRS 16)			(52.9)	(42.4)
Capitalised costs			-	7.2
FINANCIAL DEBT – EXCLUDING CAPITALISED COSTS			**655.7**	**532.5**
LEVERAGE RATIO			**2.5X**	**1.7X**

Equity

The consolidated net position at 31 August 2022 amounted to €468.3 million, up by €362.7 million compared to 31 August 2021, mainly due to:

- The capital increase in connection with the IPO, for an amount of €350 million (€340.2 million net of costs directly allocated to the share premium);
- The capital increase in connection with the Group's Employee Share Purchase Offer ("ESP 2021") for an amount of €9.8 million (including €0.7 million through the incorporation of reserves);
- The effect of equity-settled compensation plans (free share awards and "ESP 2021") for €21.0 million;
- The impact of the comprehensive income as detailed in the condensed half-year consolidated financial statements for an amount of €(5.4) million.

5.1.3 Additional information

Situation related to the Strasbourg incident

At 31 August 2022, OVHcloud had received a limited number of complaints and requests for information from customers alleging to be affected by the Strasbourg incident, a significant portion of which were received in the first three months following the fire. Customers, located primarily in France and to a lesser extent in other European countries, are requesting information about the data stored on the OVHcloud servers, recovery of any lost data and, in some cases, monetary compensation. The requests for compensation are generally for small individual amounts, or are not quantified.

OVHcloud believes that, in a significant proportion of cases, customer claims are unfounded, and that in most other cases the commercial gestures already spontaneously granted to customers largely compensate for any prejudice suffered by them. OVHcloud has endeavoured to find an amicable agreement to settle customer claims whenever possible.

OVHcloud may be required to pay certain amounts as part of settlement agreements, or as a result of definitive legal decisions. In addition, OVHcloud incurs certain costs related to the management of this litigation and these agreements. In this respect, OVHcloud does not consider that the total cost of appraisal costs, procedural costs and customer claims has changed since 31 August 2021. At 31 August 2022, the balance of the provision amounted to €24.5 million. The provision was determined in conjunction with the Company's advisors, after studying customer claims by exposure category, even though not all the claims received have yet been settled or adjudicated.

Reimbursements from the Group's insurance companies for the destruction of the data centres and the incremental costs of the incident were received in September 2021.

5.2 CONSOLIDATED FINANCIAL STATEMENTS

5.2.1 Consolidated Financial Statements

Consolidated income statement

(in thousands of euros)	Notes	2021	2022
INCOME	**4.3**	**663,312**	**787,998**
Personnel expenses	4.4	(172,477)	(211,063)
Operating expenses	4.5	(250,805)	(299,867)
CURRENT EBITDA [1]		**240,030**	**277,068**
Depreciation and amortisation expenses	4.6	(224,042)	(268,705)
CURRENT OPERATING INCOME		**15,988**	**8,363**
Other non-current operating income	4.7	-	103
Other non-current operating expenses	4.7	(9,478)	(28,950)
OPERATING INCOME		**6,510**	**(20,484)**
Costs of financial debt		(30,267)	(11,197)
Other financial income		12,899	30,904
Other financial expenses		(11,245)	(19,013)
FINANCIAL RESULT	**4.8**	**(28,613)**	**694**
PRE-TAX INCOME (LOSS)		**(22,104)**	**(19,790)**
Income tax	4.9	(10,240)	(8,764)
CONSOLIDATED NET INCOME (LOSS)		**(32,344)**	**(28,554)**
EARNINGS PER SHARE			
Basic earnings per ordinary share *(in euros)*	4.16	(0.19)	(0.15)
Diluted earnings per share *(in euros)*	4.16	(0.19)	(0.15)

(1) The current EBITDA indicator defined in Note 4.1 corresponds to operating income before depreciation, amortisation and other non-current operating income and expenses (Note 4.7).

Consolidated statement of comprehensive income

(in thousands of euros)	Notes	31 August 2021	31 August 2022
Revaluation of hedging instruments	4.19	3,117	11,616
Tax on recyclable items	4.9	(873)	(3,001)
Translation differences	4.20	4,397	14,146
Items that are recyclable in profit or loss		**6,641**	**22,761**
Actuarial gains and losses on defined-benefit pension plans	4.21	(150)	509
Tax on non recyclable items	4.9	39	(132)
Items that cannot be recycled to profit or loss		**(111)**	**377**
TOTAL OTHER COMPREHENSIVE INCOME		**6,530**	**23,138**
Consolidated net income		(32,344)	(28,554)
COMPREHENSIVE INCOME FOR THE PERIOD		**(25,814)**	**(5,416)**

Consolidated statement of financial position

(in thousands of euros)	Notes	31 August 2021	31 August 2022
Goodwill	4.10	33,836	50,892
Other intangible assets [(1)]	4.10	136,885	223,506
Property, plant and equipment	4.11	797,045	949,512
Right-of-use assets	4.23	49,277	40,345
Non-current financial assets	4.13	1,303	1,450
Deferred tax assets [(1)]	4.9	8,729	5,623
Total non-current assets		**1,027,075**	**1,271,328**
Trades receivables	4.14	35,481	38,765
Other receivables and current assets	4.15	131,959	79,911
Current tax assets		4,008	4,760
Derivatives financial instruments – assets	4.19	140	11,798
Cash and cash equivalents	4.17	53,610	36,187
Total current assets		**225,198**	**171,421**
TOTAL ASSETS		**1,252,273**	**1,442,749**

(in thousands of euros)	Notes	31 August 2021	31 August 2022
Share capital	4.16	170,779	190,541
Share premiums		93,470	418,256
Reserves and retained earnings [(1)]		(126,290)	(111,894)
Net income (loss)		(32,344)	(28,554)
Equity		**105,615**	**468,349**
Non-current financial debt	4.17	639,583	559,323
Non-current lease liabilities	4.17	38,061	28,481
Other non-current financial liabilities		16,921	15,898
Non-current provisions	4.21	6,011	4,348
Deferred tax liabilities	4.9	14,144	16,759
Other non-current liabilities	4.22	7,783	10,926
Total non-current liabilities		**722,503**	**635,735**
Current financial debt	4.17	69,760	2,209
Current lease liabilities	4.17	14,837	13,923
Current provisions	4.21	31,361	24,601
Accounts payable		149,504	115,111
Current tax liabilities		1,694	11,347
Derivatives financial instruments – liabilities	4.19	174	280
Other current liabilities	4.22	156,825	171,194
Total current liabilities		**424,155**	**338,665**
TOTAL LIABILITIES AND EQUITY		**1,252,273**	**1,442,749**

(1) At 31 August 2021, property, plant and equipment, deferred tax assets and equity include the reclassification of the net carrying amounts (at 1 September 2020) related to the costs of configuring and customising previously capitalised SaaS software, for an amount of €4.8 million before tax (€3.2 million net of tax). This reclassification results from the confirmation by the IASB of the IFRIC decision relating to the recognition of these costs (Note 3).

Consolidated statement of changes in equity

(in thousands of euros)	Notes	Share capital	Share premiums	Reserves and consolidated income (loss)	Translation reserves	Other comprehensive income (excluding translation reserves)	Equity
1 SEPTEMBER 2021		**170,779**	**93,470**	**(160,525)**	**1,325**	**566**	**105,615**
Consolidated net income (loss)		-	-	(28,554)	-	-	(28,554)
Other comprehensive income		-	-	-	14,146	8,992	23,138
Comprehensive income		**-**	**-**	**(28,554)**	**14,146**	**8,992**	**(5,416)**
Capital increase [1]	4.16	19,762	330,176	(663)	-	-	349,275
Share-based payments and employee shareplan [2]	4.24	-	-	20,978	-	-	20,978
Cancellation of treasury shares		-	-	(966)	-	-	(966)
Other changes [3]		-	(5,390)	4,253	-	-	(1,137)
Transactions with the shareholders		**19,762**	**324,786**	**23,602**	**-**	**-**	**368,150**
31 AUGUST 2022		**190,541**	**418,256**	**(165,477)**	**15,471**	**9,558**	**468,349**

(1) Capital increase associated with the initial public offering and the Employee Share Plan 2021 (see Notes 2 and 4.16).

(2) Allocation of free shares and employee shareholding (see Notes 4.16 and 4.24).

(3) Mainly additional legal reserve (see Note 4.16).

(in thousands of euros)	Share capital	Share premiums	Reserves and consolidated income (loss)	Translation reserves	Other comprehensive income (excluding translation reserves)	Equity
1 SEPTEMBER 2020 BEFORE NEW IFRIC INTERPRETATION ON SAAS CONTRACTS	**170,407**	**93,842**	**(139,232)**	**(3,072)**	**(1,567)**	**120,378**
New IFRIC interpretation on SaaS contracts (effect net of tax)	-	-	(3,183)	-	-	(3,183)
1 SEPTEMBER 2020	**170,407**	**93,842**	**(142,415)**	**(3,072)**	**(1,567)**	**117,195**
Consolidated net income (loss)	-	-	(32,344)	-	-	(32,344)
Other comprehensive income	-	-	-	4,397	2,133	6,530
Comprehensive income	**-**	**-**	**(32,344)**	**4,397**	**2,133**	**(25,814)**
Capital increase	372	(372)	-	-	-	-
Share-based payments and employee shareplan	-	-	13,266	-	-	13,266
New IFRIC interpretation on the allocation of retirement benefits to the services' periods (effect net of tax)	-	-	990	-	-	990
Other changes	-	-	(22)	-	-	(22)
Transactions with the shareholders	**372**	**(372)**	**14,234**	**-**	**-**	**14,234**
31 AUGUST 2021	**170,779**	**93,470**	**(160,525)**	**1,325**	**566**	**105,615**

Consolidated statement of cash flows

(in thousands of euros)		Notes	2021	2022
CONSOLIDATED NET INCOME (LOSS)			**(32,344)**	**(28,554)**
Adjustments to net income items:				
Depreciation, amortisation and impairment of non-current assets and right of use relating to leases		4.6	224,042	268,705
Changes in provisions			33,610	(8,983)
(Gains)/losses on asset disposals and other write-offs and revaluations			10,656	9,560
Expense related to share allocations (excluding social security contributions)		4.24	13,266	20,978
(Income)/Tax expense		4.9	10,240	8,764
Net financial income (excluding foreign exchange differences)		4.8	30,075	(8,279)
Gross cash flow from operating activities	A		**289,545**	**262,191**
Change in net operating receivables and other receivables		4.15	(100,009)	60,965
Changes in operating payables and other payables		4.22	80,004	(37,562)
Change in operating working capital requirement	B		**(20,005)**	**23,403**
Tax paid	C		(1,322)	(11,472)
CASH FLOWS FROM OPERATING ACTIVITIES	**D = A + B + C**		**268,218**	**274,123**
Payments related to acquisitions of property, plant and equipment and intangible assets		4.10 - 4.11	(343,232)	(453,447)
Proceeds from disposal of assets			(0)	1,620
Cash inflows/(outflows) related to business combinations net of cash		4.10	(12,699)	(17,206)
Receipts/(disbursements) related to disposals of consolidated securities and impact of reorganisations and loss of controlReceipts/(disbursement) related to loans and advances granted			1,233	-
Cash inflows/(outflows) related to loans and advances granted			205	(31)
Net cash flows used in investing activities	E		**(354,493)**	**(469,064)**
Capital increase – Initial Public Offering		4.16	-	340,181
Capital increase – “ESP 2021”		4.16	-	9,093
Acquisition of treasury shares		4.16	-	(966)
Increase in financial debt		4.17	120,000	560,642
Repayment of financial debt		4.17	(25,374)	(702,284)
Repayment of lease liabilities		4.17	(19,061)	(18,610)
Financial interest paid		4.17	(20,675)	(10,529)
Guarantee deposits received			(277)	(1,071)
Net cash flows from financing activities	F		**54,613**	**176,456**
Effect of exchange rate on cash and cash equivalents	G		277	1,396
CHANGE IN CASH AND CASH EQUIVALENTS	**D + E + F + G**		**(31,385)**	**(17,090)**
Cash and cash equivalents at beginning of the period			84,656	53,271
Cash and cash equivalents at end of the period			53,271	36,181

(in thousands of euros)	2021	2022
Cash and cash equivalents at beginning of the period	**84,656**	**53,271**
Effect of exchange rate on cash and cash equivalents	277	1,396
Change in cash and cash equivalents	(31,662)	(18,486)
Cash and cash equivalents at end of the period	**53,271**	**36,181**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Presentation of the Group

OVHcloud Group is a global player and the European cloud leader active on five continents. For over twenty years, the Group has relied on an integrated model that has given it complete control of its value chain: from the design of its servers to that of cloud platform solutions that it provides to its customers together with the construction and management of its data centres, and the organisation of its fibre optic network. This unique approach allows OVHcloud Group to cover all of its customers' uses in a fully independent way. Today, the Group offers state-of-the-art solutions combining high performance, price predictability and total sovereignty over their data, to support their growth in complete freedom.

The terms "OVHcloud" and the "Group", as used in the consolidated financial statements, unless otherwise expressly stated, refer to the Company, its subsidiaries and its direct and indirect equity interests.

The parent company of the OVHcloud Group (the "Group") is OVH Groupe (the "Company") which was founded in 1999 and is currently registered at 2, rue Kellerman, 59100 Roubaix, France.

The Group's consolidated financial statements at 31 August 2022 were approved by the Group's Board of Directors on 25 October 2022.

The consolidated financial statements are presented in thousands of euros (unless otherwise stated). The amounts are indicated without decimals and rounded to the nearest thousand euros and may, in certain cases, lead to non-material discrepancies in the totals and sub-totals shown in tables.

Note 2 Significant events

2.1 Significant events during the period ended 31 August 2022

Initial public offering

OVHcloud Groupe SA was listed on compartment A of the Euronext Paris regulated market on 15 October 2021 in order to finance its growth strategy, which is to include the financing of its geographical expansion, the construction of data centres, the development of new products and external growth transactions where applicable. The total number of OVHcloud shares newly issued as part of the initial public offering is 18,918,919, with a unit value of €18.50, *i.e.* a primary offering of approximately €350 million.

On 18 January 2022, the Group set up a liquidity contract to ensure an active market for OVH Groupe shares on Euronext Paris. €5 million in cash was allocated to implement this contract.

Refinancing

Following its initial public offering, on 25 October 2021 the Group redeemed the full amount of the previous Loan Agreements (Term Loan and Revolving Credit Facility), as well as the Euro PP bonds for an amount of €705.2 million (including interest), thanks to the establishment of a new unsecured senior loan agreement with a total principal amount of €920 million (the "New Debt"), to replace the previous Loan Agreements. The New Debt, which is not subject to a guarantee given by the Company, includes a new term loan of €500 million, with a maturity of 5 years, together with the setting up of a new revolving credit facility (RCF) for a maximum capacity of €420 million with an initial maturity of 5 years eligible to two extended options for one more year each.

At the funds release date, the applicable margin was 1.10% for the term loan against 3,25% in the previous refinancing, and 0.70% in the case of a drawing-down of the revolving credit facility instead of 2.50% in the previous refinancing.

Company shareholding

The companies MANOVH and MENOVH, two entities combining the Group's employee shareholding (managers and employees), merged into the Company on 18 October 2021, making the shareholders of MANOVH and MENOVH direct shareholders of the Company.

Following the transformation of the Company into a public limited company incorporating a Board of Directors (*Société Anonyme à conseil d'administration*) on 28 September 2021, the total number of A Preference shares and C Preference shares were converted into Ordinary Company Shares as of 18 October 2021. In no way whatsoever does this transaction directly affect either the equity, the income statement, or the cash situation.

Finally, the Group gave the opportunity to its employees to subscribe to a shareholding offer reserved solely for Group employees (Employee Share Plan 2021 or "ESP 2021"). This offer is addressed to Group employees in France and abroad, taking into consideration the contribution covered by the Group and an agreed discount of 30% on the sale share price. On 9 November 2021, the Chief Executive Officer of the Group recorded, the completion of the capital increase linked to this employee shareholding offer for an amount of €9.8 million corresponding to the issuance of 1,365,343 new shares. Following this offer, on the grant date, 97.8% of eligible employees became Group shareholders.

Macroeconomic environment

The current macroeconomic environment is particularly deteriorated by inflationary trends (in particular the increase in energy costs), and by the situation in Ukraine.

The Group has several key assets in this inflationary dynamic:

- OVHcloud operates according to a vertically integrated model, which gives it control of its value chain;
- the Group has set up two interest rate swaps (exchanging the variable rate of the term loan for fixed rates) (Note 4.19) enabling it to limit the risk induced by interest rate fluctuations;
- the Group uses forward foreign exchange contracts (Note 4.20) to limit its exposure to potential fluctuations in exchange rates;
- the Group obtains its supplies through forward purchases of electricity contracts, at a fixed or indexed price, in order to reduce its exposure to the risk of an increase in the purchase price of energy. OVHcloud has also entered into an energy purchase agreement with the EDF Renewables group, providing for the provision by EDFR of electricity from an agrivoltaic park, for the exclusive benefit of the Group. OVHcloud plans to consume 100% of the green energy produced by this park, from January 2025, representing around 25% of the current annual electricity needs in France. This contract provides long-term visibility of the price of the electricity to be supplied (Note 5).

With regard to the current geopolitical situation between Russia and Ukraine, the Group is constantly monitoring its domestic customers in Russia, Belarus and Ukraine. In this context, the Group is rigorously complying with all regulations in force. Furthermore:

- revenue generated in Russia, Belarus and Ukraine represents approximately 1.5% of the Group's revenue as at 31 August 2022;
- the Group does not have any employees in Ukraine, Russia or Belarus;
- the Group has no service providers (individuals) based in Ukraine;
- it has no infrastructure in these three countries;
- there is no material risk of recovery of receivables due at 31 August 2022.

Strasbourg incident

On the night of 9 to 10 March 2021, a fire broke out in one of the four OVHcloud data centres in Strasbourg, France. As electricity power supplies had to be cut, all the site's data centre operations were shut down. The data centre in which the fire broke out was destroyed and a second data centre was dismantled. No human or bodily injury was reported but several thousand customers were affected by the interruption and a certain number lost data with many not having opted for a backup solution as proposed by the Group.

As a commercial gesture,the Group notably issued vouchers to customers whose services were affected, allowing them to receive free services for a period of 24 months, for a maximum amount of €27.8 million, of which €25.4 million had been used at 31 August 2022 and €1.2 million had not yet expired at 31 August 2022 (€20.0 million had been used at 31 August 2021).

The total cost of appraisal costs, procedural costs and customer claims has not changed since 31 August 2021. At 31 August 2022, the balance of the provision was €24.5 million.

Acquisition of ForePaaS

On 20 April 2022, the OVHcloud Group acquired 100% of the shares of ForePaaS, a unified French platform specialising in data analytics, machine learning and artificial intelligence projects for companies, for a purchase price of €17.8 million, fully paid in cash. The purchase agreement also provides for a contingent earn-out clause of a maximum of €4.6 million, based on the achievement of operational targets. The purchase price allocation will be carried out within 12 months following the acquisition, as provided for by IFRS 3, amended.

2.2 Events after the reporting period

No significant events are to be reported.

Note 3 Significant accounting policies used in the consolidated financial statements

3.1 Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), as adopted by the European Union on 31 August 2022.

New standards, amendments and interpretations with mandatory application from 1 September 2021

In April 2021, the IASB confirmed the position taken by the IFRIC in March 2021 following its tentative decision of December 2020 with regard to the accounting treatment of costs of configurating and customising software made available by a supplier as part of a SaaS (Software-as-a-Service) type contract. The IFRIC agenda decision indicates, in application of IAS 38, that the costs must be recognised as expenses and not as intangible assets when the entity does not control the software and that the customisation/configuration activities do not generate a resource controlled by the customer, distinct from the software.

Pursuant to this decision, certain SaaS software configuration and customisation costs, which had previously been capitalised, were restated on 1 September 2020 to offset shareholders' equity for an amount of €4.8 million before tax (€3.2 million net of tax).

Other new standards not applicable at 1 September 2021 or not applied early

The Group has not applied any standards that are not applicable at 1 September 2021 in advance.

3.2 Consolidation methods

Subsidiaries

The subsidiaries over which OVH Groupe SA exercises its control are all entities controlled directly or indirectly by OVH Groupe SA The Group has control of an entity when it is exposed or entitled to variable returns as a result of its participation in the entity and has a significant influence.

The assets, liabilities, income and expenses of subsidiaries are consolidated from the date on which the Group takes control. They are deconsolidated from the date of loss of control.

The balances of statements of financial position and transactions, and income and expenses resulting from intra-group operations, are eliminated in the preparation of the consolidated financial statements.

Interests in associates

Associates are entities in which the Group exercises significant influence over financial and operating policies without having control or joint control. Significant influence is presumed to exist when the Group directly or indirectly holds more than 20% of the voting rights of another entity.

Interests in associates are accounted for using the equity method.

The results, assets, and liabilities of associates are included in the consolidated financial statements using the equity method. The Group's share in the net income of associates is recognised on a separate line under "Share of profit of associates" in the consolidated income statement.

The Group's interests in these entities are recognised based on the acquisition cost (including acquisition-related costs), adjusted for the Group's share in the comprehensive income of the associate and reduced, where applicable, by any impairment losses.

Gains arising from transactions with entities consolidated under the equity method are eliminated through consideration of investments in associates to the extent of the Group's interest in the company. Losses are eliminated in the same way as gains, but only to the extent that they do not represent an impairment loss.

The Group has chosen to recognise under equity attributable to owners of the parent company, the effects of dilutions recorded in the financial statements of associates in connection with changes in the percentage of ownership held in their own subsidiaries.

When the Group's share in the losses of an associate is greater than its interest in it, the carrying amount of investments in associates is reduced to zero and the Group ceases to recognise its share of subsequent losses, except to the extent that it has a legal or constructive obligation towards the associated company or has made a payment on its behalf.

The list of companies consolidated under the equity method is presented in Note 5.

3.3 Foreign currency translation

The consolidated financial statements are presented in euros, the functional currency of the Group, unless otherwise indicated.

Translation of the financial statements of foreign subsidiaries

The financial statements of each of the consolidated companies of the Group are prepared in their own functional currency, meaning the currency of the main economic environment in which they operate, and which generally corresponds to the local currency. All their financial transactions are then valued in this local currency.

The financial statements of consolidated entities with a functional currency other than euros are translated using the closing rate method:

- Assets and liabilities, including goodwill and fair value adjustments in the context of acquisition accounting, are converted into euros at the closing rate;
- Income statement and cash flow items are converted into euros at the average rate of the period, in the absence of a significant change during the period.

All translation differences resulting from the consolidation of foreign subsidiaries are recognised as other comprehensive income that can be recycled to profit or loss on the line "Translation differences" and recorded under "Translation reserves" under consolidated equity. When a foreign entity is sold, the cumulative amount of the translation differences under equity relating to this entity is recognised in the income statement.

Translation of foreign currency transactions

Transactions denominated in foreign currencies are converted into the respective functional currencies of the Group companies by applying the exchange rate applicable on the date of the transaction.

At closing, monetary assets and liabilities are converted at the closing exchange rate. The resulting translation differences are recognised in profit or loss and presented in other financial income and expenses, with the exception of translation differences relating to long-term intra-group receivables and payables (the settlement of which is neither planned nor probable in the foreseeable future), which are essentially part of the Group's net investment in foreign operations, which are recognised, in accordance with IAS 21, in translation differences in comprehensive income.

3.4 Use of significant judgements and estimates

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the amounts of assets, liabilities, income and expenses and information provided in the notes to the consolidated financial statements.

Due to the inherent uncertainty of all measurement processes, these estimates are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and for any relevant future periods.

The preparation of the consolidated financial statements requires the use of estimates and assumptions that may affect the amounts of assets and liabilities at the reporting date, as well as the items in the income statement or income and expenses directly recognised in equity for the period. These estimates take into account economic data and assumptions likely to vary over time and interpretations of local regulations, if applicable. They are notably made in the still uncertain economic and health context of the global Covid-19 pandemic and the Ukraine situation. These estimates include a number of uncertainties, and concern mainly:

- The effects of the Strasbourg fire of March 2021, including:
  - The granting of vouchers to certain customers so that they can benefit from free services. Vouchers are deducted from revenue as the services are provided by the Group to customers,
  - Customer claims to which OVHcloud has been and could continue to be subject, alleging the existence of damages as a result of the fire, in particular claims for damages and for interruption of services or loss of data. In this respect, a provision was recognised in the financial statements at 31 August 2021 and updated at 31 August 2022 according to the transactions already signed and several judgements rendered. This provision is intended to cover all the effects of the incident in respect of appraisal costs, procedural costs and customer claims;
- The impairment tests on property, plant and equipment, intangible assets and goodwill: main assumptions underlying recoverable amounts (Notes 3 and 4.12);
- The measurement of the value of property, plant and equipment (Note 4.11);
- Development costs: measurement of development costs recognised as intangible assets (Note 4.10);
- Lease liabilities and right-of-use: estimates of the lease term and the incremental borrowing rate used when the implicit rate is not identifiable in the lease (Note 4.23);
- Recognition and measurement of deferred tax assets: probability of future taxable profits sufficient to use them (Note 4.9);
- As part of the acquisition of equity interests, the measurement of earn-outs, recognised in personnel expenses or included in the acquisition price according to their characteristics.

Moreover, OVHcloud's management team exercised its judgement to estimate the climate and environmental risks and issues.

Over several periods, the Group has undertaken to carry out actions enabling it to mitigate the effects of its activities on the environment, notably:

- Its commitment to contribute to global Net Zero by 2030 across all scopes 1, 2 and 3, by changing certain choices in terms of investments related to its business, notably in terms of energy (target of using 100% low carbon energies by 2025) and water consumption. The Group has developed the water-cooling technology in its data centres. This technology combines water-cooled servers with air-cooled data centres, thereby removing the need for air conditioning, which has significant environmental and cost benefits;
- Optimisation of the use of reconditioned components. This reverse supply chain allows the Group to better recycle components, and give them a second or even a third life. Servers are designed to be entirely dismantled. They are equipped with dedicated components, chosen to be easily reused, recycled and repaired. In 2022, the reused components rate was 25%;
- The implementation of long-term energy purchase contracts (Note 5);
- Its target of zero waste to landfill from production centres by 2025.

These actions did not lead the Group to change its accounting treatment, judgements or estimates at 31 August 2022.

3.5 Significant accounting policies

The significant accounting policies applied by the Group to prepare its consolidated financial statements are as follows:

Business combinations

Business combinations are recognised in accordance with IFRS 3 (amended), "Business combinations", according to the acquisition method when all acquired elements meet the definition of a company whose control has been transferred to the Group.

Identifiable assets acquired and liabilities assumed as part of a business combination are, with some exceptions, initially measured at their fair value at the date of acquisition. The Group recognises any non-controlling interest in the acquired entity either at fair value or in proportion to the net identifiable assets of the acquired entity.

Costs directly attributable to the acquisition are recognised in other non-current operating expenses in the period in which they are incurred.

Goodwill resulting from a business combination is measured as follows:

- the fair value of the consideration transferred for an acquired business;
- increased by the amount of non-controlling interests in the acquiree;
- increased by the fair value of any pre-existing investment in the subsidiary; and
- less the net fair value of the identifiable assets acquired and liabilities assumed at the date of acquisition.

Estimates of the consideration transferred and the fair value of the assets acquired and liabilities assumed are finalised within twelve months of the acquisition date. Adjustments are recognised as retroactive adjustments to goodwill if they reflect conditions prevailing on the acquisition date. Beyond this twelve-month period, any adjustment is recognised directly in the income statement.

When the payment of part of the cash consideration is deferred, the future amounts to be paid are discounted to their present value at the date of the acquisition of control. The discount rate used is the entity's incremental borrowing rate, meaning the rate at which similar borrowings could be obtained from an independent source of financing on comparable terms.

Earn-outs are initially recognised at their fair value. Earn-outs that meet the definition of financial liabilities are then remeasured at fair value and subsequent changes in fair value are recognised in profit or loss.

Other intangible assets

Other intangible assets mainly include patents, licences, intellectual property, IP blocks [(1)], IT software, customer relations and development costs. They are initially recognised:

- in the event of acquisition: at their acquisition cost;
- in the event of a business combination: at their fair value at the date of the acquisition of control;
- in the case of internal production: at their production cost for the Group.

Other intangible assets are recorded in the statement of financial position at their initial cost less accumulated amortisation and any impairment losses recorded.

Research and development expenses

Research and development expenses include the costs of technical activities, intellectual property, teaching and transmission of fundamental knowledge to ensure the development, manufacture, implementation and marketing of new or continuously improving technologies and software.

Development costs must be capitalised if, and only if, they meet the following restrictive criteria defined by IAS 38 "Intangible assets":

- the project is clearly identified and the related costs are individualised and reliably monitored;
- the technical and industrial feasibility of the project is proven;
- there is an intention to complete the project and use or market the intangible asset resulting from the project;
- the Group has the ability to use or sell the intangible asset resulting from this project;
- the Group can demonstrate how the developed project will generate future economic benefits;
- the Group has adequate technical, financial and other resources to complete the project and to use or sell the intangible asset resulting from the project.

When these conditions are not met, development costs incurred by the Group are recognised as expenses in the period in which they are incurred.

Research expenses are recognised as expenses in the period in which they are incurred.

Technologies and software developed in-house

Development costs of technologies and software are recognised as intangible assets when specific conditions, related to technical feasibility, prospects for marketing and profitability are met in accordance with IAS 38 "Intangible assets". Technological and economic feasibility is generally confirmed when the project development of a product or commercial solution has reached a defined milestone according to an established project management model. Development costs include the costs incurred in the execution of development activities, meaning salary costs allocated to development activities and the cost of external service providers.

In the case of software, the Group considers that only internal and external development expenses related to organic analysis, programming, testing and user documentation costs may be capitalised, providing that the other conditions of IAS 38 "Intangible assets" are complied with.

All other research and development expenses are recognised in profit or loss as they are incurred. Research and development expenses (whether capitalised or not) are mainly made up of personnel expenses (including salaries, bonuses, benefits and travel expenses) as well as fees of subcontractors integrated in the project teams that add new functionalities to OVHcloud's existing offerings, develop new offerings, ensure reliable performance of its global cloud platform, and manage and develop internal IT systems and infrastructures. The Group presents an aggregate amount of research and development expenses for 2021 and 2022 in Note 4.10.

1) *An IP block allows a customer to associate equipment on its internal network with a public IP address. This includes eight IP addresses in total, five of which the customer can associate with its machines and services. The Group's IP addresses can be used with no lifetime limit, given the absence of expiry of the asset.*

Depreciation periods

The main useful lives of the various categories of intangible assets are as follows:

	Depreciation method	Depreciation period
Technologies and software developed in-house	Straight-line	3 to 10 years
Customer relations	Straight-line	2 years
Softwares	Straight-line	1 to 8 years
Patents and licences	Straight-line	1 to 3 years
IP blocks	Not amortised	Undetermined

Software is amortised from the effective operational start of its use (in batches where applicable).

Depreciation is recognised on the depreciation and amortisation line. Any impairment losses recognised are shown in the income statement under "Other non-current operating expenses" if they correspond to their definition (Note 4.7).

Property, plant and equipment

Property, plant and equipment are valued at their acquisition or production cost less accumulated depreciation and any impairment losses recognised, by applying the component approach provided in IAS 16 "Property, plant and equipment".

Depreciation of property, plant and equipment is determined on a straight-line basis over the useful life of the asset from the date of commissioning.

When the recoverable amount of non-current assets becomes less than their net carrying amount, an impairment loss is recognised.

The Group monitors its non-current assets by component with different useful lives. These components include the CPU-GPU processors, the RAM memory, the motherboard, and the hard drive.

New components are installed within a server, then reinstalled in other servers, as the Group has a model to produce its servers. These components, for which the Group's use exceeds one year, are recorded in accordance with IAS 16 "Property, plant and equipment".

The components can be successively installed on several servers during their use. The components are recognised as non-current assets in progress until the date of commissioning of the server which corresponds to the date of its availability for marketing. Once the server has been set up, it is transferred to "IT equipment". The starting date of depreciation coincides with the service commencement date. When a component is reinstalled it is remeasured at its fair value.

The main useful lives of the various categories of property, plant and equipment are as follows:

	Depreciation method	Depreciation period
Buildings	Straight-line	10 to 30 years
Materials and tools	Straight-line	5 to 10 years
Infrastructure equipment and facilities	Straight-line	10 years
Vehicles	Straight-line	4 years
Network equipment	Straight-line	5 years
Server components and IT equipment	Straight-line	3 to 5 years
Furniture	Straight-line	10 years

Capital gains and losses on disposals and retirement of property, plant and equipment are included in "Other operating income or expenses" if they are significant and unusual.

Impairment of goodwill and non-current assets

The carrying amounts of goodwill, intangible assets with indefinite useful lives and assets under construction are tested for impairment at least once a year, when events or changes in circumstances indicate that they must be impaired. Other intangible assets and property, plant and equipment (including right-of-use assets in accordance with IFRS 16 "Leases") are tested for impairment only when there is an indication of loss of value.

For the purposes of impairment testing, assets to which it is not possible to directly relate independent cash flow are grouped together in the cash-generating unit (CGU) to which they belong, defined by IAS 36 "Impairment of assets" as being the smallest asset group for which there are identifiable independent cash flow. Goodwill is thus allocated to the CGU which should benefit from the synergies of the associated business combination.

There are four CGUs within OVHcloud Group, which reflect the smallest groups generating independent cash inflows: Baremetal and Hosted Private Cloud (these two CGUs are included in the Private Cloud segment), Public Cloud and Web Cloud & Other.

When the carrying amount of a CGU is greater than its recoverable amount an impairment loss is recognised in other non-current operating expenses after having been allocated in the first instance to the carrying amount of any goodwill allocated to it, if applicable.

Unlike those relating to other assets, goodwill impairment losses are definitive and cannot be reversed in profit or loss at a later date.

The recoverable amount of the CGUs is the higher of the fair value net of disposal costs and the value in use, which corresponds to the present value of future cash flow generated by the use and disposal of assets.

To calculate the recoverable value the Group has used a method based on the discounting of future cash flow.

Cash flow from the budget approved by the Group's Board of Directors for the period following the current period. Cash flow subsequent to this period are extrapolated over an 8-year period by applying a perpetual growth rate according to market growth forecasts. The assumptions used to generate these projected cash flow are based on economic growth assumptions defined by Group management and are consistent with past performance.

Cash flow is discounted at the weighted average cost of capital (WACC) of the segment for each CGU.

The recoverable amount is sensitive to the discount rate used as well as the expected future cash flows and the growth rate used for extrapolation purposes. The main assumptions used to determine the recoverable amount of the various CGUs, including a sensitivity analysis, are presented and explained in more detail in Note 4.12.

Leases (as lessee)

A contract or part of a contract is or contains a lease if it grants the right to control the use of an identified asset for a certain period, in exchange for a consideration.

The Group recognises a right-of-use asset and a lease liability on the effective start date of the lease.

The right-of-use asset is initially measured at cost, which includes the initial amount of the lease liability adjusted for lease payments made on, or before the effective date, plus the initial direct costs incurred to enter into the lease, and an estimate of the potential costs of dismantling or restoring the leased asset according to the terms of the lease. It is subsequently depreciated in accordance with IAS 16 “Property, plant and equipment” using the straight-line method from the effective start date over the term of the lease, corresponding to the non-cancellable term of use of the asset after taking into account the renewal or termination options, if their exercise is reasonably certain by the Group’s management. In addition, the right-of-use may be subject to impairment in accordance with IAS 36 “Impairment of assets” as part of the annual impairment test.

The lease liability is initially measured at the present value of future rents. The discount rate used corresponds to the interest rate implicit in the lease or, if it cannot be easily determined, the incremental borrowing rate (based on terms and not maturities). In practice, the latter rate is generally used.

In the absence of an implicit interest rate in the leases, the Group determines its incremental borrowing rate based on the interest rates granted by various sources of external financing obtained by the Group and makes certain adjustments to take into account the conditions of the lease and the type of asset leased. The calculation of the discount rate requires estimates, specifically for the credit spread added to the risk-free rate, to consider the specific economic environment of the lessee company.

The lease liability is then increased by the interest expense and reduced by the amounts of rent paid, in accordance with the effective interest rate method. It is revalued in the event of a change in future rents following a change in index or rate, or, where applicable, in the event of a revaluation by the Group of the exercise of a purchase option or a termination option.

Payments relating to leases included in the scope of IFRS 16 “Leases” are recognised in the net cash flow from financing activities in the consolidated statement of cash flows, broken down between the repayment of the principal of the lease liability and the implicit interest payment (included in “Financial interest paid”).

The Group has taken the option not to restate leases with a term of less than or equal to one year or for low-value assets ($5,000). The rental expense is recognised under “Operating expenses”, and the paid-out part is presented in the net cash flow from operating activities, in the consolidated statement of cash flows.

The Group has identified five main categories of leased assets, details of which are provided in Note 4.23:

- Offices: various offices leased by the Group in the countries where it operates;
- Data centers: these contracts mainly concern the rental of workshops and data warehouses.
- Networks: these contracts mainly concern network IT equipment lease;
- Points of Presence (POP): leased sites within infrastructures owned by third parties that the Group uses to establish the interconnections of its networks;
- Other: these contracts mainly concern vehicles, power generators and other equipment used in its operations.

The application of IFRS 16 “Leases” gives rise to the recognition of deferred tax, calculated on the basis of the value of the right-of-use, net of the corresponding lease liability.

Determination of the term of leases with renewal and termination options:

The judgement and estimates were required to determine the exit dates of the leases given the termination or renewal options provided in certain leases. In general, this concerns renewal options, which the Group is reasonably certain to exercise based on the evidence.

Renewal terms have been taken into account for network leases (five years renewable for a further 24-year term) and POP “Point of Presence” leases (one to 15 years renewal for a further 12-month term). These renewals are in accordance with assessment elements and any economic incentives related to the leases (such as the low level of related fittings, or de-installation costs and possible service cuts, if applicable). With regard to property leases, the assessment was made according to the location of the property (France or abroad) and whether or not it has a strategic nature, as well as the recent nature of the main leases signed by the Group. In France, most real estate leases are so-called “3, 6, 9” commercial leases; in general, a total period of nine years has been used and considers the Group’s analysis in terms of penalties and economic incentives such as related investments or moving costs, or the contractual penalties provided for in the leases, in accordance with the interpretation of the IASB Interpretation Committee and the statement of conclusions of the ANC.

In particular, non-removable fixtures are not significant and have a useful life similar to the residual term of the leases.

The other main leases generally have terms as follows, determined in accordance with the principles mentioned above:

- Offices located outside France: between 1 and 10 years;
- Data centers (duration depending on the country): between 1 and 40 years

The leases on certain data centres may be relatively short in order to deal with the Group's growth, and thus be able to quickly change or increase space as needed.

- Power generators: 3 years;
- Vehicles: 3 years.

At the end of each reporting period, the Group reassesses the term of the lease in the event of a significant event or change of circumstances that would affect its ability to exercise, or not, the option of renewal or termination.

Trade receivables and other operating receivables

On initial recognition, trade receivables are recognised at their transaction price within the meaning of IFRS 15 "Revenue from contracts with customers" and then at amortised cost which generally corresponds to their nominal value. Impairment losses are recognised for the expected credit losses over the life of the asset: the Group applies the simplified approach in this calculation for receivables and leased assets as well as receivables related to leases under IFRS 16 "Leases" (mainly income from dedicated servers and dedicated cloud).

The Group has set up a provisioning matrix based on its credit loss history, adjusted for forward-looking factors specific to debtors and the economic environment, where applicable.

Provisioning rates are based on days of arrears for customer groups by geographic area of the end customer.

The provisioning matrix is initially based on the Group's observed historical default rates. At each reporting date, the historical default rates observed are updated.

Information on impairment of the Group's trade receivables is presented in Note 4.14.

Cash and cash equivalents

This item includes cash (current bank accounts) and cash equivalents corresponding to term deposits with a maturity of less than three months, highly liquid, easily convertible into known cash and which are subject to a negligible risk of change in value.

Financial instruments

The Group has classified its financial instruments as follows:

- Trade receivables, deposits, guarantees and other loans in financial assets at amortised cost (Notes 4.13, 4.14 and 4.15);
- Shares in non-consolidated entities in financial assets at fair value through profit or loss or OCI (Note 4.18);
- Borrowings and other financial debt at amortised cost using the effective interest rate method – EIR (Note 4.17);
- Derivative assets and liabilities at fair value through profit or loss, with the exception of derivatives classified as cash flow hedges (Note 4.19).

Derivatives

The Group holds derivatives to hedge foreign exchange risk and interest rate risk.

Derivatives are recognised at their fair value in the statement of financial position. Changes in fair value are recognised in other financial income and expenses unless they are eligible for hedge accounting.

The Group designates certain derivatives as cash flow hedging instrument in order to hedge the variability of cash flow related to highly probable forecast transactions resulting from changes in exchange rates and interest rates. When establishing a designated hedge relationship, the Group documents its risk management target and the hedge implementation strategy. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether changes in the cash flow of the hedged item and the hedging instrument are expected to offset each other.

Cash flow hedge

The Group's hedging instruments are currency swaps and forward currency purchases that are set up in order to hedge changes in the price of future purchases of electronic components against foreign exchange risk. The loans and financial debt hedged by interest rate swaps are subject to hedge accounting.

When a derivative is designated as a cash flow hedge, its initial value and the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedge reserve.

The effective portion of the change in the fair value of the derivative recognised in other comprehensive income is limited to the cumulative change in the fair value of the hedging item as soon as the hedge is in place. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in other financial income and expenses.

The Group has chosen not to separate out the carry-forward component of forward currency purchases as hedging costs.

When the expected hedged transaction results in the recognition of a non-financial item such as non-current assets, the amount accumulated in the hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

Current and non-current provisions

A provision is recognised when the Group has a legal or implicit obligation towards a third party and it is probable or certain that it will result in an outflow of resources for the benefit of said third party. The amount recognised as a provision by the Group must be the best estimate of the expenditure necessary to settle the current legal or implicit obligation towards a third party at the closing date. Provisions mainly consist of provisions for litigation with subcontractors, customers, co-contractors or suppliers. The Group identifies, assesses and finances each risk relating to claims, in conjunction with its legal advisors, on the basis of the best estimate of the risk incurred.

Commitments resulting from restructuring plans are recognised when detailed plans have been drawn up and implementation has started, or an announcement has been made.

Employee benefits

Post-employment defined-contribution plans correspond to general and special social security plans in France and to plans in Canada and the United States. The contributions to be paid are recognised as expenses when the corresponding service is rendered.

Post-employment defined-benefit plans mainly correspond to retirement benefits in France. Defined-benefit obligations are calculated annually by a qualified actuary using the projected unit credit method. These obligations are not financed by external management. The liabilities and costs of defined-benefit pension plans are determined using actuarial valuations, estimated on the basis of assumptions made, in particular in terms of discount rates, expected salary inflation and mortality rates.

Remeasurements of the defined-benefit liability (actuarial gains and losses) are recognised immediately in other comprehensive income. The Group determines the interest expense by applying the discount rate to the liabilities and the cost of services as determined at the beginning of the year. This liability is adjusted, where applicable, for any change resulting from the payment of benefits during the period.

The Group recognises all interest expenses related to defined-benefit pension plans in other financial expenses. The other costs are included in personnel expenses.

There are no other significant long-term employee benefits.

Share-based payments

Some Group employees or corporate officers receive compensation in the form of share-based payments, under which services are provided in consideration for equity instruments (equity-settled transactions) and cash-settled instruments (cash-settled transactions).

Equity-settled transactions

The free shares granted by the Group to French employees or corporate officers are equity-settled transactions. These are detailed in Notes 4.24 and 4.4.

The grant date fair value of these share-based, equity-settled payment agreements is recognised as an expense, with a corresponding increase in equity over the vesting period, using the gradual rights acquisition method and as the free shares are acquired in tranches. The amount recognised as an expense is adjusted to reflect the number of rights for which the associated service conditions will be met, so that the final amount recognised is based on the actual number of rights that meet the corresponding service conditions at the vesting date of said rights.

In addition, some employees or corporate officers had the opportunity to invest in a holding company owning shares in OVH Groupe SAS before its initial public offering. As these investments in ordinary shares were made *pari passu*, at the fair value of the shares, and settled in equity, no expense was recognised in the statement of comprehensive income in accordance with IFRS 2 “Share-based payments”.

Finally, the Group gave the opportunity to its employees to subscribe to a shareholding offer reserved solely for Group employees (Employee Share Plan 2021 or “ESP 2021”). This offer is addressed to Group employees in France and abroad, taking into consideration the contribution covered by the Group and an agreed discount of 30% on the sale share price. The grant date fair value of this share-based, equity-settled payment agreement (which takes into account the matching contribution and 30% discount granted on the share price) is recognised as an expense, with a corresponding increase in equity.

Cash-settled transactions

Instruments linked to shares granted by the Group to foreign employees (“phantom shares”) are share-based payments settled in cash.

A liability is recognised for the fair value of cash-settled transactions. Fair value is measured initially and at each closing date, up to and including the settlement date, with changes in fair value recognised in personnel expenses. The fair value is recognised as an expense over the vesting period with the recognition of a corresponding liability. The approach used to consider the vesting conditions in the valuation of equity-settled transactions also applies to cash-settled transactions (Note 4.24).

Free shares and phantom shares are valued at their fair value on the allocation dates. This fair value is based on the fair value of an ordinary share less the present value of the estimated future dividends and the best estimate of the percentage of employees who will meet the vesting conditions (a percentage estimated by management).

The assumptions used to estimate the fair value of share-based payment transactions are presented in Note 4.24.

Fair value measurement

The Group measures derivatives and shares of non-consolidated entities at fair value at each reporting date and provides information on the fair value of all financial instruments.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability as part of an orderly transaction between market participants at the measurement date. The methods used to measure the fair value of financial instruments are classified according to the following three levels of fair value:

- **Level 1**: fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2**: fair value measured using data other than quoted prices in active markets, observable either directly (prices) or indirectly (derived data);
- **Level 3**: fair value data for the asset or liability that are not based on observable market data (unobservable inputs).

Further information is provided in Note 4.18.

Current and non-current classification

The Group presents assets and liabilities in the statement of financial statement according to their classification as current/non-current.

An asset is classified as current when:

- it is expected to be realised or is intended to be sold or consumed in the normal operating cycle;
- it is held primarily for trading purposes;
- it should be completed within twelve months of the reporting period; or
- it is cash or cash equivalent, unless restricted by exchange or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for trading purposes;
- it is expected to be settled within twelve months of the reporting period; or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Income recognition

Income is recognised when control of the promised good or service (product) is transferred to a customer for an amount reflecting the consideration to which the Group expects to be entitled in exchange of this product.

The Group has determined that the contracts do not include a significant financing component since the period between the payment date and the performance period for the service is less than one year. Payments received before the transfer of control of the good or service are recognised in deferred income.

The Group's income is classified as follows:

Cloud computing services

Income from the sale of cloud computing services consists of revenue related to the Private Cloud (including the Baremetal and Hosted Private Cloud activity) and Public Cloud (including Public Cloud and Virtual Private Servers or VPS), often sold with associated support services and additional services such as storage.

The provision of dedicated servers and dedicated clouds corresponds to rental components according to IFRS 16 "Leases", which are generally classified as operating leases. As a result, rents are recognised on a straight-line basis over the lease term.

Almost all lease income recognised under IFRS 16 "Leases" is generated in the Private Cloud operating segment.

Other services, outside the Private Cloud operating segment fall within the scope of IFRS 15 "Revenue from contracts with customers". Income from other services is recognised over the life of the contract to the extent that customers simultaneously receive and consume the benefits provided by the entity's ongoing execution of the services. In general, since services are generally invoiced monthly, and the Group has the right to invoice customers at an amount representative of its performance on the invoicing date, it recognises income as the amount invoiced.

Information on the Group's activities is detailed in Note 4.1.

Web communication services

The Group provides domain name registration and hosting services.

Domain name income are related to the registration and renewal of domain names. They are recognised when ownership of the domain name is transferred to the buyer.

Income from hosting services mainly includes website hosting, website security and online visibility services. Payment of the price of the transaction is initially recognised in deferred income upon receipt, generally at the time of the order. Then, income is recognised in a straight-line over the period during which the performance obligations are satisfied, which generally means the period of the contract insofar as the customers simultaneously receive and consume the benefits of the services as the entity executes the contract.

Business applications

Income from business applications consist mainly of third-party productivity applications, email accounts, email marketing tools and telephony solutions. Payment of the price of the transaction is initially recognised in deferred income upon receipt, generally at the time of the order. Income is subsequently recognised in a straight-line over the period during which the performance obligations are satisfied which generally means the period of the contract insofar as the customers simultaneously receive and consume the benefits of the services as the entity executes the contract.

Definition of contracts, performance obligations and other assessments

Framework agreements have been signed with certain major customers. They generally do not include minimum purchase commitments or significant termination penalties. In addition, no significant up-front payment is made. As a result, the contracts, meaning each purchase order associated with the framework agreement, generally have a duration of less than one year and consequently, the information relating to the remaining performance obligations to be fulfilled (the order book) is not provided.

Cloud computing contracts may include several performance obligations (for example, different types of servers, support services and additional services), the contractual prices of which correspond to their individual selling prices (no material issue with the allocation of the transaction price between the different performance obligations) and which are generally recognised on an ongoing basis with a similar performance profile. Most other contracts, notably contracts related to domain names and ADSL, generally include single performance obligations.

Contract assets are not significant. Contract liabilities (deferred income) are included in other current debts and liabilities and other non-current liabilities.

The costs of obtaining contracts are not significant, nor are the costs related to the execution of contracts (set-up costs).

Agent/principal treatment

Whether income is recognised depends on whether the Group qualifies as an agent or principal.

The Group integrates technologies that may be developed by third parties in its service offering. The Group obtains from these third parties a right of use or access to these technologies and the related economic benefits, and may set the related sales prices. The Group thus, acts as principal for all its performance obligations.

Loyalty points programme

The Group has a loyalty points programme which allows customers to accumulate points that can be used to qualify for free services. Loyalty points give rise to a separate performance obligation insofar as they confer a significant right on the customer.

A portion of the transaction price is allocated to loyalty points awarded to customers based on their individual selling price and recognised in deferred income (contract liabilities) until the points are redeemed. Income is recognised as points are used by the customer.

Tax credits

The Group applies the treatment of public subsidies to recognise tax credits, such as the French apprenticeship tax credit, family tax credit, corporate sponsorship tax credit and research tax credit. Under this approach, tax credits are recognised when there is reasonable assurance that the assistance will be received and that the Group will meet all relevant conditions. Under this method, tax credits related to operating expenses are recorded as a reduction of the related expenses and recognised during the period in which the expenses are recognised to the income statement. Tax credits related to capital expenditure are recognised as a reduction in the cost of the corresponding assets. The tax credits recognised are based on management's best estimates of the amounts to be received.

Income tax

Income tax expense

The income tax expense presented in the income statement includes current and deferred tax. It is recognised in profit or loss unless it is related to a business combination or items recognised directly in equity or in other comprehensive income.

Tax assets and liabilities are offset if certain criteria are met.

The CVAE (French corporate tax on added value) is recognised in income tax.

Current taxes

Current tax includes the estimated amount of tax due (or receivable) in respect of taxable income for a period and any adjustment to the amount of tax payable for prior years.

The amount of current tax due (or receivable) is determined on the basis of the best estimate of the amount of tax that the Group expects to pay (or receive) due to any uncertainties that may arise. It is calculated on the basis of the tax rates that have been adopted or quasi-adopted at the reporting date.

The Group has two tax consolidation groups: France and the United States.

Deferred tax

Deferred tax are recognised on the temporary differences between the carrying amounts of assets and liabilities and their tax values (subject to exceptions). They are calculated on the basis of the most recent tax rates enacted or substantively enacted at the reporting date, the application of which is expected over the period during which the asset will be realised, and the liability settled.

Deferred tax liabilities are always recognised, subject to specific exceptions.

Deferred tax assets are recognised in respect of deductible temporary differences, unused tax losses and unused tax credits only to the extent that it is probable that the Group will have future taxable profits against which they can be offset. This being assessed according to the business plan of each of the Group's subsidiaries (budget and medium-term plan), the probable timing and level of future taxable profits, as well as future tax planning strategies.

Uncertain tax treatments

An "uncertain tax treatment" is a tax treatment for which there is uncertainty as to whether the relevant tax authority will accept the tax treatment under tax legislation.

If the Group concludes that it is likely that the tax authorities will accept an uncertain tax position, all items relating to taxes (taxable income, tax bases, tax rates, tax losses carried forward, tax credits, taxes) will be determined in accordance with this position.

If the Group concludes that acceptance by the tax authorities is not likely, this uncertainty will be included in the calculation of the items relating to taxes and will result in the recognition of a tax liability.

For the period ended 31 August 2022, this tax liability was recognised as deferred tax.

Other non-current operating income and expenses

Other non-current operating income and other non-current operating expenses are defined as being limited in number, clearly identifiable, unusual, and having a significant impact on the consolidated results, meaning that they affect the understanding of the Group's current performance.

The classification applies to the significant items of income and expenses that are unusual in terms of nature and frequency such as certain expenses related to restructuring costs approved by management, consolidation costs related to business combinations, and certain capital gains or losses related to changes in the scope of consolidation and, at 31 August 2021 and 2022, to non-current income and expenses directly related to the Strasbourg incident as well as capital gains or losses on asset disposals, certain scrappping or revaluations of assets related to internal restructuring or overhauls of industrial processes.

Acquisition costs included in non-current operating expenses correspond in particular to acquisition costs relating to consulting and due diligence costs.

Note 4 Notes to the consolidated financial statements

4.1 Segment information

In accordance with IFRS 8 “Operating segments”, the Group has identified three operating segments: Private Cloud, Public Cloud and Web Cloud & Other. Segment information is presented by activity, compliant with the Group’s internal reporting structure.

Presentation

Private Cloud

The Private Cloud offers services and solutions that are hosted on resources dedicated to customers. This service offer mainly consists of:

- **Baremetal:** dedicated solution administered entirely by the customer according to their needs and without constraints because they are the only user. The uses of a Baremetal solution are multiple: big data, machine learning, hosting of websites and web applications, storage and back-up, infrastructure virtualisation, server clusters, business applications (CRM, ERP) or online game hosting;
- **Hosted Private Cloud:** dedicated solution managed by OVHcloud Group, integrating VMWare virtualisation technology. The Hosted Private Cloud offer is particularly suitable for hosting strategic sensitive data such as health or financial data.

Public Cloud

The Public Cloud is a range of cloud solutions that are billed per use, based on open standards (OpenStack, Kubernetes). Resources, such as computing power or storage, as well as the physical infrastructure that provides them, are pooled, meaning they are shared between the users of the cloud services provider, and are flexible, meaning adaptable to customer needs and instantly deployable on a large scale. These solutions are typically used for applications that can experience peaks in demand such as e-commerce, and heavily-demanding applications such as video streaming, music streaming or application testing and development.

Webcloud & Other

OVHcloud offers its customers peripheral solutions allowing the creation and hosting of online websites such as the search and renewal of domain names, the creation of a site or an online store. OVHcloud also offers collaboration solutions such as professional messaging, telecommunication and texting.

This segment also includes on a residual basis, various non-significant activities, including the holding of events.

This segmentation reflects the internal reporting as submitted to the Group’s Chief Executive Officer, OVHcloud Group’s main operational decision-maker. The implementation of this monitoring tool makes it possible to assess the performance of the operating segments and to decide on the allocation of resources, in particular investments.

Key performance indicators

The Group uses the following aggregates to assess the performance of the operating segments presented:

Income: as presented in the consolidated financial statements.

Direct costs: Direct costs include all costs directly or indirectly related to the products sold. These are mainly the costs of raw materials, energy, labour costs, transport and licence costs. This aggregate is tracked before depreciation and amortisation expenses.

Gross margin: Gross margin corresponds to income less direct costs. This aggregate is tracked before depreciation and amortisation expenses.

Sales and marketing costs: Sales and marketing costs include all direct and indirect costs related to sales and marketing activities, which are mainly personnel and marketing sub-contracting expenses. This aggregate is tracked before depreciation and amortisation expenses.

General and administrative expenses: General and administrative expenses include all expenses related to senior management, finance and accounting, IT, legal, HR, and technical activities. This aggregate is tracked before depreciation and amortisation expenses.

Current EBITDA: This performance monitoring indicator, as presented in the consolidated financial statements, also corresponds to Income less Direct costs, Sales and marketing costs and General and administrative expenses.

Capital expenditure (excluding corporate acquisitions) corresponding to acquisitions of property, plant and equipment and the Group’s capitalised project costs (net cash flows from investing activities excluding corporate acquisitions net of cash acquired).

In addition, the Group does not monitor any indicator of segment liabilities as financial debt is managed centrally and not at the three reporting segments levels.

(in thousands of euros)	**Private Cloud**	**Public Cloud**	**Web Cloud & Other**	**Total 2022**
Revenue	485,047	126,297	176,654	787,998
Direct costs	(152,587)	(35,900)	(84,912)	(273,399)
GROSS MARGIN	**332,460**	**90,397**	**91,742**	**514,599**
Sales and marketing costs	(67,823)	(16,359)	(12,998)	(97,181)
General and administrative expenses	(97,076)	(24,370)	(18,904)	(140,350)
CURRENT EBITDA	**167,560**	**49,668**	**59,840**	**277,068**
Capital expenditure (excluding business acquisitions)	(373,562)	(47,492)	(30,773)	(451,828)

(in thousands of euros)	**Private Cloud**	**Public Cloud**	**Web Cloud & Other**	**Total 2021**
Revenue	397,560	94,352	171,400	663,312
Direct costs	(121,809)	(33,944)	(75,622)	(231,375)
GROSS MARGIN	**275,750**	**60,407**	**95,778**	**431,937**
Sales and marketing costs	(46,640)	(10,496)	(13,093)	(70,228)
General and administrative expenses	(84,200)	(16,081)	(21,398)	(121,679)
CURRENT EBITDA	**144,910**	**33,831**	**61,288**	**240,030**
Capital expenditure (excluding businessacquisitions)	(289,498)	(31,470)	(22,264)	(343,232)

In the main countries in which the Group operates, the net carrying amounts of non-current assets are as follows:

(in thousands of euros)	**31 August 2021 (1)**	**31 August 2022**
France	714,769	782,676
Canada	93,633	166,496
North America	107,514	165,452
Other countries	111,159	156,705
TOTAL	**1,027,075**	**1,271,328**

(1) To provide better financial information, the Group has changed the determination of the segment of its non-current assets, which are now presented before investments elimination.

Non-current assets mainly include property, plant and equipment and intangible assets. It should be noted that property, plant and equipment is mainly composed of servers that are most often shared and managed according to the needs of customers, the specificities of the services provided to them, and not the location of this equipment. Thus, there is no correlation in a given country between the amount of non-current assets and the level of revenue or current EBITDA.

4.2 Adjusted EBITDA

In addition to the current EBITDA, the Group follows the adjusted EBITDA. This alternative performance indicator corresponds the current EBITDA restated, on the one hand, for expenses related to share-based compensation and, on the other hand, for earn-outs, thus better reflecting the Group's current operating performance.

RECONCILIATION BETWEEN CURRENT EBITDA AND ADJUSTED EBITDA

(in thousands of euros)	2021	2022
CURRENT EBITDA	**240,030**	**277,068**
Equity-settled and cash-settled compensation plans	20,998	21,843
Earn out compensation	945	8,672
ADJUSTED EBITDA	**261,972**	**307,583**

4.3 Income

Geographic markets

Income presented by geographic area corresponds to the residential income of customers (customers' main place of residence).

(in thousands of euros)	2021	2022
France	342,583	389,263
Europe (excl. France)	192,579	224,080
Rest of the World	128,150	174,654
TOTAL	**663,312**	**787,998**

5

Income by product

(in thousands of euros)	2021	2022
Baremetal	310,844	386,305
Hosted Private Cloud	86,716	98,742
Private Cloud	**397,560**	**485,047**
Public Cloud	**94,352**	**126,297**
Web Cloud & Other	**171,400**	**176,654**
TOTAL	**663,312**	**787,998**

Almost all lease income recognised under IFRS 16 "Leases" is generated in the Private Cloud operating segment. Other services, outside the Private Cloud operating segment fall within the scope of IFRS 15 "Revenue from contracts with customers".

4.4 Personnel expenses

(in thousands of euros)	2021	2022
Wages and salaries	(110,460)	(141,011)
Social charges	(42,300)	(55,274)
Share-based payments	(20,998)	(21,843)
Employee profit sharing	(303)	(714)
Pension cost – defined-benefit pension plans	(314)	(377)
Tax credits relating to personnel expenses	1,898	8,156
PERSONNEL EXPENSES	**(172,477)**	**(211,063)**

Share-based payments increased slightly compared to the 2021 financial year. At 31 August 2022, they include the advantage granted to employees as part of the "Employee Share Plan 2021" for an amount of €14.9 million and the expense of €6.0 million recognised in respect of the fair value of the free shares (see Note 4.24).

The purchase agreement for BuyDRM (acquired on 22 July 2021) provided for a contingent earn-out clause up to $14 million, based on the achievement of revenue and EBITDA margins for the periods ended 31 August 2022 and 2023, as well as the achievement of operational targets and a condition of presence. At 31 August 2022, the Group recognised an expense of €7.6 million in respect of this earn-out in personnel expenses.

Moreover, the purchase agreement for ForePaaS (acquired on 20 April 2022) provided for a contingent earn-out clause up to €4.6 million, based on the achievement of operational targets, of which €2.5 million are subject to a condition of presence. At 31 August 2022, the Group recognised an expense of €1 million in respect of this earn-out with a condition of presence, in personnel expenses.

In France, the Group benefits from a Research Tax Credit (CIR) income which is deducted from personnel expenses for €7.5 million at 31 August 2022 (€1.9 million at 31 August 2021). At 31 August 2022, €2.1 million relate to projects identified during the period as eligible for the CIR but for which the costs occurred during previous periods.

The Group's average headcount is broken down as follows over the following periods:

	2021 (2)	2022
France	1,695	1,867
EMEA (excluding France) (1)	326	335
North America	348	374
Others	75	80
TOTAL	**2,444**	**2,657**

(1) Europe, Middle-East and Africa.

(2) 2021 headcounts correspond to end of period

4.5 Operating expenses

(in thousands of euros)	2021	2022
Purchases consumed	(145,576)	(155,077)
External expenses	(90,769)	(130,816)
Taxes and duties	(7,636)	(9,091)
Impairment of trade receivables and other current assets and other provisions	(6,824)	(4,884)
OPERATING EXPENSES	**(250,805)**	**(299,867)**

The item "Purchases consumed" mainly includes purchases of supplies or services, licenses or subscriptions to third party technologies and domain names included in offers proposed to customers, as well as energy costs.

The breakdown of external expenses is as follows:

(in thousands of euros)	2021	2022
Subcontracting	(7,099)	(10,093)
Rental expenses	(18,734)	(28,574)
Maintenance	(11,927)	(13,954)
Fees	(19,763)	(27,145)
Advertising	(13,644)	(19,385)
Travel costs and expenses	(6,239)	(12,594)
Bank fees	(6,942)	(8,517)
Insurance expenses	(2,236)	(4,476)
Postal charges	(1,142)	(1,490)
Other external expenses	(3,042)	(4,588)
EXTERNAL EXPENSES	**(90,769)**	**(130,816)**

Rental expenses, included in “external expenses” which increased from €18.7 million over the period ended 31 August 2021 to €28.6 million over the period ended 31 August 2022, represent the portion of lease liabilities not restated in accordance with IFRS 16 “Leases” (services portion included in the lease rental cost, low-value assets and/or assets with a lease term of less than 12 months and for which OVHcloud can rapidly disengage without financial or economic constraints). The increase in rental expenses of €9.8 million is mainly due to the increase in the share of services included in the rent for the points of presence (POP) and data centres for €8.4 million.

4.6 Depreciation and amortisation expenses

(in thousands of euros)	2021	2022
Amortisation of intangible assets	(9,978)	(21,044)
Amortisation of right-of-use	(18,673)	(16,041)
Depreciation, amortisation and impairment for property, plant and equipment	(195,391)	(231,620)
DEPRECIATION AND AMORTISATION EXPENSES	**(224,042)**	**(268,705)**

The increase in amortisation of intangible assets is mainly due to the commissioning of capitalised development projects for the periods ended 31 August 2021 and 31 August 2022. The increase in amortisation and provisions for the depreciation of property, plant and equipment results from the reduction in the depreciation period following the fire at the Strasbourg site, and the additional provision for the depreciation of certain components for €16.9 million, associated with a change in estimate, corresponding to a more precise analysis of the type of components and the projected use of the components. At 31 August 2022, the depreciation of components amounted to €15.0 million compared to €8.1 million at 31 August 2021.

4.7 Other non-current operating income and expenses

(in thousands of euros)	2021	2022
Other non-current operating income	**-**	**103**
Claim costs	(56,748)	(3,926)
Restructuring costs and other expenses mainly related to fixed assets	(963)	(15,893)
Lump-sum insurance indemnity	58,000	-
Equity transactions costs	(8,121)	(7,628)
Acquisition costs	(916)	(1,503)
Disposal costs	(730)	-
Other non-current operating expenses	**(9,478)**	**(28,950)**
OTHER NON-CURRENT OPERATING INCOME AND EXPENSES	**(9,478)**	**(28,847)**

Equity transactions costs

Costs related to capital transactions correspond to the costs incurred by the Group in connection with the IPO (mainly legal and advisory fees) in the course of FY2021 and FY2022.

Claim costs

The costs of claims correspond to the costs directly incurred by the occurrence of the Strasbourg incident and the liability proceedings by certain customers, mainly covered by a provision already recognised at 31 August 2021 (Note 4.21).

Restructuring costs and other expenses mainly related to non-current assets

Restructuring costs for the period ended 31 August 2022 mainly concern the overhaul of the Group's industrial processes in 2022.

The other expenses for the periods ended 31 August 2021 and 2022 mainly comprise capital losses on asset disposals, and the scrapping and revaluation of IT components assets, following the migration of data into the new SAP system and the overhaul of the Group's industrial processes.

4.8 Net finance income (expense)

(in thousands of euros)	2021	2022
Interest expenses	(30,267)	(11,197)
Borrowing costs	**(30,267)**	**(11,197)**
Foreign exchange gains	12,679	28,963
Interest income	220	881
Other financial income	-	1,060
Other financial income	**12,899**	**30,904**
Foreign exchange losses	(9,924)	(17,856)
Other interest expenses	(1,321)	(1,157)
Other financial expenses	**(11,245)**	**(19,013)**
NET FINANCE INCOME (EXPENSE)	**(28,613)**	**694**

Net finance income (expenses) include borrowing costs, income from cash management and other financial income and expenses (including foreign exchange gains and losses and bank fees).

Foreign exchange gains and losses mainly relate to positions in US Dollars and do not come from the related hedging instruments.

Borrowing costs include interest expenses related to borrowings and financial debts, and interest expenses related to lease liabilities. The decrease in interest expenses over the twelve-month period ended on 31 August 2022 mainly comes from the favourable refinancing conditions (at 31 August 2022, the margin applied on the new term loan is 1.10% compared to 3.25% for the previous financing).

4.9 Income tax

The main components of the income tax expense for the periods ended 31 August 2021 and 2022 are as follows:

Consolidated income

(in thousands of euros)	2021	2022
Current taxes	(4,703)	(8,928)
• On income	(2,426)	(6,056)
• On French company added value contribution (CVAE)	(2,277)	(2,872)
Deferred tax	(5,537)	164
(EXPENSE)/INCOME TAX RECOGNISED IN THE INCOME STATEMENT	**(10,240)**	**(8,764)**

Other consolidated comprehensive income recorded in equity

(in thousands of euros)	2021	2022
Deferred tax on changes in the fair value of cash flow hedging instruments	(873)	(3,001)
Deferred tax on revaluation of the liability for defined-benefit plans (actuarial gains and losses)	39	(132)
(EXPENSE)/INCOME TAX RECOGNISED IN OTHER CONSOLIDATED COMPREHENSIVE INCOME	**(834)**	**(3,132)**

Statement of financial position variations

In the consolidated statement of financial position, changes in net deferred tax are as follows:

(in thousands of euros)	31 August 2021	31 August 2022
Deferred tax assets	*11,431*	*8,729*
Deferred tax liabilities	*(9,290)*	*(14,144)*
31 AUGUST 2021	**2,141**	**(5 415)**
Recognised in the income statement	(5,537)	164
Recognised in other consolidated comprehensive income (equity)	(834)	(3,132)
Transfers	(438)	-
Other movements	(321)	(957)
Translation differences	(425)	(1,796)
31 AUGUST 2022	**(5 415)**	**(11,136)**
Deferred tax assets	*8,729*	*5,623*
Deferred tax liabilities	*(14,144)*	*(16,759)*

Net deferred tax by nature of temporary differences

(in thousands of euros)	31 August 2021	31 August 2022
Leases	883	620
Tax losses carried forward	6,276	6,999
Defined-benefit obligations	553	524
Non-deductible provisions	3,852	2,446
Depreciation differences	1,169	335
Other temporary differences	4,608	5,033
Netting of deferred taxes	(8,612)	(10,334)
DEFERRED TAX ASSETS	**8,729**	**5,623**

(in thousands of euros)	31 August 2021	31 August 2022
Fixed assets revalued in the context of business combinations	1,419	2,834
Depreciation and amortisation (differences in amortisation rates)	13,261	14,922
Insurance indemnity on claim (spreading) (1)	6,731	5,062
Revaluation of financial instruments including derivatives	-	3,028
Tax risks	1,023	553
Other temporary differences	322	695
Netting of deferred taxes	(8,612)	(10,334)
DEFERRED TAX LIABILITIES	**14,144**	**16,759**

(1) Provision of the French General Tax Code relative to spreading of insurance indemnity

Reconciliation of the income tax expense in respect of FY2021 and FY2022

(in thousands of euros)	2021	2022
Profit (loss) before tax	(22,104)	(19,790)
Tax rate in France	32.02%	28.41%
THEORETICAL TAX INCOME/(EXPENSE)	**7,078**	**5,622**
Differences in tax rates between countries	**(206)**	**318**
Reconciliation with the effective rate:	**(17,112)**	**(14,705)**
Net impact of permanent differences (1)	(5,662)	(9,851)
Recognition of deferred tax assets on tax losses carried forward arising in previous years	822	-
Deferred tax assets unrecognised in respect of temporary differences and unused tax losses carried forward (2)	(9,018)	(4,594)
Tax credits (3)	891	2,277
French company added value contribution (CVAE)	(1,548)	(1,967)
Other items	(2,597)	(570)
EFFECTIVE TAX INCOME/(EXPENSE)	**(10,240)**	**(8,764)**

(1) At 31 August 2022, mainly includes the non-deductibility of certain expenses, notably including expenses related to share-based compensation and earn-outs.

(2) Includes tax deficits that have not be subject to deferred tax asset recognition, mainly for the United States tax scope.

(3) As tax credits recognised in the EBITDA are not taxable, the mechanically calculated income tax expense is a reconciliation item.

To date, the Group only activates its tax losses carried forward within the tax consolidation scope of France. On the basis of the profits generated over the last three financial years (financial years 2019 to 2021) over this same tax scope, the Group estimates that it will be able to use up its tax losses carried forward within approximately five years.

The current macroeconomic environment does not have a significant impact on the outlook for tax losses carried forward.

At 31 August 2021 and 2022, tax losses not recognised as deferred tax assets mainly relate to the United States tax scope for an amount of €127 million (€114 million at 31 August 2021). In the United States, tax losses can be carried forward for twenty years from the date they are recognised.

4.10 Intangible assets

Goodwill

(in thousands of euros)	31 August 2021	31 August 2022
GROSS VALUES		
At opening	**22,579**	**35,137**
Increases	12,902	20,054
Change in scope	(493)	-
Transfers	-	(5,498)
Translation differences	149	2,499
As of the reporting date	**35,137**	**52,192**
IMPAIRMENT		
At 1 September	**(1,793)**	**(1,300)**
Change in scope	493	-
As of the reporting date	**(1,300)**	**(1,300)**
NET VALUES	**33,836**	**50,892**

5

At 31 August 2022, the gross value of goodwill comprises the following goodwill: ForePaas (company acquired on 20 April 2022) for €20.1 million (provisional goodwill); BuyDRM (company acquired in 2021) for €9.4 million; OpenIO for €18.5 million and Exten for €4.3 million (companies acquired in 2020).

The change in goodwill between 31 August 2021 and 31 August 2022, from €33.8 million at 31 August 2021 to €50.9 million at 31 August 2022, mainly comes from the provisional goodwill generated by the acquisition of ForePaaS for €20.1 million, the completion of the purchase price allocation of BuyDRM (company acquired on 22 July 2021), leading to the reclassification of €7.9 million to intangible assets in respect of the technology, and conversion effects.

Acquisition of ForePaaS

On 20 April 2022, OVH Groupe SA acquired ForePaaS, a French company that offers a unified platform specialising in data analytics, machine learning and artificial intelligence projects for companies, for a transferred counterparty of €17.8 million.

The provisional goodwill resulting from the acquisition of ForePaas was calculated as follows:

(in thousands of euros)		31 August 2022
Consideration paid in cash	**a**	**17,848**
Other non-current and current assets		2,133
Cash and cash equivalents		672
Current debts and liabilities		(2,915)
Net assets acquired	**b**	**(110)**
Possible counterparty	c	2,095
PROVISIONAL GOODWILL	**A - B + C**	**20,054**

The purchase price allocation will be carried out within 12 months following the acquisition, as provided for by IFRS 3, amended.

The possible counterparty identified as part of the provisional calculation of goodwill is based on achievement of targets, over an 18-month period, defined so as to guarantee the development and commissioning of various software.

Other intangible assets

(in thousands of euros)	Capitalised development costs	IP blocks	Other intangible assets	Total
GROSS VALUES				
1 September 2020	**53,207**	**23,834**	**29,481**	**106,522**
Increases	58,737	7,094	1,934	67,765
Decreases	-	-	(400)	(400)
Change in scope	(3,418)	-	(536)	(3,954)
Transfers	40	-	984	1,024
Other movements	(111)	-	111	(0)
Translation differences	-	123	149	272
31 August 2021	**108,455**	**31,051**	**31,723**	**171,229**
Increases	73,059	19,877	4,948	97,885
Change in scope	1,408	-	-	1,408
Transfers	-	-	(924)	(924)
Other movements	324	-	(2,501)	(2,825)
Translation differences	120	931	2,891	3,942
31 AUGUST 2022	**182,718**	**51,860**	**36,138**	**270,716**
DEPRECIATION, AMORTISATION AND IMPAIRMENT				
1 September 2020	**(5,292)**	**-**	**(21,755)**	**(27,047)**
Amortisations and impairments	(8,402)	-	(1,688)	(10,090)
Change in scope	3,378	-	691	4,069
Transfers	55	-	(1,192)	(1,137)
Translation differences	-	-	(140)	(140)
31 August 2021	**(10,261)**	**-**	**(24,084)**	**(34,344)**
Amortisations and impairments	(18,084)	-	(2,960)	(21,044)
Transfers	-	-	8,122	8,122
Other movements	-	-	2,222	2,222
Translation differences	-	-	(2,166)	(2,166)
31 AUGUST 2022	**(28,345)**	**-**	**(18,865)**	**(47,210)**
NET VALUES				
1 September 2020	**47,914**	**23,834**	**7,726**	**79,475**
31 August 2021	**98,194**	**31,051**	**7,640**	**136,885**
31 AUGUST 2022	**154,374**	**51,860**	**17,273**	**223,506**

In respect of the period ended 31 August 2022, OVHcloud total research and development expenses amount to €92.2 million and include €73.1 million of capitalised costs (€58.7 million were capitalised at 31 August 2021). These capitalised costs which meet the criteria of IAS 38 "Intangible assets", are fundamental for the development, manufacture, implementation and marketing of new or continuously improving technologies and software.

Of the capitalised costs at 31 August 2022, €32.3 million correspond to internal costs (personnel costs) (€27.8 million at 31 August 2021), and €39.8 million for external costs (software, services) (€32.2 million at 31 August 2021).

Internal capitalised costs mainly include IT systems overhaul projects for €16.2 million (€13.1 million at 31 August 2021), including the implementation by the Group of performance monitoring software including SAP, and projects to develop new services for customers for €16.1 million (€14.7 million at 31 August 2021).

Moreover, the purchase price allocation for BuyDRM, acquired on 22 July 2021, led to the recognition of €7.9 million of intangible assets in respect of the technology, amortised over 5 years in the same way as OVHcloud's other capitalised costs.

4.11 Property, plant and equipment

(in thousands of euros)	Land	Buildings and fixtures and fittings	infrastructure equipment, facilities, industrial plant and equipment	IT equipment	Other property, plant, and equipment	Leases - Rights-of-use	Property, plant and equipment under construction	Total
GROSS VALUES								
1 September 2020	**6,618**	**53,225**	**163,012**	**909,041**	**241,306**	**103,753**	**120,046**	**1,597,001**
Increases	-	3,308	18,589	173,550	230	14,579	82,298	292,553
Decreases	-	(3,720)	(6,377)	(216,215)	(6,764)	(23,428)	(5,941)	(262,445)
Change in scope	-	(1,765)	(13,368)	(13)	(498)	(191)	(3)	(15,838)
Transfers	-	1,401	78,350	17,094	(13,170)	(2,979)	(50,495)	30,201
Other movements	1	-	-	1	(138)	3,798	1	3,663
Translation differences	44	683	5,075	5,093	270	450	634	12,249
31 August 2021	**6,663**	**53,132**	**245,281**	**888,551**	**221,236**	**95,982**	**146,540**	**1,657,384**
Increases	-	3,168	33,806	217,922	32,630	15,703	69,458	372,687
Decreases	-	(1,044)	10,147	(28,554)	(626)	(24,032)	(62)	(44,170)
Change in scope	-	-	-	8	37	-	-	45
Transfers	-	(920)	17,816	(60,347)	10,313	-	(7,314)	(40,452)
Other movements	-	(86)	(5,586)	10,769	(0)	2,179	(12,336)	(5,060)
Translation differences	726	3,389	16,987	33,523	260	3,311	7,313	65,509
31 AUGUST 2022	**7,388**	**57,638**	**318,453**	**1,061,872**	**263,850**	**93,143**	**203,599**	**2,005,943**
DEPRECIATION, AMORTISATION AND IMPAIRMENT								
1 September 2020	**-**	**(15,994)**	**(66,862)**	**(513,143)**	**(169,085)**	**(49,851)**	**(10,885)**	**(825,818)**
Amortisations and impairments	(183)	(3,299)	(28,569)	(154,104)	(5,561)	(18,689)	(7,843)	(218,248)
Reversals	-	-	529	302	-	-	1,053	1,884
Decreases	-	2,842	4,453	220,169	3,869	23,091	-	254,424
Change in scope	-	1,364	12,819	17	450	129	-	14,779
Transfers	(509)	777	(27,430)	(15,945)	5,968	1,864	5,474	(29,801)
Other movements	-	(1)	-	1	138	(2,964)	(1)	(2,827)
Translation differences	-	(125)	(2,271)	(2,672)	(14)	(285)	(86)	(5,453)
31 August 2021	**(692)**	**(14,436)**	**(107,331)**	**(465,375)**	**(164,235)**	**(46,705)**	**(12,287)**	**(811,060)**
Amortisations and impairments	(185)	(2,706)	(32,924)	(167,174)	(11,759)	(16,041)	(16,872)	(247,662)
Decreases	-	219	24	7,259	24	13,031	-	20,557
Change in scope	-	-	-	-	-	-	-	-
Transfers	-	920	(1,634)	39,175	(1,899)	-	4,493	41,055
Other movements	-	247	3,420	(5,170)	-	(1,046)	10,440	7,889
Translation differences	32	(921)	(6,844)	(16,414)	44	(2,036)	(724)	(26,863)
31 AUGUST 2022	**(845)**	**(16,679)**	**(145,289)**	**(607,698)**	**(177,826)**	**(52,798)**	**(14,950)**	**(1,016,085)**
NET VALUES								
1 September 2020	**6,618**	**37,231**	**96,150**	**395,898**	**72,221**	**53,902**	**109,161**	**771,183**
31 August 2021	**5,971**	**38,696**	**137,950**	**423,176**	**57,001**	**49,277**	**134,253**	**846,322**
31 AUGUST 2022	**6,543**	**40,959**	**173,164**	**454,174**	**86,024**	**40,345**	**188,649**	**989,857**

Land and buildings

Land and buildings with a carrying amount of €47.5 million in August 2022 (at 31 August 2021: €44.7 million) mainly comprise data centres and lands related.

Infrastructure equipment, facilities, industrial plant and equipment

Machinery, equipment and IT equipment with a carrying amount of €627.3 million in August 2022 (at 31 August 2021: €561.1 million) mainly comprises (i) industrial production lines (as OVHcloud carries out the production of IT servers used to provide Private and Public Cloud to its customers), including the technical installations required for the treatment of electricity, water cooling, network connections and (ii) IT servers once commissioned.

Other property, plant, and equipment

Other property, plant, and equipment with a carrying amount of €86 million in August 2022 (at 31 August 2021: €57 million) are mainly composed of fittings carried out at OVH SAS.

Right-of-use under leases

Right-of-use in respect of leases for a net carrying amount of €40.3 million at end August 2022 (€49.3 million at 31 August 2021) mainly comprises leases on offices and housing, data centres and points of presence (POP).

Property, plant and equipment under construction

Property, plant, and equipment under construction mainly represents production costs for servers and networks, and the fitting-out of buildings.

4.12 Impairment test on goodwill, property, plant and equipment and intangible assets

As part of the assessment of the value of goodwill, an impairment test was carried out at 31 August 2022, in application of the procedure set up by the Group.

The result of these impairment tests did not lead to the recognition of impairment losses at 31 August 2022.

The main assumptions used to estimate the value in use of each CGU group are as follows:

(% per CGU)	31 August 2021	31 August 2022
BAREMETAL		
Discount rate	7.1%	8.5%
Perpetual growth rate	3.0%	3.0%
HOSTED PRIVATE CLOUD		
Discount rate	7.1%	8.5%
Perpetual growth rate	3.0%	3.0%
PUBLIC CLOUD		
Discount rate	7.1%	8.5%
Perpetual growth rate	3.0%	3.0%
WEB CLOUD		
Discount rate	7.1%	8.5%
Perpetual growth rate	3.0%	3.0%

The model's targets of income, current EBITDA and Capex notably take into account growth assumptions for the global cloud market, consistent with the forecasts of independent external organisations, driven by the exponential growth of data usage, a steady increase in cloud spending and the growing adoption of hybrid and multi-cloud strategies by businesses. Thus, the perpetual growth rate remains identical to that of 31 August 2021.

In addition, an analysis of the sensitivity of the calculation to a combined change in the following parameters did not show evidence of lower recoverable amounts than the carrying amounts for the cash-generating units (CGUs).

- +/- 1.5 points in the discount rate;
- +/- 0.5 points in the perpetual growth rate;
- - 10% in cash flow.

4.13 Non-current financial assets

(in thousands of euros)	Shares in non-consolidated companies	Loans and securities	Total
GROSS VALUES			
1 September 2020	**99**	**1,214**	**1,313**
Disposals/Decreases	-	(225)	(225)
Transfers	-	235	235
Translation differences	-	12	12
31 August 2021	**99**	**1,236**	**1,335**
Acquisitions/Increases	30	241	271
Disposals/Decreases	-	(210)	(210)
Change in scope	-	138	138
Other movements	-	(69)	(69)
Translation differences	-	17	17
31 AUGUST 2022	**129**	**1,353**	**1,482**
DEPRECIATION			
1 September 2020	(33)	-	(33)
31 August 2021	**(32)**	**-**	**(32)**
31 AUGUST 2022	**(32)**	**-**	**(32)**
NET VALUES			
1 September 2020	66	1,214	1,280
31 August 2021	**67**	**1,236**	**1,303**
31 AUGUST 2022	**97**	**1,353**	**1,450**

During the period ended 31 August 2021, Hubic SAS (now Shadow) benefited from a partial contribution of assets. The securities held were then sold by the Group for €0.5 million to Jezby Ventures SAS.

Loans, securities, and other financial assets correspond to deposits and guarantees paid in connection with the leases of operating properties.

4.14 Trade receivables

Trade receivables break down as follows:

(in thousands of euros)	31 August 2021	31 August 2022
Trade receivables	54,625	(64,370)
Impairment of trade receivables	(24,799)	(32,162)
Contract assets	5,655	6,557
TRADES RECEIVABLES	**35,481**	**38,765**

The impairment of trade receivables breaks down as follows:

(in thousands of euros)	31 August 2021	31 August 2022
At 1 September	**(19,666)**	**(24,799)**
Provisions	(5,326)	(7,625)
Reversals	371	931
Other changes	(42)	(30)
Translation differences	(136)	(639)
AT 31 AUGUST	**(24,799)**	**(32,162)**

The age of the receivables, after taking into account impairment, is as follows:

(in thousands of euros)	31 August 2021	31 August 2022
Net trade receivables	**35,481**	**38,765**
Not past due	26,723	29,680
< 30 days	4,932	5,559
> 30 days and < 90 days	2,894	1,505
> 90 days	932	2,021

4.15 Other receivables and current assets

The other receivables and current assets break down as follows:

(in thousands of euros)	31 August 2021	31 August 2022
Loans and securities	294	296
Supplier prepayments	9,816	9,071
Tax receivables (excluding current tax)	35,416	56,437
Prepaid expenses	26,825	11,990
Other receivables	59,608	2,117
OTHER RECEIVABLES AND CURRENT ASSETS	**131,959**	**79,911**

The change in other receivables and current assets between 31 August 2021 and 31 August 2022 is mainly due to the receipt of the single lump-sum indemnity granted by insurance companies for the damage caused by the fire at the Strasbourg site for an amount of €58 million.

Tax receivables notably include €13.2 million in Research Tax Credit at 31 August 2022 (€3.8 million at 31 August 2021), as well as VAT.

Changes in receivables and other receivables are explained below:

(in thousands of euros)	Trades receivables	Other receivables	Total
1 September 2020	**25,363**	**43,385**	**68,748**
Translation differences	1,062	133	1,195
Change in scope	55	(37)	18
Other changes (transfers)	(3,212)	662	(2,550)
Change in net operating receivables and other receivables	12,214	87,795	100,009
Change in loans and advances granted	-	19	19
31 August 2021	**35,481**	**131,958**	**167,439**
Translation differences	659	3,416	4,075
Change in scope	32	162	194
Other changes (transfers)	4,652	3,282	7,934
Change in net operating receivables and other receivables	(2,058)	(58,907)	(60,965)
31 AUGUST 2022	**38,765**	**79,911**	**118,676**

4.16 Capital

Share capital at 31 August 2021

At 31 August 2021, the share capital was composed of ordinary shares with a par value of 1 euro and two categories of preference shares (A and C) with a par value of 1.23 euro for A preference shares and of 1 euro for C preference shares. It amounted to €170.8 million and consisted of 136,378,003 ordinary shares, 27,968,123 A preference shares and two C preference shares.

At 31 August 2021, the Group's share capital was 79% held by the founder's family, 17% by investment funds and 4% by some Group employees as part of a share allocation plan.

Share capital at 31 August 2022

Following the various shareholding transactions of the Company that took place in connection with its IPO (merger of MANOVH and MENOVH into the Company, conversion of A preference shares and C preference shares into ordinary shares of the Company, Shareholding offer reserved for Group employees and the acquisition of free shares under the allocation plans granted in February 2021 and July 2021, as detailed in Notes 2 and 4.24), the share capital is composed of: 190,540,425 ordinary shares with a par value of €1.

At 31 August 2022, the Company's share capital is held as follows:

- Klaba family: 68.82%;
- Investment funds: 15.24%;
- Group employees (share allocation plans and employee shareholding): 2.51%;
- Executives and directors: 0.45%;
- Float: 12.98%

NUMBER OF SHARES

(in thousands)	Ordinary shares	A preference shares	Total
1 September 2020	**136,006**	**27,968**	**163,974**
Increases/(Decreases)	372	-	372
31 August 2021	**136,378**	**27,968**	**164,346**
Increases/(Decreases)	54,163	(27,968)	26 194
31 AUGUST 2022	**190,541**	**-**	**190,541**

(in thousands of euros)	Ordinary shares	A preference shares	Total share capital	Share premiums	Total
1 September 2020	**136,006**	**34,401**	**170,407**	**93,842**	**264,249**
Increases/(Decreases)	372	-	372	(372)	-
31 August 2021	**136,378**	**34,401**	**170,779**	**93,470**	**264,249**
Increases/(Decreases)	54,163	(34,401)	19,762	324,786	344,548
31 AUGUST 2022	**190,541**	**-**	**190,541**	**418,256**	**608,797**

Capital increases and reductions

For the period ended 31 August 2022, the following transactions were carried out by decision of the shareholders:

- On 18 October 2021: capital reduction of €1,165,047 (in consideration for the share premium) corresponding to:
  - Capital reduction of a nominal amount of €6,432,668.29, following the reduction in the nominal value of the A preference shares from €1.23 to €1 per class A preference share,
  - Capital increase for a nominal amount of €5,267,621, through the issue of 33,235,744 Ordinary Shares with a par value of €1 each following the conversion of all preference shares into Ordinary Shares;
- On 18 October 2021: capital increase of €18,918,919, through the issue of 18,918,919 new shares with a par value of €1, by public offering without of preferential subscription rights;
- On 9 November 2021: capital increase in respect of the employee shareholding offer (“ESP 2021”) for an amount of €1.4 million, corresponding to the issue of 1,365,343 shares with a par value of €1 (of which 702,269 new shares and 663,074 shares created through the incorporation to the capital of €663,074 from the “reserves” account in respect of the matching contribution);
- On 23 February 2022: capital increase of €442,186 by incorporation of share premiums through the issue of 442,186 ordinary shares;
- On 20 July 2022: capital increase of €200,183 by incorporation of share premiums through the issue of 200,183 ordinary shares.

Preference shares

A preference shares

- Governance rights: each A preference share gave the right to one vote in the collective decisions of the Group’s shareholders (General Meetings);
- Economic rights: each A preference share gave the right to a special dividend each year under certain conditions provided in OVHcloud Group’s articles of association, but did not give the right to the ordinary dividend payable in respect of ordinary shares.

C preference shares

- Governance rights: C preference shares did not give voting rights in the collective decisions of the Group’s shareholders, but the holding of C preference shares gave the right to implement the reversal of governance provided for in the OVHcloud Group bylaws and specified in the shareholders’ agreement;
- Economic rights: C preference shares did not confer any economic rights other than the right to receive reimbursement of their subscription price.

All A preference shares, and all C preference shares were converted into ordinary Company shares on 14 October 2021, date of the settlement-delivery of the shares in connection with the admission to trading of the Company’s shares on the Euronext Paris regulated market.

Dividend

The Group did not declare or pay any dividends during the 2021 and 2022 periods.

4.17 Net debt

Net debt

Net debt includes all current and non-current financial debt, less cash and cash equivalents.

The following table presents a summary of the Group's net and gross financial debt:

(in thousands of euros)	31 August 2021	31 August 2022
Non-current financial debt	639,583	559,323
Current financial debt	69,760	2,209
GROSS FINANCIAL DEBT (EXCLUDING LEASE LIABILITIES)	**709,343**	**561,532**
Cash and cash equivalents	(53,610)	(36,187)
NET DEBT	**655,733**	**525,345**
Lease liabilities	52,898	42,404
NET DEBT (INCLUDING LEASE LIABILITIES)	**708,631**	**567,749**

Group debt structure

New Loan Agreement

On 24 September 2021, OVHcloud signed a new senior loan agreement (the “New Credit Agreement”) with a pool of banks for unsecured refinancing of €920 million. At 31 August 2022, the margin applied for the term loan is 1.10%. In order to limit the risk due to the interest rate fluctuations on the cost of its new term loan, the Group has set up two interest rate swaps (exchanging the variable rate of the term loan for fixed rates) (Note 4.19).

The Group decided to undertake this refinancing subject to the completion of the IPO because of good market conditions and the favourable evolution of its credit profile in connection with the IPO.

The credit facilities, which are not subject to a guarantee given by the Company, include a term loan of €500 million, with a maturity of 5 years, together with the setting up of a new revolving credit facility (RCF) for a maximum capacity of €420 million with an initial maturity of 5 years eligible to two extended options for one more year each.

The RCF was drawn down for €60.1 million.

The new loan agreement (the “New Debt Facilities Agreement”) also provides for additional uncommitted term and revolving loans (the “Uncommitted Facilities”) subject to meeting certain conditions.

The New Loan Agreement contains a clause limiting the leverage ratio to 4:1. This ratio was respected for the period ended 31 August 2022.

BPIfrance loans

The BPIfrance Term Loan A was refinanced in June 2021 in the form of a green loan of €5 million from BPIfrance, at an annual interest rate of 0.98%, repayable in 20 quarterly instalments between 30 September 2023 and 30 June 2028. This loan was granted by BPI to participate in the Group's investment programme as part of the France Relance Plan.

5

Breakdown of financial debt

(in thousands of euros)	Type of facility	Notional or maximum amount	Interest rate	Final maturity	Non-current	Current	31 August 2022
Term facility	Maturity	500,000	Euribor +1.10% margin	23/10/2026	492,798	1,571	494,368
Revolving credit facility	Revolving	60,000	Euribor +0.70% margin	23/10/2026	60,000	58	60,058
Term loan B (BPI loan)	Straight-line	530	0.96%	31/03/2026	230	100	330
Green loan (BPI loan)	Straight-line	5,000	0.98%	30/06/2028	5,000	8	5,008
Other borrowings					1,295	468	1,763
Short-term borrowings					-	5	5
TOTAL FINANCIAL DEBT (1)					**559,323**	**2,209**	**561,532**

(1) All financial debts are labelled in euros.

Changes in financial debt

Following its initial public offering, on 25 October 2021 the Group redeemed the full amount of the previous Loan Agreements (Term Loan and Revolving Credit Facility), as well as the Euro PP bonds for an amount of €705.2 million, thanks to the establishment of a new unsecured senior loan agreement with a total principal amount of €920 million (the “New Debt”), to replace the previous Loan Agreements. The New Debt includes a new term loan of €500 million and the setting up of a new revolving credit facility (RCF) for a maximum amount of €420 million.

Changes in financial debt in 31 August 2021 and 2022 are as follows:

(in thousands of euros)	**1 September 2021**	**Loans issues**	**Loan repayments**	**Capitalisation of borrowings costs**	**Amortisation of borrowings costs**	**Interest paid**	**Accrued interest**	**Discount effects**	**Change in bank overdraft**	**Translation differences**	**Changes in scope**	**Transfers and other movements (1)**	**31 August 2022**
Bond issues	-	-	(17)	-	-	-	-	-	-	-	207	-	190
Revolving credit facilities, term loans and other debt	639,583	560,000	(634,469)	(8,676)	1,473	-	-	-	-	-	1,222	-	559,133
Non-current financial debt	**639,583**	**560,000**	**(634,486)**	**(8,676)**	**1,473**	**-**	**-**	**-**	**-**	**-**	**1,429**	**-**	**559,323**
Lease liabilities	38,061	10,620	(368)	-	-	-	-	-	-	724	-	(20,556)	28,481
Non-current financial debt including lease liabilities	**677,644**	**570,620**	**(634,854)**	**(8,676)**	**1,473**	**-**	**-**	**-**	**-**	**724**	**1,429**	**(20,556)**	**587,804**
Bond issues	67,000	642	(67,642)	-	-	-	-	-	-	-	-	-	-
Revolving credit facilities, term loans and other debt	562	-	(157)	-	-	-	-	-	(354)	69	426	-	546
Interest on long-term borrowings	2,198	-	-	-	-	(10,524)	8,411	-	-	-	-	1,578	1,663
Current financial debt	**69,760**	**642**	**(67,799)**	**-**	**-**	**(10,524)**	**8,411**	**-**	**(354)**	**69**	**426**	**1,578**	**2,209**
Lease liabilities	14,837	4,892	(16,835)	-	-	-	939	-	-	752	-	9,338	13,923
Current financial debt including lease liabilities	**84,597**	**5,534**	**(84,634)**	**-**	**-**	**(10,524)**	**9,350**	**-**	**(354)**	**821**	**426**	**10,916**	**16,132**
FINANCIAL DEBT INCLUDING LEASE LIABILITIES	**762,241**	**576,154**	**(719,488)**	**(8,676)**	**1,473**	**(10,524)**	**9,350**	**-**	**(354)**	**1,545**	**1,854**	**(9,640)**	**603,936**
Of which financial debt	709,343	560,642	(702,285)	(8,676)	1,473	(10,524)	8,411	-	(354)	69	1,854	1,578	561,532
Of which lease liabilities	52,898	15,512	(17,203)	-	-	-	939	-	-	1,476	-	(11,218)	42,404

(1) In April 2022, the Group signed a new office lease contract, thus reducing the duration of the current 3-year contract. The other movements mainly reflect the revaluation of the debt for the current contract for €8.7 million.

(in thousands of euros)	1 September 2020	Loans issues	Loan repayments	Capitalisation of borrowings costs	Amortisation of borrowings costs	Interest paid	Accrued interest	Discount effects	Change in bank overdraft	Translation differences	Changes in scope	Transfers and other movements	31 August 2021
Bond issues	66,910	-	-	-	-	-	-	-	90	-	-	(67,000)	-
Revolving credit facilities, term loans and other debt	512,801	120,000	(3,695)	-	8,874	-	-	-	-	(6)	-	1,609	639,583
Non-current financial debt	**579,711**	**120,000**	**(3,695)**	**-**	**8,874**	**-**	**-**	**-**	**90**	**(6)**	**-**	**(65,391)**	**639,583**
Lease liabilities	42,287	7,660	(543)	-	-	-	-	-	-	122	-	(11,465)	38,061
Non-current financial debt including lease liabilities	**621,998**	**127,660**	**(4,238)**	**-**	**8,874**	**-**	**-**	**-**	**90**	**116**	**-**	**(76,856)**	**677,644**
Bond issues	20,000	-	(20,000)	-	-	-	-	-	-	-	-	67,000	67,000
Revolving credit facilities, term loans and other debt	7,947	1	(1,948)	-	-	-	-	-	(4,043)	8	-	(1,403)	562
Interest on long-term borrowings	2,581	-	-	-	-	(20,675)	20,292	-	-	-	-	-	2,198
Financial debt including lease liabilities	**30,528**	**1**	**(21,948)**	**-**	**-**	**(20,675)**	**20,292**	**-**	**(4,043)**	**8**	**-**	**65,597**	**69,760**
Lease liabilities	13,871	6,942	(18,516)	-	-	-	1,210	-	-	61	-	11,269	14,837
Current financial debt including lease liabilities	**44,399**	**6,943**	**(40,464)**	**-**	**-**	**(20,675)**	**21,502**	**-**	**(4,043)**	**69**	**-**	**76,866**	**84,597**
FINANCIAL DEBT INCLUDING LEASE LIABILITIES	**666,397**	**134,603**	**(44,702)**	**-**	**8,874**	**(20,675)**	**21,502**	**-**	**(3,953)**	**185**	**-**	**10**	**762,241**
Of which financial debt	610,239	120,001	(25,643)	-	8,874	(20,675)	20,292	-	(3,953)	2	-	206	709,343
Of which lease liabilities	56,158	14,602	(19,059)	-	-	-	1,210	-	-	183	-	(196)	52,898

4.18 Financial instruments

Classification of the financial instruments

Financial assets and liabilities are classified as follows:

(in thousands of euros)	Notes	Accounting category	Level in the fair value hierarchy	31 August 2021 Total net carrying amount	31 August 2021 Fair value	31 August 2022 Total net carrying amount	31 August 2022 Fair value
Loans and guarantees and other financial assets	2	Amortised cost	Level 2	1,236	1,236	1,353	1,353
Non-consolidated equity investments	3	Fair value through profit or loss	Level 3	67	67	97	97
TOTAL NON-CURRENT FINANCIAL ASSETS				**1,303**		**1,450**	
Trades receivables	1	Amortised cost		35,481	35,481	38,765	38,765
Current derivative financial assets		Fair value through profit or loss or hedging instrument	Level 2	140	140	11,798	11,798
Cash and cash equivalents	1	Amortised cost		53,610	53,610	36,187	36,187
TOTAL CURRENT FINANCIAL ASSETS				**89,231**		**86,750**	
TOTAL FINANCIAL ASSETS				**90,534**		**88,200**	
Financial debt (excluding lease liabilities)	5	Amortised cost	Level 2	639,584	639,584	559,323	559,323
Lease liabilities	4	Amortised cost		38,061	38,061	28,481	28,481
Other non-current financial liabilities	6	Fair value through profit or loss or hedging instrument	Level 2	16,921	16,921	15,898	15,898
TOTAL NON-CURRENT FINANCIAL LIABILITIES				**694,566**		**603,702**	
Financial debt (excluding lease liabilities)	4	Amortised cost	Level 2	69,760	69,760	2,209	2,209
Lease liabilities	4	Amortised cost		14,837		13,923	
Accounts payable	1	Amortised cost		149,503	149,503	115,111	115,111
Derivatives	6	Fair value through profit or loss or hedging instrument	Level 2	174	174	280	280
TOTAL CURRENT FINANCIAL LIABILITIES				**234,274**		**131,523**	
TOTAL FINANCIAL LIABILITIES				**928,840**		**735,225**	

Note 1 – The net carrying amount of non-derivative current financial assets and liabilities is considered as an approximation of their fair value.

Note 2 – The difference between the net carrying amount and the fair value of loans and guarantees in non-current financial assets and security deposits in non-current financial liabilities is not considered significant.

Note 3 – The fair value of non-consolidated equity investments is not significant.

Note 4 – As permitted by IFRS, the fair value of the lease liability and its level in the fair value hierarchy is not provided.

Note 5 – The fair value of borrowings and financial liabilities has been estimated using the discounted future cash flow method.

Note 6 – Derivatives are measured at their fair value in the statement of financial position. Fair value is based on market data and commonly used valuation models. This can be confirmed in the case of complex instruments by reference to securities listed by independent financial institutions. The changes in the fair value of these instruments are recorded in the income statement.

4.19 Derivatives

The Group's risk management strategy and its application in terms of risk management are explained in Note 4.20.

In order to limit the risk due to interest rate fluctuations on the cost of its new €500 million term loan, the Group has set up two interest rate swaps (exchanging the variable rate of the term loan for fixed rates) for a total nominal amount of €375 million with maturity on 30 September 2026. At 31 August 2022, the fair value of the interest rate swaps was €11.8 million, recognised as a counterparty to other comprehensive income.

FAIR VALUE OF HEDGING INSTRUMENTS:

(in thousands of euros)	31 August 2021	31 August 2022
Derivatives financial instruments – assets	140	11,798
Derivatives financial instruments – liabilities	174	280

4.20 Risk management

Financial risk management

The Group is exposed to foreign exchange risk, interest rate risk, credit risk, liquidity risk and raw material risk.

The Group's risk management focuses on the unpredictability of financial markets and seeks to minimise the potential negative effects of these risks on the Group's financial performance. The Group may use derivatives to hedge certain exposures to these risks.

Foreign exchange risk management

The Group's international activities generate flows in many currencies. In order to mitigate exposure to foreign exchange risk, the Group uses forward currency contracts to hedge:

- Purchases of components and non-current assets in US dollars. These transactions are highly probable and may be designated as hedged items. The Group enters into foreign exchange forward contracts to hedge the cost of non-current assets against foreign exchange risk and qualifies these transactions as cash flow hedges. Forward exchange contract balances vary depending on the level of expected investments in US dollars. Changes in the projected amount of cash flow for hedged items and hedging contracts may be a source of ineffectiveness.
- Financial assets and liabilities in foreign currencies: in the context of intra-group financing, financing facilities are set up between the parent company whose functional currency is the euro, and subsidiaries whose functional currency is a foreign currency. In order to centralise the foreign exchange risk, the financing is set up in the functional currency of the subsidiary. These financings may generate an exposure to foreign exchange risk that is not eliminated in the consolidated financial statements. The Group therefore uses cross-currency swaps to hedge its exposure to foreign exchange risk linked to the nominal amount and interest on the financing. Currency swaps are not qualified as hedging instruments under IFRS. The Group classifies certain intra-group financing as net investments abroad. Valuation differences linked to changes in exchange rates are then recognised in other comprehensive income.

In addition, the Group centralises cash surpluses and cash requirements in currencies other than the euro for the Group's subsidiaries. The risk related to non-euro current accounts between the central treasury department and the subsidiaries is hedged by short-term currency swaps. These swaps do not qualify as hedges.

Since 2018, the Group has limited the hedging derivatives used to currency swaps and forward foreign exchange contracts.

All fair values of derivatives are measured using significant observable data (level 2).

Translation differences

The change in translation differences noted in other comprehensive income corresponds to an unrealised exchange rate gain of €14.1 million for the period ended 31 August 2022 (unrealised gain of €4.4 million for the period ended 31 August 2021) reflecting, on the one hand the appreciation of the Canadian and US dollar during the conversion into Euros of the statement of financial position of the Canadian and US subsidiaries in local currency, for their consolidation in OVH Groupe S.A, and on the other hand, the crystallisation of exchange rate effects on the recapitalisation transaction for the US entities.

Effect of cash flow hedges on the income statement and other comprehensive income

For purchases in US dollars, OVHcloud Group recognises expenses in US dollars included in the price of the non-current asset at the hedging rate. The effective portion of the hedging instrument, qualified as a cash flow hedge and initially recognised in other comprehensive income, is recycled from the cash hedging reserve to non-current assets. The effect of hedging instruments is then recycled to profit or loss based on the amortisation and impairment of these non-current assets over the estimated useful life of the equipment.

Sensitivity of foreign exchange rates:

A change in exchange rates would have impacted consolidated equity or net income, due to the hedging strategies as follows:

- future acquisitions of non-current assets in US dollars: the hedging instruments used in these hedging strategies are considered as 100% effective. The effects on other comprehensive income of a 10% change in the spot rate in US dollars at the reporting date would not have generated any impact in 2021 or in 2022;
- financial assets and liabilities denominated in foreign currencies and cash pooling: assets and liabilities denominated in foreign currencies resulting from the financing activity of non-euro subsidiaries generate currency effects that are not eliminated in the consolidated financial statements. The effects of derivatives in foreign currencies offset these changes in the financial statements. A change in the spot exchange rate applied to these hedging strategies would therefore have no impact on consolidated net income and equity.

Risk management rate

The Group is exposed to Euribor rate variation on its term facility and its revolving credit facility which total €560.1 million at 31 August 2022. These financial liabilities mature in October 2026.

In order to protect against an increase in interest rates on the cost of its new €500 million term loan, the Group has set up two interest rate swaps (exchanging the variable rate of the term loan for fixed rates) for a total nominal amount of €375 million with maturity on 30 September 2026.

The Group is exposed to IBORs through its financial instruments which have to be replaced or modified as part of the IBOR reform, which concerns all markets. There are still uncertainties about the timing and methods of transition that will be adopted in the different countries in which the Group operates. However, the latter believes that the reform of the IBORs will have no impact on its risk management and hedge accounting.

Sensitivity analysis

The existence of a floor justifies the fact that no analysis is performed on the assumption – 100 basis points.

A quantitative sensitivity analysis of the change in interest rates at 31 August would result in the following additional expenses in the income statement:

(in thousands of euros)	31 August 2021	31 August 2022
Euribor interest rate fluctuation assumptions		
+ 100 basis points	2,501	2,468
- 100 basis points	-	-

Liquidity risk management

Liquidity risk is the risk to which the Group is exposed when it experiences difficulties in meeting its obligations relating to financial liabilities that will be settled by remitting cash or other financial assets. The Group's target in managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to honour its liabilities when they fall due without incurring unacceptable losses or adversely affecting the Group's reputation.

The available resources enable the Group to manage its liquidity risk (cash and available bank credit lines).

The table below shows the residual contractual maturities of the Group's financial liabilities, including interest payments:

	31 August 2022				
(in thousands of euros)	Carrying amount	Contractual amount	< 1 year	> 1 year < 5 years	> 5 years
Term facility	494,368	523,131	5,576	517,554	-
Revolving credit facility	60,058	70,297	2,058	68,238	-
Term loan B (BPI loan)	330	330	100	230	-
Green loan (BPI loan)	5,008	5,178	49	4,123	1,006
Other borrowings	1,763	1,970	468	1,425	77
bank overdrafts	5	5	5	-	-
Lease liabilities	42,404	42,404	13,923	28,481	-
Other non-current financial liabilities	15,898	15,898	-	-	15,898
supplier and other account payables	115,111	115,111	115,111	-	-
liabilities from derivatives financial instruments	280	280	280	-	-
FINANCIAL LIABILITIES	**735,225**	**774,603**	**137,570**	**620,051**	**16,981**

	31 August 2021				
(in thousands of euros)	Carrying amount	Contractual amount	< 1 year	> 1 year < 5 years	> 5 years
Bond B	58,793	59,280	59,280	-	-
Bond C	10,324	10,628	10,628	-	-
Term facility	400,312	469,370	13,181	52,758	403,431
Revolving credit facility	234,037	261,813	6,524	255,289	-
Term loan B (BPI loan)	530	530	200	330	-
Green loan (BPI loan)	5,008	5,227	49	3,156	2,022
Bank overdrafts	338	338	338	-	-
Lease liabilities	52,898	52,898	14,837	38,061	
Other non-current financial liabilities	16,921	16,921	-	-	16,921
Supplier and other account payables	149,504	149,504	149,504	-	-
Liabilities from derivatives financial instruments	174	174	174	-	-
FINANCIAL LIABILITIES	**928,840**	**1,026,683**	**254,715**	**349,594**	**422,374**

Credit risk management

Credit risk is managed at Group level. Credit risk arises from cash, cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including receivables outstanding and committed transactions.

OVHcloud currently provides services to more than 1.6 million customers worldwide and delivers the service to its customer portfolio once payment for the service has been made in the majority of cases. Credit risk is therefore very low within the Group.

In the event that customer credit is required, the credit control department assesses the credit-worthiness of the customer, considering both their financial position and payment track record.

No individual customer of the Group represents more than 10% of total sales in 2021 or 2022.

Management of raw material risk (energy contracts)

Most of the energy supplies are made through forward purchase contracts at a fixed or indexed price. The forward purchase contracts as not qualified as hedging instruments under IFRS. IFRS 9 provides for the inclusion in the scope of consolidation of forward purchase and sale transactions of any non-financial asset when these transactions have similar characteristics to derivatives. However, IFRS 9 considers that forward purchase contracts on non-financial assets should not be considered as derivatives when they were concluded to meet the “day-to-day” business needs of the Company, characterised by taking delivery of the underlying asset at maturity to use it in the Company’s industrial process. OVHcloud does not buy electricity for the purposes of speculating or arbitrating on changes in commodity prices. The energy contracts are concluded for an end use in the ordinary course of business in the industrial process and they do not meet the definition of a derivative.

On 30 November 2021, the Group signed an energy purchase agreement with EDF Renouvelables France Group. The contract provides for the supply by EDF Renouvelables France of electricity from an agrivoltaic park located in the South of France. OVHcloud plans to consume 100% of the green energy produced by this park, from January 2025, representing around 25% of the current annual electricity needs in France. The minimum contract term is 15 years (renewable for three-year terms after 15 years and for a total term up to 24 years).

4.21 Provisions and contingent liabilities

Provisions and contingent liabilities are presented as follows:

(in thousands of euros)	31 August 2021	31 August 2022
Defined benefit pension plans	2,299	2,188
Litigation and claims	3,712	2,160
Non-current provisions	**6,011**	**4,348**
Defined-benefit pension plans	71	72
Litigation and claims	31,107	24,529
Other provisions	183	-
Current provisions	**31,361**	**24,601**
CURRENT AND NON-CURRENT PROVISIONS	**37,372**	**28,949**

CHANGE IN PROVISIONS AND CONTINGENT LIABILITIES

(in thousands of euros)	Defined benefit pension plans	Litigation and claims	Other provisions	Total
1 September 2020	**3,028**	**1,715**	**400**	**5,143**
Provisions	333	33,172	183	33,688
Reversals/Benefits paid	(17)	(61)	-	(78)
Change in actuarial gains and losses	150	-	-	150
Change in scope	(1)	-	(400)	(401)
Other changes	212	(29)	1	184
New IFRIC interpretation on the allocation of retirement benefits to the services' periods (effect net of tax)	(1,335)	-	-	(1,335)
Translation differences	-	21	-	21
31 August 2021	**2,370**	**34,818**	**184**	**37,372**
Provisions	427	350	213	990
Reversals/Benefits paid	(28)	(8,609)	(396)	(9,033)
Change in actuarial gains and losses	(510)	-	-	(510)
Transfers	-	54	-	54
Translation differences	-	76	-	76
31 AUGUST 2022	**2,258**	**26,689**	**2**	**28,949**

Provisions for litigation and claims

Following the fire at the Strasbourg site, a provision was recorded to cover the consequences of the incident in respect of appraisal costs, legal costs and liability claims.

At 31 August 2022, this provision amounted to €24.5 million. No new facts have called into question, to date, the calculation assumptions for this provision.

Defined-benefit pension plans for employees

Post-employment defined-benefit pension plans mainly concern employees in France.

These commitments are not covered by asset plans.

In France, in accordance with the legal regime governed by the collective agreements applicable to employees of French entities, a lump sum is paid to employees upon retirement, the amount of which depends on their length of service and their salary at the time of their departure according to a scale defined in the collective agreement.

Main assumptions

The main assumptions used to determine the defined-benefit pension plans are as follows:

	31 August 2021	31 August 2022
Discount rate	0.90%	3.20%
Salary inflation rate	2.0%	3.0%
Average staff turnover rate	7.5%	6.5%
Average payroll tax rate	37%-46%	39%-47%
Duration of the pension commitment	23.4 years	24 years
Mortality table	INSEE 2013-2015	INSEE 2013-2015

The average tax rate on salaries corresponds to the average rate of employer contributions.

The duration of the retirement commitment corresponds to the average remaining working life of employees.

Change in defined-benefit obligations

(in thousands of euros)	2021	2022
At 1 September	**3,028**	**2,370**
Interest cost	19	23
Service costs	314	377
Rendered during the period	*351*	*449*
Past service costs	*(37)*	*(73)*
Impact on net income	**333**	**400**
Other changes	211	27
New IFRIC application	(1,335)	-
Benefits paid	(17)	(28)
Change in actuarial gains and losses	150	(510)
AT 31 AUGUST	**2,370**	**2,258**

The IFRS interpretation committee met in April 2021 to adopt a new position on the terms and conditions for measuring commitments such as retirement benefits (see Note 3 on the effects of the application of the new interpretation at 31 August 2021).

Past service costs are explained by employee departures. No new collective bargaining agreement has been adopted. Consequently, the Group now applies the legal scale for calculating pension benefits.

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions at 31 August 2021 and 2022 is shown below:

(in thousands of euros)	31 August 2021	31 August 2022
Change in discount rate		
+25 basis points	2,021	1,895
-25 basis points	2,276	2,125
Change in salary inflation		
+25 basis points	2,275	2,127
-25 basis points	2,023	1,892

The amount of contributions that OVHcloud Group expects to pay into the plan in 2023 is €0.5 million.

4.22 Other current and non-current liabilities

Other current and non-current liabilities break down as follows:

(in thousands of euros)	31 August 2021	31 August 2022
Personnel expenses	680	69
Deferred income	6,024	6,806
Other non-current debt	1,079	4,051
Other non-current liabilities	**7,783**	**10,926**
Personnel expenses	43,794	42,391
Deferred income	64,050	64,478
Advances received	14,705	17,791
Tax liabilities (other than current taxes)	32,347	39,883
Other current debt	1,929	6,651
Other current liabilities	**156,825**	**171,194**
OTHER CURRENT AND NON-CURRENT LIABILITIES	**164,608**	**182,120**

The change in accounts payable and other current liabilities is explained as follows:

(in thousands of euros)	Accounts payable	Suppliers of non-current assets	Other current liabilities	Total
1 September 2020	**78,327**	**13,769**	**130,596**	**222,692**
Translation differences	908	-	817	1,724
Change in scope	(67)	-	407	340
Other changes (transfers)	(50)	-	(491)	(541)
Changes in operating payables and other payables	54,507	-	25,497	80,004
Change in suppliers of fixed assets	-	2,108	-	2,108
31 August 2021	**133,626**	**15,877**	**156,825**	**306,328**
Translation differences	(557)	-	15,014	14,457
Change in scope	398	-	1,461	1,859
Other changes (transfers)	8,153	-	(8,353)	(199)
Changes in operating payables and other payables	(43,808)	-	6,247	(37,562)
Change in suppliers of fixed assets	-	1,421	-	1,421
31 AUGUST 2022	**97,812**	**17,298**	**171,194**	**286,305**

4.23 Leases

The carrying amounts of the right-of-use recognised and the movements for the period are presented in the following tables:

(in thousands of euros)	Offices and accommo-dation	Data centres	Networks	Points of presence	Other assets	Total
GROSS VALUES						
1 September 2020	**58,254**	**7,858**	**14,411**	**19,889**	**3,341**	**103,753**
Increases	2,856	3,720	1,910	5,339	754	14,579
Ends of contracts	(451)	(2,395)	(14,584)	(2,761)	(3,237)	(23,428)
Translation differences	182	19	34	225	-	461
Other movements	2,896	(5,465)	4,528	(2,185)	843	617
31 August 2021	**63,737**	**3,737**	**6,299**	**20,507**	**1,701**	**95,982**
Increases	6,554	5,040	761	3,116	232	15,703
Ends of contracts	(12,774)	(197)	(484)	(10,281)	(296)	(24,032)
Translation differences	754	513	720	1,323	-	3,311
Other movements	1,156	-	296	727	-	2,179
31 AUGUST 2022	**59,427**	**9,094**	**7,593**	**15,392**	**1,637**	**93,143**
DEPRECIATION, AMORTISATION AND IMPAIRMENT						
1 September 2020	**(19,716)**	**(3,094)**	**(11,823)**	**(12,735)**	**(2,483)**	**(49,851)**
Amortisations	(7,551)	(1,122)	(3,437)	(5,261)	(1,317)	(18,688)
Ends of contracts	210	2,395	14,584	2,701	3,202	23,091
Change in scope	-	-	-	60	70	129
Transfers	548	819	(3,381)	1,327	(414)	(1,101)
Translation differences	(99)	(4)	(17)	(164)	-	(285)
31 August 2021	**(26,608)**	**(1,007)**	**(4,074)**	**(14,073)**	**(942)**	**(46,705)**
Amortisations	(7,792)	(1,799)	(1,509)	(4,423)	(519)	(16,041)
Ends of contracts	3,672	164	484	8,456	254	13,031
Other movements	(829)		(12)	(206)	(0)	(1,047)
Translation differences	(430)	(224)	(438)	(943)	-	(2,036)
31 AUGUST 2022	**(31,987)**	**(2,866)**	**(5,549)**	**(11,190)**	**(1,207)**	**(52,798)**
NET VALUES						
1 September 2020	**38,538**	**4,764**	**2,588**	**7,154**	**858**	**53,902**
31 August 2021	**37,129**	**2,730**	**2,224**	**6,434**	**759**	**49,277**
31 AUGUST 2022	**27,441**	**6,228**	**2,044**	**4,202**	**430**	**40,345**

The impacts of the restatement of leases in the consolidated income statement for the periods ended FY2021 and FY2022 are as follows:

(in thousands of euros)	2021	2022
Restated rental expenses	18,740	17,325
Amortisation of right-of-use	(18,673)	(16,041)
Interest expenses	(1,210)	(939)
Net expenses on contract exits	(207)	913
PROFIT (LOSS) BEFORE TAX	**(1,350)**	**1,258**

Rental expenses restated for the period ended 31 August 2022 amounting to €17.3 million concern:

- Data centres for €3.0 million;
- Points of Presence (POP) for €5.8 million;
- Offices for €7.9 million;
- Other non-current assets, such as fittings or cars for €0.6 million.

4.24 Share-based payments

(in thousands of euros)	2021	2022
Expenses for equity-settled compensation plans	(13,266)	(20,978)
Expenses for cash-settled compensation plans	(4,580)	-
Social charges related to share-based payments	(3,152)	(865)
SHARE-BASED PAYMENTS	**(20,998)**	**(21,843)**

Personnel expenses in respect of the equity instrument settled compensation plans increased slightly compared to the period ended 31 August 2021.

With regard to the granting of free shares, the decrease in the expense (expense of €6.0 million for the period ended 31 August 2022 compared to an expense of €13.3 million for the period ended 31 August 2021) reflects the absence of new plans implemented during the period and the acceleration from 31 August 2021 of the service condition over one year, and the change in estimate of the probable number of instruments actually acquired to take into account the probability of completion of the IPO on the date. Moreover, the advantage granted to employees as part of the "Employee Share Plan 2021" reflecting the matching contribution by the Company as well as a 30% discount granted on the share price, results in an expense of €14.9 million at 31 August 2022.

Free shares

The General Meeting of 10 October 2017 authorised the allocation of a maximum of 4,590,562 free ordinary shares with a four-year service condition. The identity of the beneficiaries and the date of allocation are determined by the Chairman.

Summary of the free shares

Grant date	October 2017	February 2019	July 2020	February 2021	July 2021
Total number of free shares granted	1,108,049	1,776,316	385,236	442,186	250,976
Number of beneficiaries	33	35	23	32	22
Vesting period	4 years	4 years	4 years	1 year	1 year
Estimate of the percentage of employees who will fulfil the service conditions	58%	88%	97%	100%	80%
Fair value of ordinary shares at the grant date *(in euros)*	7.48	8.46	10.2	10.75	20
Expected dividends (1)	-	-	-	-	-

(1) Expected dividends: no dividend distribution is expected for the periods concerned by these free shares.

The Group did not issue any free shares during the period and registered 50,793 lapsed shares for the plan granted in July 2021.

"Phantom" shares

In October 2017, a phantom share plan was put in place for foreign resident employees, with a four-year service condition. The plan depended on the value of the OVH shares and was not settled in shares but in cash. It was therefore considered to be a cash-settled share-based plan. The liability for phantom shares was measured initially, and at each reporting date until settlement in 2022, at the fair value of the phantom shares which is based on the fair value of the ordinary shares.

Summary of phantom shares:

MAIN CHARACTERISTICS PHANTOM SHARES

Grant date	**October 2017**	**February 2019**	**July 2020**	**February 2021**	**July 2021**	**August 2021**
Total number of instruments issued	708,938	85,074	152,767	5,976	5,975	23,902
Number of beneficiaries	9	4	7	1	1	2
Vesting period	4 years	4 years	4 years	1 year	1 year	1 year
Estimate of the percentage of employees who will fulfil the service conditions	2%	67%	100%	100%	100%	100%
Fair value of ordinary shares at the grant date *(in euros)*	7.48	8.46	10.2	10.75	20	20
Expected dividends [(1)]	-	-	-	-	-	-

(1) Expected dividends: no dividend distribution is expected for the periods concerned by these free shares.

At 31 August 2021, a personnel expense was recognised in respect of the phantom shares for €6.0 million, *i.e.* a cumulative liability of €6.4 million at the same date. Following the IPO on 15 October 2021, as the service condition had been accelerated over one year and was extinguished, the phantom share plans were settled, thus extinguishing the liability.

The Group has not issued any phantom shares during the period.

Note 5 Other information

5.1 Off-balance sheet commitments

Guarantees

At 31 August 2022, the New Loan Agreement was not subject to a guarantee given by the Company.

At 31 August 2021, the Group's off-balance sheet commitments were as follows:

Commitments given in connection with the implementation of the new syndicated loan:

- pledge of shares under French law on OVH Groupe shares;
- mortgage under Canadian law on the shares of Holding OVH Canada Inc. ;
- mortgage under Canadian law on the shares of OVH Infrastructures Canada Inc. ;
- pledge under US law on the shares of OVH Holding US Inc. ;
- guarantee deed for bond issues in euros.

Leases

Lease commitments include lease rents relating to:

- contracts for which the underlying property will be available after 31 August 2022

In April 2022, the Group signed a new lease contract, starting in October 2022, for an estimated duration of 9 years, and for which the annual amount of rent amounts to €5.3 million. It should be noted that the lessor granted the Group a rent franchise of €9.1 million;

- and lease contracts for which the Group applies exemptions permitted by IFRS 16 (Note 3), for which the future rent is estimated at a value of less than €1 million.

Long-term energy purchase contract

On 30 November 2021, the Group signed an energy contract with EDF Renouvelables France group according to the conditions described in paragraph 4.20 "Risk management". This contract gave rise to a guarantee of €6 million.

5.2 Statutory auditors' fees

The atatutory auditors' fees break down as follows:

	Grant Thornton		KPMG		TOTAL	
(in thousands of euros)	2021	2022	2021	2022	2021	2022
Certification of financial statements	**418**	**539**	**376**	**455**	**794**	**993**
OVH Groupe	173	262	154	245	327	507
Fully consolidated subsidiaries	245	276	223	211	468	487
Services other than the certification of financial statement	**1,112**		**1,217**	**157**	**2,329**	**157**
OVH Groupe	1,059		1,217	25	2,276	25
Fully consolidated subsidiaries	53			132	53	132
TOTAL	**1,530**	**539**	**1,593**	**612**	**3,124**	**1,150**

5.3 Transactions with associated companies and other related parties

Transactions with related parties correspond to transactions concluded with:

- SCI OVH, an unconsolidated entity owned up to 14% by the Group, which leases premises to the Group and is controlled by one of its executives;
- AixMétal, a non-consolidated entity controlled by Group shareholders (Klaba family), which is a supplier of metal parts to the Group;
- SCI Immostone, an unconsolidated entity controlled by Group shareholders (Klaba family), which leases premises to the Group;
- KOSC, an associated company which is recognised in the accounting under the equity method and is an XDSL service provider;
- In addition, SCI Immolys, an unconsolidated entity controlled by Group shareholders (Halina and Henryk Klaba), leases premises to the Group. The impacts in the financial statements are not material;
- Hubic SAS (now Shadow), an entity sold by the Group to Jezby Venture SAS, and controlled by a Group shareholder (Octave Klaba), and is also a customer of the Group.

All related-party transactions are presented below.

(in thousands of euros)	SCI OVH	AixMetal	SCI Immostone	KOSC	SCI Immolys	Hubic - Shadow	Others	31 August 2022
Statement of financial position								
Assets	2,958	3,768	1,664	-	339	4,152	400	13,281
Liabilities	2,933	1,912	1,895	-	346	252	178	7,515
Income statement								
Income	-	-	-	-	-	16,513	4	16,517
Operating expenses	46	(8,142)	(540)	-	(39)	(5,142)	(78)	(13,895)
Net finance income (expense)	(63)	(0)	(50)	-	(11)	-	-	(125)
Depreciation and amortisation expenses	(768)	-	(345)	-	(43)	-	-	(1,156)

(in thousands of euros)	SCI OVH	AixMetal	SCI Immostone	KOSC	SCI Immolys	Hubic - Shadow	Others	31 August 2021
Statement of financial position								
Assets	3,632	4,367	1,993	43	383	1,849	100	12,367
Liabilities	3,396	600	2,244	-	384	-	57	6,681
Income statement								
Income	-	-	-	-	-	4,473	7	4,480
Operating expenses	(223)	(6,730)	(536)	-	(11)	-	(22)	(7,523)
Net finance income (expense)	(77)	-	(59)	-	(3)	-	-	(140)
Depreciation and amortisation expenses	(753)	-	(344)	-	(46)	-	-	(1,143)

5.4 Compensation of key executives

The Group's main executives correspond to the management team, which includes the following people:

- Chairman
- Chief Executive Officer
- Chief Financial Officer
- Chief Operations Officer
- Chief Technology Officer
- Chief Industrial Officer
- Chief Service Delivery Officer
- Chief Legal Officer
- Chief Human Resources Officer
- Chief Sales Officer
- Chief Digital Marketing Officer
- Chief Customer Officer
- Chief Strategy Officer
- Chief Information Systems Officer
- Vice-Chief Executive Officers

The compensation of the main executives recorded in the income statement during the period (including social charges and excluding social contributions on the allocation of free shares) is as follows:

(in thousands of euros)	31 August 2021	31 August 2022
Short-term employee benefits	6,942	8,887
Post-employment benefits	(4)	5
Termination benefits	144	577
Share-based payments	545	2,436
Executive compensation	**7,627**	**11,905**

5.5 Group scope

The Group's scope at 31 August 2022 is detailed below.

		2021		2022	
Country	**List of consolidated companies**	**Percentage of interest**	**Consolidation method (1)**	**Percentage of interest**	**Consolidation method (1)**
Germany	OVH DCD Data Center Deutschland GmbH	100%	FC	100%	FC
	OVH BSG GmbH	100%	FC	100%	FC
	OVH GmbH	100%	FC	100%	FC
Australia	Data Center Sydney Pty Ltd.	100%	FC	100%	FC
	OVH Australia Pty Ltd.	100%	FC	100%	FC
Canada	OVH Serveur Inc.	100%	FC	100%	FC
	Technologies OVH Inc.	100%	FC	100%	FC
	Hébergement OVH	100%	FC	100%	FC
	OVH Infrastructure Canada Inc.	100%	FC	100%	FC
	Holding OVH Canada Inc.	100%	FC	100%	FC
Spain	OVH Hispano S.L.	100%	FC	100%	FC
	Altimat Spain S.L.	100%	FC	100%	FC
United States	Data Center Vint Hill LLC	100%	FC	100%	FC
	OVH Holding US Inc.	100%	FC	100%	FC
	OVH Data US LLC	100%	FC	100%	FC
	OVH US LLC	100%	FC	100%	FC
	Data Center West Coast LLC	100%	FC	100%	FC

		2021		2022	
Country	**List of consolidated companies**	**Percentage of interest**	**Consolidation method (1)**	**Percentage of interest**	**Consolidation method (1)**
	OpenIO Inc.	100%	FC	100%	FC
	ForePaaS Inc.	-	-	100%	FC
	NFA Group	100%	FC	100%	FC
	BuyDRM Inc.	100%	FC	100%	FC
France	**OVH Groupe SA**	**100%**	**Parent company**	**100%**	**Parent company**
	OVH SAS	100%	FC	100%	FC
	Media BC	100%	FC	100%	FC
	KOSC	41%	EM	41%	EM
	ForePaaS S.A.S	-	-	100%	FC
Finland	OVH Hosting OY	100%	FC	100%	FC
India	OVHTECH R&D (India)	100%	FC	100%	FC
	OVHDC India Pte. Ltd.	-	-	100%	FC
Ireland	OVH Hosting Ltd.	100%	FC	100%	FC
	OVH BSI Ltd.	100%	FC	100%	FC
Italy	Altimat Italy Srl	100%	FC	0%	NC
	OVH Srl	100%	FC	100%	FC
Lithuania	OVH UAB	100%	FC	100%	FC
Morocco	OVH Hosting SARL	100%	FC	100%	FC
The Netherlands	OVH B.V.	100%	FC	100%	FC
Poland	OVH Sp. Zoo	100%	FC	100%	FC
	Data Center Ozarow Sp. Zoo	100%	FC	100%	FC
Portugal	OVH Hosting Sistemas Informaticos Unipessoal Lda	100%	FC	100%	FC
United Kingdom	OVH Ltd.	100%	FC	100%	FC
	Data Center Erith Ltd.	100%	FC	100%	FC
	OVH BSUK Ltd.	100%	FC	100%	FC
Senegal	OVH SARL	100%	FC	100%	FC
Singapore	Altimat Data Center Singapore Pte Ltd.	100%	FC	100%	FC
	OVH Singapore Pte Ltd	100%	FC	100%	FC
Czech Republic	OVH CZ Sro	100%	FC	100%	FC
Tunisia	OVH SARL	100%	FC	100%	FC
	OVH Tunisie SARL	100%	FC	100%	FC

(1) FC: Full consolidation / EM: Equity method

5.2.2 Statutory auditors' report on the consolidated financial statements

OVH GROUPE S.A.

For the year ended 31 August 2022

To the Annual General Meeting of OVH Groupe,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of OVH Groupe for the year ended 31 August 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 August 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the S*tatutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors for the period 1 September 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Emphasis of Matter

We draw attention to the following matter described in "New standards, amendments and interpretations with mandatory application from 1 September 2021" from Note 3 "Significant accounting policies used in the consolidated financial statements" to the consolidated financial statements relating to the accounting treatment of configuration and customizing costs for software made available by a supplier as part of a SaaS (Software as a Service) contract. Our opinion is not modified in respect of this matter.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Recognition and measurement of non-current assets

Identified risk and main judgments

As stated in Note 1 to the consolidated financial statements, OVH Groupe develops an integrated cloud solution model mainly based on in-house server design and production, data centre construction, and organisation of its fibre optic network. The solutions offered by the Group require substantial investment in infrastructure and servers, new technology and software development, and acquisitions of intangible assets such as patents, licenses, and IP blocks.

At 31 August 2022, the gross and net carrying amounts on the consolidated balance sheet respectively amounted to €270.7 million and €223.5 million for intangible assets, and €2,005.9 million and €989.9 million for tangible assets. These assets are initially recognized at acquisition cost, internal production cost, or fair value if relating to a business combination. Given the annual volume of these non-current assets, and the fact that a significant percentage of them are developed in-house, we considered non-current asset recognition a key audit matter.

Additionally, the Group carries out acquisitions that generate goodwill, the latter amounting to €50.9 million at 31 August 2022.

As stated in the note on main accounting policies, OVH Groupe conducts impairment testing when there is indication of impairment or at least once a year. As such, the Group conducted an impairment test when preparing the consolidated financial statements as at 31 August 2022. The impairment test is based on the value in use of each cash-generating unit (CGU), determined as the discounted present value of expected future cash flows that the assets will produce. To determine value in use, Management must use the judgments and estimates outlined in Notes 3 and 4.12, particularly as regards cash generating ability derived from the strategic plans, the required amount of capital expenditure, growth assumptions pertaining to the global cloud market, discount rates, and perpetual growth rates.

We considered the measurement of non-current assets a key audit matter given the sensitivity of Management assumptions and the material amounts of intangible and tangible assets and goodwill in the consolidated financial statements.

Our audit approach

We examined the accounting principles and internal control arrangement to determine the historical value of intangible assets and property, plant and equipment as well as the depreciation and amortization start dates. Our work mainly involved sampling to test the historical value of these assets and their service start date.

For technologies and software developed in-house, we assessed that the Group's accounting principles were correctly applied, by critically reviewing the eligibility of internal and external capitalized costs out of a sample of technology and software projects.

We also analyzed the impairment testing procedures for goodwill, intangible and tangible assets. We examined the principles used to identify the cash-generating units (CGUs) used by the Group: Private Cloud, Public Cloud and Webcloud & Other.

Additionally, we performed the following procedures pertaining to the impairment testing of each CGU:

- Cross-check cash flows used against the budget approved by the Board of Directors for 2023 financial year,
- Assess, with the support of our valuation specialists:
  - the consistency of assumptions used, compared to achievements of the 2022 financial year and to the market growth forecasts,
  - the appropriateness of the discount rate and perpetual growth rate used, compared to market benchmarks,
  - the appropriateness of the valuation model,
- Use sampling to compare the CGUs net asset value used in the impairment testing to the accounts, and to test the mathematical accuracy of the valuation models,
- Perform our own sensitivity calculations on key assumptions to corroborate Management analyses and assess the potential impacts that a material change to these assumptions would have on the outcome of impairment tests.

Finally, we verified the appropriateness of the information given in Notes 3, 4.10 to 4.12 to the consolidated financial statements.

Impact of the Strasbourg incident

Identified risk and main judgments

As presented in Note 2 under "Significant events during the financial year ended 31 August 2022", a fire broke out at one of the company's data centres in Strasbourg on the night of 9 to 10 March 2021. Service was interrupted for thousands of customers and a certain number lost data. At 31 August 2022, the provision amounts to €24.5 million, and €31 million as at 31 August 2021. The overall cost such as appraisals, procedural and customer claims has not roughly changed

The measurement of the provision to cover estimated appraisal costs, procedural costs and customer claims includes several assumptions as described under "Use of significant judgements and estimates" in Note 3 "Significant accounting policies used in the consolidated financial statements".

We therefore considered the measurement and accounting treatment relating to the Strasbourg fire a key audit matter, given the use of estimates, assumptions and significant judgments by Management to measure the provision as at 31 August 2022.

Our audit approach

For the provision to cover appraisal costs, procedural costs and customer claims, our work consisted of:

- examining the memorandum, prepared by Management with the input of its legal counsel, used to estimate the provision as at 31 August 2021 and updated as at 31 August 2022,
- assessing that the legal grounds and the multi-criteria methodology used to estimate classes of risks allocation arising from customer claims are unaffected by developments of the period,
- reconciling the claim and transaction amounts in the memorandum, which were used to estimate the provision, with actual claims received and transactions actually carried out,
- by class of risk, ensuring that the amount provisioned compared to amounts claimed as at 31 August 2022 was consistent with amounts granted out of amounts demanded, once atypical cases were analysed and excluded.

We interviewed Management to determine that there were no subsequent events that could call into question the estimates and assumptions used to calculate the provision at 31 August 2022.

We also assessed the appropriateness of the information given in Notes 2, 3, 4.7 and 4.21 to the consolidated financial statements.

Revenue recognition

Identified risk and main judgments

At 31 August 2022, revenue in the consolidated income statement amounted to €788.0 million.

As stated in Note 3 under "Significant accounting policies – Revenue recognition", revenue from leases under IFRS 16 "Leases'" corresponds to almost all activities of the Private Cloud operating segment. Other services outside this operating segment fall within the scope of IFRS 15 "Revenue from Contracts with Customers". Revenue is recognised over time since customers simultaneously receive and consume the benefits provided by the entity as it performs the services.

Revenue is a key performance indicator in the tech sector, and for OVH Groupe in particular. Moreover, revenue recognition for the Group requires knowledge of IFRS 15 and IFRS 16 and their related interpretations. Finally revenue is made up of large number of transactions of small individual amounts generated from several IT applications. For all of these reasons, we considered revenue a key audit matter.

Our audit approach

Our work consisted mainly of:

- examining the accounting methods for revenue recognition described above,
- verifying the existence and accuracy of revenue,
- verifying that IFRS 15 and IFRS 16 were correctly applied to the revenue of Public Cloud, Webcloud & Other and Private Cloud.

We also performed the following procedures:

- use data analytics to match the settled invoices and related cash collections, based on exports of the OVH billing application,
- use sampling, additionally, to match bills issued and supporting evidence,
- use data analytics to reconstitute the amount of prepaid income expected at the end of the reporting period, based on exports of the OVH billing application,
- Interview Management to analytically examine monthly revenue from key accounts as well as the underlying contracts.

We also verified the appropriateness of the information given in Notes 3, 4.1 and 4.2 to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Statement of non-financial performance

We attest that the consolidated non-financial performance statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the Group's management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported on by an independent third party.

Report on other legal and regulatory requirements

Format of the presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of Chief executive officer, complies with the single electronic format defined in Commission Delegated Regulation 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the markup of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the statutory auditors

We were appointed as statutory auditors of OVH Groupe by the annual general meetings held on 10 January 2018 for KPMG S.A. and on 13 October 2011 for Grant Thornton.

As at August 31, 2022, KPMG S.A. and Grant Thornton were in their sixth and twelfth years of total uninterrupted engagement, respectively, of which, for each firm, one year had elapsed since the company's shares had been admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. 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 consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit.

Furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. 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 control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's 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. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris La Défense, 16 December 2022

French original signed by the statutory auditors

Grant Thornton		**KPMG Audit**	
French Member of Grant Thornton International		**Division of KPMG S.A.**	
Vincent Papazian	Pascal Leclerc	Jacques Pierre	Stéphanie Ortega
Partner	*Partner*	*Partner*	*Partner*

5.3 ANNUAL FINANCIAL STATEMENTS OF THE COMPANY

5.3.1 Financial statements

Statement of financial position: assets

(in thousand euros)	Gross amount	Amort. & deprec. Prov.	31 August 2022	31 August 2021
Intangible assets				
Development costs				
Concessions, patents and similar rights	1,059	1,059		34
Commercial equity				
Other intangible assets	3,114		3,114	5,330
Advances, down payments on intangible assets				
Property, plant and equipment				
Land				
Buildings				
Infrastructure equipment, facilities, industrial plant and equipment				
Other property, plant, and equipment				
Assets under construction				
Advances and down payments				
Financial assets				
Investments under the equity method				
Other investments	473,095	58,000	415,095	191,530
Income from investments	0		0	
Other long-term investments				
Loans	528,966		528,966	480,409
Other financial assets	1,067	92	975	351
NON-CURRENT ASSET	**1,007,301**	**59,151**	**948,150**	**677,653**
Inventories and stock				
Raw materials, supplies				
Work in progress of goods				
Work in progress of services				
Intermediate and finished products				
Goods				
Advances and down payments on orders				
Receivables				
Trade and other receivables	21,999		21,999	35,987
Other receivables	274,154		274,154	241,879
Subscribed capital called but unpaid				
Miscellaneous				
Marketable securities				
(including treasury shares):				
Available cash	7,618		7,618	23,730
Accruals				
Prepaid expenses	341		341	9,855
CURRENT ASSETS	**304,112**		**304,112**	**311,452**
Debt issuance costs to be deferred	7,202		7,202	
Bond redemption premiums				

(in thousand euros)	Gross amount	Amort. & deprec. Prov.	31 August 2022	31 August 2021
Translation differences: assets	5,873		5,873	10,192
GENERAL TOTAL	**1,324,488**	**59,151**	**1,265,337**	**999,298**

Statement of financial position: liabilities

(in thousand euros)	31 August 2021	31 August 2022
Share or individual capital (of which paid-up: 170,779)	170,779	190,540
Share, merger and contribution premiums	97,743	422,529
Revaluation differences (including equity difference)		
Legal reserves	13,600	18,990
Statutory reserves		
Regulated reserves (of which prov. for price fluctuations)		
Other reserves	8,021	7,358
Retained earnings	(74,242)	(69,335)
RESULT FOR THE FINANCIAL YEAR (PROFIT OR LOSS)	**4,907**	**49,133**
Investment subsidies		
Regulated provisions		85
EQUITY	**220,807**	**619,300**
Income from the issue of equity securities		
Conditional advances		
OTHER EQUITY		
Provisions for risks	10,192	5,873
Provisions for expenses		
PROVISIONS	**10,192**	**5,873**
Convertible bond issues		
Other bond issues	67,000	
Loans and debts from credit institutions	641,299	566,634
Miscellaneous loans and financial debts	24,708	42,014
Advances and down payments received on orders in progress		
Financial debt		
Accounts payable	19,806	2,255
Tax and social debts	8,891	4,276
Operating debts		
Accounts payable payable for non-current assets and related accounts	5,330	5,643
Other debt	612	9,983
Miscellaneous debts		
Deferred income		
Accruals		
DEBTS	**767,646**	**630,806**
Translation differences: liabilities	653	9,358
GENERAL TOTAL	**999,298**	**1,265,337**

Income statement

(in thousand euros)	France	Exports	2022	2021
Sales of goods				
Production of goods sold				
Production of services sold	32,443	4,111	36,554	40,087
Net revenue	**32,443**	**4,111**	**36,554**	**40,087**
Inventoried production				
Capitalised production				
Operating subsidies				
Reversals of impairment, provisions (and depreciation), expense transfers			8,736	4,924
Other income			81	
Operating income			**45,372**	**45,011**
Purchases of goods (including customs duties)				
Change in inventory (goods)				
Purchases of raw materials and other supplies				
Change in inventory (raw materials and supplies)				
Other purchases and external expenses			31,992	23,307
Taxes, duties and similar payments			322	307
Wages and salaries			6,262	4,727
Social charges			2,479	1,779
Operating provisions				
On non-current assets: depreciation and amortisation expenses			1,507	8,744
On non-current assets: depreciation and impairment				
On current assets: impairment expenses				
Provisions				
Other expenses			448	3
Operating expenses			**43,010**	**38,868**
OPERATING INCOME			**2,362**	**6,143**
Financial income from investments			137,516	16,052
Income from other securities and receivables from non-current assets			1,388	
Other interest and equivalent income			17,760	4,005
Reversals of provisions, expense transfers			14,027	13,051
Positive translation differences			68,933	6,586
Net income on sales of marketable securities			35,407	
Financial income				**39,694**
Financial allowances to amortisation and provisions			86,638	10,192
Interest and equivalent expenses			63,965	21,540
Negative translation differences			11,029	2,955
Net expenses on disposals of marketable securities			11,644	
Financial expenses				**34,687**

(in thousand euros)	France	Exports	2022	2021
NET FINANCE INCOME (EXPENSE)			**50,878**	**5,007**
PROFIT (LOSS) BEFORE TAX			**53,239**	**11,150**
Exceptional income on management transactions			12,072	
Exceptional income on equity transactions			4	28,292
Reversals of provisions, expense transfers			12,068	
Exceptional income				**28,292**
Exceptional expenses on management transactions			12,301	6
Exceptional expenses on capital transactions				34,649
Exceptional allowances to amortisation and provisions			12,216	
Exceptional expenses			85	**34,655**
EXCEPTIONAL RESULT			**(230)**	**(6,363)**
Employee profit sharing				
Income tax			3,877	(120)
TOTAL INCOME			**194,959**	**112,997**
TOTAL EXPENSES			**145,826**	**108,090**
PROFIT OR LOSS			**49,133**	**4,907**

NOTES TO THE STATUTORY FINANCIAL STATEMENTS

Note 1 Significant events during the period

The financial statements for the financial year below cover the period from 1 September 2021 to 31 August 2022, *i.e.* a period of 12 months.

At 31 August 2022, the statement of financial position total amounted to €1,265,336,872 and revenue was €36,554,098.

1.1 Initial public offering

OVH Groupe S.A. was listed on compartment A of the Euronext Paris regulated market on 15 October 2021 in order to finance its growth strategy, which is to include the financing of its geographical expansion, the construction of data centres, the development of new products and external growth transactions where applicable. The total number of OVHcloud shares newly issued as part of the initial public offering is 18,918,919, with a unit value of €18.50, *i.e.* a primary offering of approximately €350 million.

1.2 Liquidity contract

On 18 January 2022, the Group set up a liquidity contract to ensure an active market for OVH Groupe shares on Euronext Paris. €5 million in cash was allocated to implement this contract.

1.3 Refinancing

Following its initial public offering, on 25 October 2021 OVH Groupe redeemed the full amount of the previous Loan Agreements (Term Loan and Revolving Credit Facility), as well as the Euro PP bonds for an amount of €705.2 million, thanks to the establishment of a new unsecured senior loan agreement with a total principal amount of €920 million (the “New Debt”), to replace the previous Loan Agreements. The New Debt, which is not subject to a guarantee given by OVH Groupe, includes a new term loan of €500 million, with a maturity of 5 years, together with the setting up of a new revolving credit facility (RCF) for a maximum capacity of €420 million with an initial maturity of 5 years eligible to two extended options for one more year each. The RCF was drawn down for €60.1 million.

At the funds release date, the applicable margin will be 1.10% for the term loan against 3.25% in the previous refinancing, and it will be 0.70% in the case of a drawing-down of the revolving credit facility instead of 2.50% in the previous refinancing.

1.4 Company shareholding

The companies MANOVH and MENOVH, two entities combining the Group’s employee shareholding (managers and employees), merged into the Company on 18 October 2021, making the shareholders of MANOVH and MENOVH direct shareholders of the Company.

Following the transformation of the Company into a public limited company with a Board of Directors (*société anonyme*) on 28 September 2021, the total number of A Preference shares and C Preference shares were converted into ordinary Company shares as of 18 October 2021. In no way whatsoever does this transaction directly affect either the equity, the income statement, or the cash situation.

Finally, the Group gave the opportunity to its employees to subscribe to a shareholding offer reserved solely for Group employees (Employee Share Plan 2021 or “ESP 2021”). This offer is addressed to Group employees in France and abroad, taking into consideration the contribution covered by the Group and an agreed discount of 30% on the sale share price. On 9 November 2021, the Chief Executive Officer of the Group recorded, the completion of the capital increase linked to this employee shareholding offer for an amount of €9.8 million corresponding to the issuance of 1,365,343 new shares. Following this offer, on the grant date, 97.8% of eligible employees became Group shareholders.

1.5 Macroeconomic environment

The current macroeconomic environment is deteriorated by inflationary trends (in particular the increase in energy costs), and by the war in Ukraine.

The Group has several key assets in this inflationary dynamic:

- OVHcloud operates according to a vertically integrated model, which gives it control of its value chain;
- the Group has set up two interest rate swaps (exchanging the variable rate of the term loan for fixed rates) enabling it to limit the risk induced by interest rate fluctuations;
- the Group uses forward foreign exchange contracts to limit its exposure to potential currency fluctuations;
- the Group obtains its supplies through forward purchase contracts, at a fixed or indexed prices, in order to reduce its exposure to the risk of an increase in the purchase price of energy. OVHcloud has also entered into an energy purchase agreement with the EDF Renouvelables group, providing for the provision by EDFR of electricity from an agrivoltaic park, for the exclusive benefit of the Group. OVHcloud plans to consume 100% of the green energy produced by this park, from January 2025, representing around 25% of the current annual electricity needs in France. This contract provides long-term visibility of the price of the electricity to be supplied.

1.6 Situation in Ukraine

In the deteriorated geopolitical context between Russia and Ukraine, the Group is constantly monitoring its activities in Russia, Belarus and Ukraine. In this context, OVH Groupe SA states that it rigourously complies with the regulations in force.

The Company also specifies that:

- The Company does not have any employees in Ukraine, Russia or Belarus;
- The Company has no service providers (individuals) based in Ukraine;

- The Company has no infrastructure in these three countries;
- The Company has no receivables due in Ukraine, Russia or Belarus as of 31 August 2022.

1.7 Acquisition of ForePaaS

On 20 April 2022, the OVHcloud Group acquired 100% of the shares of ForePaaS, a unified French platform specialising in data analytics, machine learning and artificial intelligence projects for companies, for a purchase price of €19.6 million, including acquisition costs €1.2 million, fully paid in cash. The purchase agreement also provides for a contingent earn-out clause of a maximum of €4.6 million, based on the achievement of operational targets.

1.8 Earn-out – Acquisition of BuyDRM

On 22 July 2021, OVHcloud group acquired 100% of the shares of BuyDRM, a company specialised in digital rights management and content protection for an initial acquisition price of $15.3 million, paid in full in cash. The purchase agreement also provides for a earn-out clause of up to $14 million, contingent on revenue and EBITDA margins for the periods ended 31 August 2022 and 2023, as well as on operational peformance against targets and attendance.

During the financial year, an earn-out was paid in two installments, in April and July 2022, for a total amount of $5.8 million.

1.9 US Holding capital increase

In August 2022, OVH Groupe SA participated in the capital increase of OVH Holding US Inc. by incorporating current accounts that it held with the subsidiaries of OVH Holding US Inc. The total amount of OVH Groupe's participation in this capital increase is €253 million. As a result, the current account impairment with the American entities of €58 million, already recorded in the financial statements in previous years, was reversed in full and an impairment on equity investments was recognised for the same amount as of 31 August 2022.

Note 2 Significant events since the end of the financial year

No significant events are to be reported.

Note 3 Accounting policies and principles

These financial statements have been prepared in accordance with the provisions of ANC Regulation No. 2020-09 amending ANC Regulation No. 2014-03 relating to the French General Accounting Plan.

The general accounting conventions have been applied in accordance with the principle of prudence in accordance with the basic assumptions: going concern, consistency of accounting methods from one financial year to another, independence of financial years as, in accordance with the general rules of establishment and presentation of the annual financial statements.

3.1 Property, plant and equipment and intangible assets

Property, plant and equipment are valued at their acquisition or production cost less reductions, rebates and payment discounts or at their production cost.

Impairment is recognised when the current value of an asset is less than the net carrying amount.

The impairment and depreciation of property, plant and equipment and intangible assets is calculated according to the straight-line or degressive methods, depending on the type of asset and the planned lifetime.

Software and software packages: Straight-line 3 years.

3.2 Financial assets

The Company recognises investment securities (including the acquisition cost of the securities) and the related receivables at historical cost.

At the reporting date, the Company examines the net value of the investment in each subsidiary, which includes investment securities, loan principal and current account advances granted. For each subsidiary, the Company compares the net carrying amount of the investment with its value in use. The value in use is calculated based on the activity of each subsidiary either using the net cash flow method adjusted for net debt (or net available cash position), or according to the share of the net position or by reference to the market value of comparable transactions.

When the value in use falls below the net investment, an impairment loss is calculated, which is charged as a priority to investment securities then to loans and related receivables and current account advances. If the value in use is negative, a provision for risk may be added.

This impairment is reversed when the value in use rises above the net investment and the entity's financial position improves over the long term, with a return to equilibrium.

3.3 Receivables

Receivables are valued at their nominal value. Impairment is recognised when the inventory value is less than the carrying amount.

3.4 Income tax

OVH Groupe is at the head of a tax consolidation group.

The fiscally consolidated companies are:

- MEDIABC SAS;
- OVH SAS;
- OVH Groupe SA (head of the group).

Corporate income tax is recognised taking into account the tax consolidation group.

Note 4 Information on the statement of financial position: assets

4.1 Property, plant and equipment and intangible assets

Property, plant and equipment are valued at their acquisition or production cost less reductions, rebates and payment discounts or at their production cost.

Impairment is recognised when the current value of an asset is less than the net carrying amount.

4.1.1 Table of acquisitions and disposals during the period

(in thousand euros)	31 August 2021	Acquisitions	Item-to- item transfers and correction +/-	Disposals	31 August 2022
Establishment and development costs					
Other intangible assets (1)	6,389	9,730		11,945	4,173
Intangible assets	**6,389**	**9,730**	**0**	**11,945**	**4,173**
Land					
Buildings					
General installations and fittings					
Infrastructure equipment, facilities, industrial plant and equipment					
Transport equipment					
Office equipment, IT, furniture					
Recoverable packaging and miscellaneous					
Property, plant and equipment					
Property, plant and equipment under construction (1)					
Property, plant and equipment under construction					
Deposits					
TOTAL	**6,389**	**9,730**	**0**	**11,945**	**4,173**

(1) Of which: – Software: €1,059 thousand in 2022, no change over the year

– Intangible assets in progress: €3,114 thousand in 2022 compared to €5,330 thousand in 2021.

4.1.2 Amortisation table

The impairment and depreciation of property, plant and equipment and intangible assets is calculated according to the straight-line or degressive methods, depending on the type of asset and the planned lifetime.

Software and software packages: Straight-line 3 years.

(in thousand euros)	31 August 2021	Provisions	Decreases or reversals	31 August 2022
Establishment and development costs				
Other intangible assets	1,025	34		1,059
Intangible assets	**1,025**	**34**	**0**	**1,059**
Land				
Buildings				
General installations and fittings				
Infrastructure equipment, facilities, industrial plant and equipment				
Transport equipment				
Office and IT equipment, furniture				
Recoverable packaging and miscellaneous				
Property, plant and equipment				
TOTAL	**1,025**	**34**	**0**	**1,059**

4.2 Financial assets

TABLE OF MOVEMENTS FOR THE PERIOD

(in thousand euros)	Gross value at 31 August 2021	Acquisitions and item-to-item transfers	Disposals and item-to-item transfers	Gross value at 31 August 2022	Provisions	Net value at 31 August 2022
Investments assessed under the equity method						
Other investments (1)	191,530	281,565	0	473,095	58,000	415,095
Other long-term investments (1)						
Loans and other financial assets (1) (2)	480,760	52,226	2,952	530,033	92	529,941
FINANCIAL ASSETS	**672,290**	**333,791**	**2,952**	**1,003,128**	**58,092**	**945,036**

(1) Concerns affiliated companies.

(2) Other non-current financial assets correspond solely to guarantees for €249 thousand.

In 2020, OVH Groupe set up financing agreements in the form of a Loan Facilities Agreement for a period of seven years for the following subsidiaries:

Subsidiaries	Financing cap	Outstanding at 31 August 2022
OVH SAS	EUR 420 M	EUR 338 M
Data Center Limburg	EUR 70 M	EUR 60 M
Data Center Erith	EUR 60 M	EUR 46 M
OVH Holding Canada	USD 50 M	USD 37 M
Data Center Ozarow	EUR 35 M	EUR 25 M
Data Center Sydney	EUR 10 M	EUR 9 M
Data Center Singapour	EUR 10 M	EUR 6 M
Data Center Singapour	USD 10 M	USD 5 M
Data Center Sydney	AUD 3 M	AUD 0.8 M
Data Center Sydney	USD 7 M	USD 0.6 M
Data Center Erith	GBP 10 M	GBP 0 M
Data Center Ozarow	PLN 40 M	PLN 0 M

TABLE OF SECURITIES AND EQUITY INVESTMENTS

Subsidiaries	Local Currency	Date of most recent reporting period	Capital *(in local currency)*	Reserves and retained earnings before appropriation of income *(in local currency)*	Share of capital held	Gross	Net	Loans and advances granted *(in euros)*	Amount of guarantees and endorsements *(in euros)*	Revenue excluding taxes for the last financial year *(in euros)*	Results (profit or loss for the most recent period)	Dividends received by the Company during the financial year
OVH SAS	EUR	31/08/2022	EUR 10,174,560	EUR 73,969,666	100%	€150,357,784	€150,357,784	€338,185,378		€654,716,023	€(43,276,151)	
OVH Holding Canada	CAD	31/08/2022	CAD 36,306,000	CAD 6,013,813	100%	€26,256,407	€26,256,407	€36,680,100		€4,356,444	€(1,729,136)	
OVH Holding US	USD	31/08/2022	USD 259,750,092	USD (1,825,633)	100%	€254,306,075	€196,306,075				€(345,460)	
BuyDRM	USD	31/08/2022	USD 1,500	USD (91,814)	100%	€18,949,463	€18,949,463			€3,214,306	€(314,749)	
ForePaaS	EUR	31/08/2022	EUR 565,913	EUR (817,945)	100%	€19,021,686	€19,021,686			€436,867	€(2,329,570)	
OVH India	INR	31/03/2022	INR 10,000	INR 75,171,149	100%	€84	€84			€1,723,283	€56,239	
DC India	INR	N/A	INR 336,542,946	INR (0)	100%	€4,230,770	€4,230,770					
						€473,122,268	**€415,122,268**	**€374,865,479**				

Note: The data are taken from the internal reporting system (excluding OVH SAS).

The revenue and annual results of the foreign subsidiaries included in the table have been converted according to the closing rates at 31/08/2022.

4.3 Maturity of receivables

Receivables are valued at their nominal value. Impairment is recognised when the inventory value is less than the carrying amount.

The receivables held by the Company amounted to €826,527 thousand in gross value at 31 August 2022 and break down as follows:

(in thousand euros)	Gross amount	Within one year	More than one year
Income from investments			
Loans	528,966	1,674	527,293
Other financial assets	1,067	818	249
Non-current asset	**530,033**	**2,492**	**527,542**
Trades receivables	21,999	21,999	
Doubtful trade receivables			
Staff and related accounts	213	213	
Social organisations	0	0	
State: miscellaneous taxes and duties	12,958	12,958	
Group and partners	260,525	29,921	230,604
Miscellaneous debtors	481	481	
Prepaid expenses	341	341	
Current assets	**296,494**	**296,494**	
TOTAL	**826,527**	**68,382**	**758,146**
Amount of loans granted during the financial year	49,735		
Amount of redemptions obtained during the financial year			
Loans and advances granted to partners (natural persons)			

The "Loans" item relates to financing contracts in the form of Loan Facilities Agreements, granted by the OVH Groupe to certain subsidiaries held directly or indirectly, mainly OVH SAS (€338 million).

The "Group and partners" item includes cash made available to subsidiaries under a "Daily Loans and Investments – cash management centralisation" contract. The cash management centralisation account changes according to the cash requirements or cash generated by the Group's entities.

4.4 Trade and other receivables

(in thousand euros)	Net at 31 August 2021	Gross amount	Amort. & deprec. Prov	Net at 31 August 2022
Trade and other receivables	35,987	21,999		21,999
Other receivables	241,879	274,154		274,154
Subscribed capital called but unpaid				
TOTAL	**277,866**	**296,153**		**296,153**

Other receivables: of which €260 million in "daily loans" to Group subsidiaries.

4.5 Accrued income

The totals recorded in statement of financial position for receivables under the following items are as follows:

(in thousand euros)	31 August 2021	31 August 2022
Discounts, rebates and payment deductions to be obtained		
Accrued interest on loans	2,850	1,674
Customers – Invoices to be issued	19,534	13,661
State – Receivables	307	0
Accrued interest on current account	2,910	6,199
TOTAL	**25,601**	**21,534**

The "Customers – Invoices to be issued" item relates to intragroup receivables.

4.6 Accruals

4.6.1 Prepaid expenses

Prepaid expenses amounted to €341 thousand.

(in thousand euros)	31 August 2021	31 August 2022
Operating expenses	9,855	341
Financial expenses		
Exceptional expenses		
TOTAL	**9,855**	**341**

In 2021, prepaid expenses mainly corresponded to fees incurred as part of the IPO project.

4.6.2 Translation differences

(in thousand euros)	Difference: assets
Decrease in receivables	80
Increase in debts	5,793
TOTAL	**5,873**

(in thousand euros)	Difference: liabilities
Decrease in debt	1,284
Increase in receivables	8,074
TOTAL	**9,358**

4.6.3 Deferred expenses

Deferred expenses for the period amounted to €8,675 thousand and relate to the signature of a bank financing contract in 2021. These loan issue costs are amortised over the term of the loan, *i.e.* five years.

The amount of amortisation recorded during the financial year is €1,472 thousand, *i.e.* a balance of expense to be deferred of €7,206 thousand at 31 August 2022.

4.7 Receivables from affiliated companies

(in thousand euros)	31 August 2021	31 August 2022
Income from investments		
Other long-term investments		
Other non-current receivables	480,409	528,966
Trade and other receivables	35,975	21,999
Other receivables	294,549	266,229
TOTAL GROUP AND PARTNERS	**810,933**	**817,194**

Note 5 Information on the statement of financial position: liabilities

5.1 Equity

5.1.1 Change in equity

(in thousand euros)	N-1	+	-	N
Capital	**170,779**	**54,162**	**34,401**	**190,540**
Share premiums	30,455	340,638	15,852	355,241
Special reserves	67,287			67,287
Legal reserves	13,600	5,390		18,990
Other reserves	8,021		663	7,358
Retained earnings	(74,243)	4,907		(69,335)
Profit or loss	4,907	49,133	4,907	49,133
Investment subsidies				
Regulated provisions				
Others				
TOTAL	**220,806**	**454,673**	**55,823**	**619,214**

Appropriation of net income for the 2021 financial year

The financial statements for the 2020 financial year showed a profit of €4,907 thousand. According to the OGM decision approving the financial statements, this profit was allocated in full to “Negative retained earnings”.

5.1.2 Composition of the share capital

(in euros)	Number of shares	Nominal Value	Capital Value
Position at the beginning of financial year			
Ordinary shares	136,378,003	1	136,378,003
A preference shares	27,968,123	1.23	34,400,791
C preference shares	2	1	2
MOVEMENTS:			
Ordinary shares	54,162,422	1	54,162,422
A preference shares	(27,968,123)	1.23	(34,400,791)
C preference shares	(2)	1	(2)
TOTAL	**190,540,425**		**190,540,425**

Share capital at 31 August 2021

At 31 August 2021, the share capital was composed of ordinary shares with a par value of 1 euro and two categories of preference shares (A and C) with a par value of 1.23 euro for A preference shares and of 1 euro for C preference shares. It amounted to €170.8 million and consisted of 136,378,003 ordinary shares, 27,968,123 A preference shares and two C preference shares.

At 31 August 2021, the Group’s share capital was 79% held by the founder’s family, 17% by investment funds and 4% by some Group employees as part of a share allocation plan.

Share capital at 31 August 2022

Following the various shareholding transactions of the Company that took place in connection with its IPO (merger of MANOVH and MENOVH into the Company, conversion of A preference shares and C preference shares into ordinary shares of the Company, Shareholding offer reserved for Group employees and the acquisition of free shares under the allocation plans granted in February 2021 and July 2021, as detailed in Notes 2 and 4.24), the share capital is composed of: 190,540,425 ordinary shares with a par value of €1.

Capital increases and decreases

For the period ended 31 August 2022, the following transactions were carried out by decision of the shareholders:

- On 18 October 2021: capital reduction of €1,165,047 (in consideration for the share premium) corresponding to:
  - Capital reduction of a nominal amount of €6,432,668.29, following the reduction in the nominal value of the A preference shares from €1.23 to €1 per class A preference share,
  - Capital increase for a nominal amount of €5,267,621, through the issue of 33,235,744 ordinary shares with a par value of €1 each following the conversion of all preference shares into ordinary shares;
- On 18 October 2021: capital increase of €18,918,919, through the issue of 18,918,919 new shares with a par value of €1, by public offering with waiver of preferential subscription rights;
- On 9 November 2021: capital increase in respect of the employee shareholding offer (“ESP 2021”) for an amount of €1.4 million, corresponding to the issue of 1,365,343 shares with a par value of €1 (of which 702,269 new shares and 663,074 shares created through the incorporation to the capital of €663,074 from the “reserves” account in respect of the matching contribution);
- On 23 February 2022: capital increase of €442,186 by incorporation of share premiums through the issue of 442,186 ordinary shares;
- On 20 July 2022: capital increase of €200,183 by incorporation of share premiums through the issue of 200,183 ordinary shares.

5.1.3 Free shares

The General Meeting of 10 October 2017 authorised the allocation of a maximum of 4,590,562 free ordinary shares with a four-year service condition. The identity of the beneficiaries and the date of allocation are determined by the Chairman.

Summary of the free shares

Grant date	October 2017	February 2019	July 2020	February 2021	July 2021
Total number of free shares granted	1,108,049	1,776,316	385,236	442,186	250,876
Number of beneficiaries	33	35	23	32	22
Vesting period	4 years	4 years	4 years	1 year	1 year
Estimate of the percentage of employees who will fulfil the service conditions	57%	87%	93%	93%	100%
Fair value of ordinary shares at the grant date *(in euros)*	7.48	8.46	10.2	10.75	20
Expected dividends	-	-	-	-	-

Movements during the period

The following table illustrates the number and movements of free shares issued in the period:

(in numbers of shares)	31 August 2021	31 August 2022
Outstanding at beginning of the period	**2,722,116**	**3,274,381**
Movements		
Allocated during the period	693,162	0
Lapsed during the period	(140,897)	(50,793)
OUTSTANDING AT END OF PERIOD	**3,274,381**	**3,223,588**

No allocation during the period.

Social charges relating to free shares amounted to €1,339 thousand for the 2022 financial year.

5.2 Statement of provisions

(in thousand euros)	31 August 2021	Provisions	Reversals	31 August 2022
Provisions for foreign exchange losses	10,192	5,873	10,192	5,873
TOTAL	**10,192**	**5,873**	**10,192**	**5,873**

5.3 Statement of debt maturities

(in thousand euros)	Gross amount at financial year-end	< 1 year	> 1 year < 5 years	> 5 years
Convertible bond issues				
Other bond issues [(1)]				
Loans and debts from credit institutions [(2)]				
up to one year at the outset				
more than one year at the outset	566,634	1,634	564,000	1,000
Miscellaneous loans and financial debts	42,014	42,014		
Accounts payable	2,255	2,255		
Staff and related accounts	2 242	2 242		
Social security and other social organisations	1,167	1,167		
State and other public authorities				
Income tax				
Value added tax	685	685		
Guaranteed bonds				
Other taxes and related accounts	182	182		
Accounts payable payable for non-current assets and related accounts	5,643	5,643		
Group and partners				
Other debt	9,983	9,983		
Debts representing securities borrowed or pledged as collateral				
Deferred income				
TOTAL	**630,806**	**65,806**	**564,000**	**1,000**
Loans subscribed during the financial year	560,000			
Loans repaid during the financial year	701,100			

(1) Bond issue characteristics.

(2) Characteristics of the main bank loans.

The "Miscellaneous loans and financial debts" item corresponds to intragroup current accounts, mainly including the subsidiary DC Ozarow for a total of €20 million.

5.4 Accounts payable

(in thousand euros)	31 August 2021	31 August 2022
Accounts payable	7,673	5,286
Notes payable		
Suppliers and invoices not received	12,133	2,613
NET CARRYING AMOUNT	**19,806**	**7,899**

5.5 Accrued expenses

The totals recorded in the statement of financial position for accrued expenses under the following items are as follows:

(in thousand euros)	31 August 2021	31 August 2022
Accounts payable	19,806	2,255
Tax and social debts	8,891	4,300
Operating debt		
Convertible bond issues		
Other bond issues	67,000	
Loans and debts from credit institutions	641,299	566,634
Miscellaneous borrowings and financial debt (including private borrowings)	24,708	42,014
Advances and down payments received on orders in progress		
Financial debt		
Accounts payable payable for non-current assets and related accounts	5,330	5,643
Other debt	612	9,983
Miscellaneous debts		
Deferred income		
Accruals		
DEBTS	**767,646**	**630,805**

5.6 Debt with affiliated companies

Amounts for affiliated companies correspond to:

(in thousand euros)	31 August 2021	31 August 2022
Debt/consolidated affiliates in France		
Debt/consolidated affiliates	24,708	42,013
Suppliers Groups	383	401
Invoices not received	2,761	0
Credit notes to be issued	612	0
TOTAL	**28,464**	**42,414**

Note 6 Information on the income statement

6.1 Breakdown of net revenue

Revenue for the 2021 breaks down as follows:

(in thousand euros)	Total 2021	France	2021 r EEC + Export	Total 2022
Sales of goods				
Sales of finished products				
Production of services sold	40,087	32,443	4,111	36,554
REVENUE	**40,087**	**32,443**	**4,111**	**36,554**
%	100%	88.75%	11.25%	100.00%

Revenue relates to intragroup management fees.

6.2 Other operating income

(in thousand euros)	2021	2022
Inventoried production		
Capitalised production		
Other miscellaneous management income and operating subsidies		81
Reversal of depreciation and provisions, transfer of expenses (1)	4,924	8,736
TOTAL	**4,924**	**8,817**

(1) This amount mainly consists of the transfer to the statement of financial position of expenses incurred in the implementation of the new financing contract for €8,675 thousand. These expenses are spread over the duration of the financing. During the 2021 financial year, this amount mainly consisted of the reversal of the impairment of the DDIS current account for €4,854 thousand following the disposal carried out during the financial year.

6.3 Net finance income (expense)

Net finance income (expense) for the period amounted to €50,878 thousand and breaks down as follows:

(in thousand euros)	2021	2022
Financial income from investments	16,052	1,388
Income from other securities and receivables from non-current assets (1)		17,760
Other interest and equivalent income	4,005	14,027
Reversals of provisions and expense transfers	13,051	68,933
Positive translation differences	6,586	35,407
Net income on disposal of marketable securities		1,388
Financial income	**39,694**	**137,516**
Financial allowances to amortisation and provisions	10,192	63,965
Interest and equivalent expenses	21,540	11,029
Negative translation differences	2,955	11,644
Net expenses on disposals of marketable securities		
Financial expenses	**34,687**	**86,638**
NET FINANCE INCOME (EXPENSE)	**5,007**	**50,878**

(1) Interest on current accounts and intragroup revolving loans.

Of which:

- financial income with affiliated companies: €33,175 thousand;
- financial expenses with affiliated companies: €1,045 thousand.

The amount of reversals on provisions and transfer of expenses is composed of:

- in 2022:
  - reversal of provision for unrealised foreign exchange losses for €10,192 thousand;
  - reversal of provision for CC US impairment for €58,740 thousand.
- In 2021:
  - reversal of the provision for unrealised foreign exchange losses for €11,363 thousand;
  - reversal of the provision for impairment of DDIS shares for €1,689 thousand.

The amount of financial allocations for depreciation and provisions is composed of:

- in 2022: provision for unrealised foreign exchange losses of €5,873 thousand;
  - provision for impairment of US Holding shares for €58,000 thousand.
- In 2021:
  - provision for unrealised foreign exchange losses of €10,192 thousand.

6.4 Exceptional result

The exceptional result for the period of €(230) thousand breaks down as follows:

(in thousand euros)	2021	2022
Exceptional income on management transactions		4
Exceptional capital income (1)	28,292	12,068
Reversals of provisions and expense transfers		
EXCEPTIONAL INCOME	**28,292**	**12,072**
Exceptional expenses on management transactions	6	
Exceptional expenses on capital transactions (1)	34,649	12,216
Exceptional allowances to amortisation and provisions		85
EXCEPTIONAL EXPENSES	**34,655**	**12,301**
EXCEPTIONAL RESULT	**(6,363)**	**(230)**

(1) The item includes the disposal of non-current assets to OVH SAS for a total of €11,945 thousand.

6.5 Income tax

OVH Groupe is at the head of a tax consolidation group.

The fiscally consolidated companies are:

- MEDIABC SAS;
- OVH SAS;
- OVH Groupe SA (head of the group).

Corporate income tax is recognised taking into account the tax consolidation group.

The overall taxable income was nil as of 31 August 2022 and breaks down as follows:

Total taxable income (in euros)	2022
MEDIABC	7
OVH SAS	(47,075)
OVH GROUPE	47,774
Tax consolidation restatement	0
Losses charged to the result for the financial year	(707)
TOTAL	**0**

6.6 Breakdown of corporate income tax

The tax due relating to the current and exceptional income was calculated by multiplying the effective tax rate by the accounting current and exceptional income, adjusted for the reintegration and tax deductions of current and exceptional expenses.

(in thousand euros)	Current	Exceptional	Total
Profit (loss) before tax	53,240	(230)	53,009
Tax [(1)]	3,877	0	3,877
Income after tax	49,363	(230)	49,133

(1) Including €3,724 thousand of corporate tax on IPO fees.

Note 7 Miscellaneous information

7.1 Average number of employees and temporary staff

For the 2022 financial year, the average number of employees breaks down as follows:

2022	Headcount
Executives	14
Supervisors, technicians and employees	
Workers	
TOTAL	**14**

7.2 Commitments given

As of 31 August 2022, the off-balance sheet commitments given by OVH Groupe are as follows:

- Deposits, guarantees and bank guarantees vis-à-vis Société Générale:

Amount	Reason	Maturity
EUR 719,095	SURAVENIR lessor lease agreement	07/04/2027
EUR 46,404	GENERALI ESPANA lessor lease agreement	31/12/2023

- Deposits, guarantees and bank guarantees vis-à-vis HSBC bank:

Autonomous guarantees granted by OVH GROUPE to HSBC France in respect of HSBC France counter-guarantees for the issue by a local HSBC subsidiary of a guarantee in favour of a local third party as counterparty to the local OVH subsidiary.

Amount	Reason	Maturity
EUR 70,119	Compagnie Générale Immobilière lessor lease agreement	11/03/2029
EUR 51,310	SCPI Notapierre lessor lease agreement	End of lease
EUR 60,000	EUROSIC lessor lease agreement	30/09/2025
EUR 62,975	Société Epargne Foncière lease agreement	End of lease
EUR 159,326	DEKA IMMOBILIEN INVESTMENT GMBH lessor lease agreement	14/10/2025
EUR 12,384	Alrisa-Sociedade Imobiliaria lessor lease agreement	15/09/2022
EUR 70,433	Roma central Pte Ltd lessor lease agreement	30/12/2023
EUR 54,457	HELIOS lessor lease agreement	15/07/2030

7.3 Foreign exchange transactions

The total amount of commitments at 31 August 2022 related to financial instruments is €103,933 thousand. The fair value of these financial instruments was €(205) thousand.

The breakdown is as follows:

- **investment hedges in USD**: investments are mainly purchased in USD at the level of the Group's subsidiaries. These flows are hedged against the EUR/USD foreign exchange risk using foreign exchange derivatives (only forward purchases at 31 August). These transactions are carried out by OVH Groupe with the bank counterparties and then brought down to the subsidiaries by setting up transactions in the opposite direction. Thus, the total amount of forward purchases in EUR USD traded with banks at the closing rates on 31 August 2022 was €48,000 thousand with an unfavourable fair value of €(280) thousand. This amount is fully offset by transactions carried out in the opposite direction with the subsidiaries concerned;
- **hedging of foreign currency accounts**: when a subsidiary has cash surpluses, these are repatriated to OVH Groupe as part of the optimisation of the use of the Group's cash, and are subject to short-term cash swaps term (1 month) when they are in a currency other than EUR. The total amount of cash swaps at closing rates on 31 August 2022 was €55,933 thousand with a favourable fair value of €75 thousand.

7.4 Foreign exchange transactions

The amount of commitments at 31 August 2022 related to interest rate hedging instruments was €375 million with a favourable fair value of €11.7 million (interest rate swaps, exchanging the variable rate of the term loan for fixed rates). The Group has set up these instruments to limit the risk induced by interest rate fluctuations on the cost of its new €500 million term loan maturing in October 2026.

7.5 Executive compensation

This information is not disclosed as it would result in the disclosure of individual information.

7.6 Commitment in terms of retirement benefits

Pension commitments *(in thousands of euros)*	Provisioned	Not provisioned	Total
IDR		31	31
Pension commitments to former executives			
Coverage of mutual health contributions for retired employees			
TOTAL		**31**	**31**

The pension commitment is calculated using the projected unit credit method:

- Discount rate: 3.20%
- Average annual rate of compensation increase: 3%
- Employee departure rate: 6.45%
- Retirement age: 63 years Managers; 62 years Non-managerial staff
- Social charges rate: 45%
- Collective agreement used to calculate compensation: Technical consulting firms

7.7 Information on transactions with related parties

No information provided due to the exclusion provided for in Article 833-16 of the General Accounting Plan allowing data relating to transactions carried out by the Company with wholly-owned subsidiaries not to be disclosed.

5.3.2 Statutory Auditors' report on the parent company financial statements

OVH Groupe S.A.

For the year ended 31 August 2022

To the Annual General meeting of OVH Groupe,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying annual financial statements of OVH Groupe S.A. for the year ended 31 August 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 August 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from 1 September 2021, to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N°537/2014.

Justification of assessments – Key audit matters

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to justification of our assessments, we draw your attention to the key audit matters which, in our professional judgement, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on specific items of the financial statements.

Valuation of investment securities and loans

Identified risk and main judgments

As at 31 August 2022, a gross amount of €944.1 million in equity investments and receivables from equity investments was recognised on the balance sheet, i.e. 75% of total assets. They were recognised at acquisition cost.

Impairment is recognised when a carrying amount is higher than value-in-use, measured as one of the following depending on each subsidiary's activity:

- share of underlying profit or loss,
- business value based on forecast net debt-adjusted cash flow, or
- market value based on comparable transactions.

We considered the measurement of the carrying amount of equity investment and receveibalesconsidered the measurement of the carrying amount of equity investments and receivables from equity investments a key audit matter, given the relative weight of these assets on the balance sheet and the importance of Management judgments concerning them, particularly as regards cash flow assumptions.

Our audit approach:

Our work involved:

- for measurements based on share of profit or loss: verifying that the share used was consistent with the financial statements of the individual entities,
- for measurements based on forecasts:
  - assessing the appropriateness of the valuation model,
  - obtaining the entities' cash flow forecasts and analysing them by asking Management about growth expectations,
  - analysing the appropriateness of the discount rate and the perpetual growth rate compared to market benchmarks,
- for measurements based on market values:
  - analysing the consistency of comparable companies used to determine valuation multiples.

We also assessed the consistency of information presented in Notes 3.2 and 4.2 "Financial assets" of the Notes to the financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the annual financial statements provided to Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

In accordance with French law, we inform you that the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (*code de commerce*) is fairly presented and consistent with the financial statements.

Information relating to corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L. 22-10-9 of the French Commercial Code (*code de commerce*).

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (*code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest that this information is fairly presented and accurate.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code (code de commerce), we have verified that this information is consistent with the source documents communicated to us. Based on these procedures, we have no matters to report on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Format of the presentation of the annual financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*) complies with the single electronic format defined in Commission Delegated Regulation 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic report format.

It is not our responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of OVH Groupe by the annual general meetings held on 10 January 2018 for KPMG S.A. and on 13 October 2011 for Grant Thornton, it being specified that OVH Groupe became a public interest entity at the time of its listing on the stock exchange on 15 October 2021.

As of 31 August 2022, KPMG S.A. was in its sixth year of uninterrupted engagement and Grant Thornton was in its twelfth year of uninterrupted engagement, of which, for each firm, one year had elapsed since the company's shares had been admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management deems necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. 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 financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. 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 control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's 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. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine, and Paris La Défense, 16 December 2022

French original signed by, the statutory auditors

Grant Thornton		**KPMG Audit**	
French Member of Grant Thornton International		**Division of KPMG S.A.**	
Vincent Papazian	Pascal Leclerc	Jacques Pierre	Stéphanie Ortega
Partner	*Partner*	*Partner*	*Partner*

5.4 OTHER INFORMATION

Company results for each of the last five reporting periods

	2018	2019	2020	2021	2022
SHARE CAPITAL AT END OF PERIOD					
Share capital *(in millions of euros)*	175.1	176.1	170.4	170.8	190.5
Number of shares outstanding	167.2	168.2	164.0	164.3	190.5
COMPREHENSIVE INCOME FROM TRANSACTIONS *(in millions of euros)*					
Revenue (excluding taxes)	14.0	18.3	23.4	40.1	36.6
Profit (loss) before tax, profit-sharing, depreciation, amortisation, provisions and impairment	2.0	6.7	3.8	10.7	49.6
Income tax	(0.7)	(0.7)	(1.6)	(0.1)	3.9
Employee profit sharing				-	-
Profit (loss) after tax, profit-sharing, depreciation, amortisation, provisions and impairment	(0.8)	(52.6)	(9.5)	4.9	49.1
Distributed income	-	-	-	-	-
EARNINGS PER SHARE *(in euros)*					
Profit (loss) after tax and profit-sharing, but before depreciation, amortisation, provisions and impairment	0.02	0.04	0.03	0.07	0.24
Profit (loss) after tax and profit-sharing, depreciation, amortisation, provisions and impairment	(0.01)	(0.03)	(0.06)	0.03	0.26
Net dividend allocated	-	-	-	-	-
STAFF					
Number of employees (average headcount)	9	9	9	10	14
Payroll *(in millions of euros)*	3.7	5.8	4.9	4.7	6.3
Amounts paid for employee benefits *(in millions of euros)*	2.6	4.1	3.4	1.8	2.5

Payment terms for suppliers and customers

	Article D. 441 I.- 1°: Invoices received and not paid at the reporting date of the financial year whose term has expired						Article D. 441 I.- 1°: Invoices issued but not paid at the reporting date of the financial year whose term has expired					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
Late payment tranches												
Number of invoices concerned	12	7	18	5	72	**102**	3	64				**64**
Total amount of invoices concerned (incl. tax in € million)	0.2	0.2	0.1	0.1	0.4	**0.9**	4.1	4.2				**4.2**
Provisioned amount:												
Of which Group												
Percentage of the total amount of purchases for the financial year (incl. tax)	0.8%	0.6%	0.5%	0.3%	1.4%	**2.8%**						
Percentage of revenue for the financial year (incl. tax)							9.5%	9.8%	0.0%	0.0%	0.0%	**9.8%**

Amount of inter-company loans

The Company did not grant any inter-company loans in the period ended 31 August 2021 (loans of less than two years granted to micro-enterprises, SMEs and mid-sized companies with which OVH Groupe SA has economic links).

Additional tax information

In the period ended 31 August 2022, the expenses and charges referred to in Article 39-4 of the French General Tax Code amounted to €62,675. In accordance with Article 223 *quater* of the French General Tax Code, this amount will be submitted to the Company's Ordinary General Shareholders' Meeting for approval.

5.5 DATE OF LATEST FINANCIAL INFORMATION

31 August 2022.


OVHcloud
OVHcloud
OVHcloud

6

CAPITAL AND SHAREHOLDERS

/AFR/

6.1 SHAREHOLDERS

6.1.1 Breakdown of shareholding and voting rights

Shareholders

As of the date of this Universal Registration Document, the Company is a public limited company with a Board of Directors (*société anonyme*) controlled by the Klaba family.

The table below provides a description of the shareholdings of the Company's share capital at the date of this universal registration document, there was no significant changes in capital ownership since August 31, 2022:

Shareholders	Number of shares	% of the share capital	Number of voting rights	% of voting rights
Klaba family (1)	18,196,292	9.55%	18,196,292	9.55%
Digital Scale SAS (2)	25,980,191	13.64%	25,980,191	13.64%
YELLOW SOURCE SAS (3)	24,026,666	12.61%	24,026,666	12.61%
Deep Code SAS (4)	25,316,067	13.29%	25,316,067	13.29%
BLEU SOURCE SAS (5)	24,026,666	12.61%	24,026,666	12.61%
INNOLYS SAS (6)	13,146,668	6.90%	13,146,668	6.90%
INVEST BLEU SAS (7)	432,433	0.23%	432,433	0.23%
TOTAL KLABA FAMILY AND ENTITIES CONTROLLED BY THE KLABA FAMILY	**131,124,983**	**68.82%**	**131,124,983**	**68.84%**
Spiral Holdings B.V. (8)	14,523,570	7.62%	14,523,570	7.62%
Spiral Holdings S.C.A. (9)	14,523,570	7.62%	14,523,570	7.62%
Executives and directors (10)	848,856	0.45%	848,856	0.45%
Employees (current and former) (11)	1,174,848	0.62%	1,174,848	0.62%
Treasury shares	50,600	0.03%	-	0.00%
Float	28,293,998	14.85%	28,293,998	14.85%
TOTAL	**190,540,425**	**100.0%**	**190,489,825**	**100.0%**

(1) The Klaba family includes Messrs. Henrik, Octave and Miroslaw Klaba and Ms. Halina Klaba. The Klaba family is acting in concert, a new shareholders' agreement was concluded on 6 May 2022 and published by the AMF on May 11, 2022 (document number 222C1076).

(2) (3) Entities controlled by Mr. Octave Klaba and members of his family.

(4) (5) Entities controlled by Mr. Miroslaw Klaba and members of his family.

(6) Entity held by Messrs. Octave and Miroslaw Klaba.

(7) Entity held by Mr. Henryk Klaba and Ms. Halina Klaba.

(8) Entity indirectly owned by investment funds managed or advised by TowerBrook Capital Partners.

(9) Entity indirectly owned by investment funds and other entities managed or advised by KKR.

(10) Excluding directors representing the Klaba family.

(11) Including employees holding units of the OVHcloud Shares FCPE mutual fund.

Shareholding by the Klaba family

The Klaba family includes Messrs. Henryk, Octave and Miroslaw Klaba, Ms. Halina Klaba, as well as entities controlled by the Klaba family. As of the date of this Universal Registration Document, such entities include Digital Scale SAS, Deep Code SAS, Yellow Source SAS, Bleu Source SAS, Innolys SAS and Invest Bleu SAS. Digital Scale SAS and Yellow Source SAS are controlled by Octave Klaba. Deep Code SAS and Bleu Source SAS is directly controlled by Miroslaw Klaba. Octave Klaba and Miroslaw Klaba each hold 50% of the share capital and voting rights of Innolys SAS.

Shareholding by Spiral Holdings B.V.

Spiral Holdings B.V is a Dutch company indirectly owned by investment funds managed or advised by TowerBrook Capital Partners.

TowerBrook Capital Partners is a purpose-driven investment management firm headquartered in London and New York. The firm has raised several billion dollars to date and invests in private equity and structured opportunities through its family of funds. As a disciplined investor with a commitment to fundamental value, the firm seeks to deliver superior, risk-adjusted returns to investors on a consistent and responsible basis. TowerBrook Capital Partners' value creation strategy aims to transform the capabilities and prospects of the businesses in which it invests. TowerBrook Capital Partners is the first mainstream private equity firm to be certified as a B Corporation. B Corporation certification is administered by the non-profit B Lab organisation and is awarded to companies that demonstrate leadership in their commitment to environmental, social and governance (ESG) standards and responsible business practices.

Spiral Holdings B.V. acquired an equity stake in the Company in 2016.

Shareholding by Spiral Holdings S.C.A.

Spiral Holdings S.C.A. is a Luxembourg company indirectly owned by investment funds and other entities managed or advised by KKR.

KKR is a leading global investment firm providing alternative solutions in asset management, capital markets and insurance. KKR aims to generate attractive investment returns through a thoughtful and disciplined approach, employing the best experts and growing its portfolio companies and their environments. KKR sponsors investment funds that invest in private equity, credit, and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life insurance and reinsurance products under the management of The Global Atlantic Financial Group. The interest held by KKR Shareholder in the Company's capital was acquired in 2016.

To the Company's knowledge, no other partner holds, directly or indirectly, alone or in concert, more than 5% of the Company's capital and/or voting rights.

Voting rights of the shareholders

As of the date of this Universal Registration Document, all of the Company's shares are ordinary shares. Each ordinary share gives the right to one vote at General Meetings, the double voting right provided for in Article L. 22-10-46 of the French Commercial Code being expressly excluded by the Company's bylaws.

6.1.2 Control of the Company and Shareholders' Agreement

Control of the Company

As of the date of this Universal Registration Document, the Company is controlled by a concert of members of the Klaba family which holds approximately 70% of the share capital and voting rights of the Company directly and indirectly through their companies Bleu Source, Deep Code, Digital Scale, Innolys, Invest Bleu and Yellow Source.

The Company believes that there is no risk that such control will be exercised in an abusive manner. In fact, as from the listing of the Company's shares on the regulated market of Euronext Paris on 15 October 2021, five independent directors have been appointed in accordance with the criteria set forth in the AFEP-MEDEF Code, representing more than a third of the directors, in compliance with the recommendations of the AFEP-MEDEF Code. In addition, the functions of Chairman of the Board of Directors and Chief Executive Officer are performed by two separate persons, namely Messrs. Octave Klaba and Michel Paulin.

Agreements likely to result in a change of control

To the Company's knowledge, there was no agreement as of the date of this Universal Registration Document whose implementation might, at a later date, lead to a change in its control.

Shareholders' agreements

Octave Klaba, Miroslaw Klaba, Henryk Klaba and Halina Klaba *née* Wachel, directly or *via* their personal holding companies, Bleu Source, Deep Code, Digital Scale, Innolys, Invest Bleu and Yellow Source, signed a new family agreement on 6 May 2022 (the "**Agreement**"), replacing the one signed on 26 October 2021. The purpose of the Agreement is to organise the exercise of the Founders' rights with respect to the Company's governance (in compliance with the recommendations of the AFEP-MEDEF Code) and to define certain restrictions on the transfer of the Company's shares held directly or indirectly by the parties to the Agreement.

The Agreement is entered into for a period of 25 years. The main provisions of the Agreement are presented below:

Governance

The Parties undertake to ensure that the Board of Directors of OVH Groupe is composed of at least three directors appointed by the Holdings, Bleu Source, Deep Code, Digital Scale, Innolys, Invest Bleu and Yellow Source, by simple majority from among the legal representatives of the Holdings (the "**Directors Appointed by the Family**").

The Parties undertake to vote at OVH Groupe General Meetings in favour of the appointment or renewal of the term of office of the Directors Appointed by the Family.

The Agreement provides that the Parties undertake to ensure that the Directors Appointed by the Family consult each other on the appointment of the Chairman of the Board of Directors in order to unanimously appoint the candidate they wish to be appointed. The Parties undertake to ensure that the Directors Appointed by the Family vote in favour of the person thus appointed.

Should Michel Paulin cease to be Chief Executive Officer, the Parties undertake to ensure that the Directors Appointed by the Family consult each other on the proposals for the appointment of the Chief Executive Officer by the Board of Directors' Appointments, Compensation and Governance Committee in order to unanimously adopt a common position on the candidate(s) proposed by the Committee and vote in accordance with the common position thus adopted.

The Agreement organises a prior consultation of the Directors Appointed by the Family in order to seek a common position on the decisions to be adopted by the Board of Directors. For decisions relating to the General Shareholders' Meeting, the Agreement provides for prior consultation either with the Directors Appointed by the Family for ordinary decisions (other than those relating to the dividend distribution policy), or with the Holdings for the other decisions. The Parties undertake to vote in the General Meeting along the lines agreed upon.

Transfers of securities

Pre-emptive right: except in the case of unrestricted transfers, in the event of transfer of OVH Groupe shares by a Party to a third party or another Party, the Agreement provides for a first-tier right of first refusal in favour of the other holder of the divided rights (in the event of the transfer of shares subject to division), and a second-tier right of first refusal for the benefit of the other Parties, under the same terms and conditions as those offered to the potential buyer.

Unrestricted transfers: the Agreement provides that transfers of OVH Groupe shares (i) by a Party other than a Holding company to a Holding company or (ii) by a Party to its direct descendants in the event of death will not be subject to pre-emptive rights but will be subject to the condition precedent that the person or persons to whom the shares are transferred join the Agreement (if they are not already parties).

Promise to sell in the event of the death of a Party: the Agreement provides for an undertaking to sell for the benefit of the other Parties in the event of the death of a Party, for a price equal to the weighted average price over the last twenty (20) trading days exercisable for a period of six (6) months from the date of death. As an exception, transfers of securities in the event of the death of a Party to his/her direct descendants will not be subject to this promise, provided that the descendants concerned join the Agreement within three (3) months from the date of death. In the absence of acceptance within this period, the Promise to Sell may be exercised for a period of six (6) months from the expiry of the aforementioned three (3) month period.

Breach of the Agreement

Promise to sell sanction: the Agreement provides that in the event of Default or Change of Control, the Holding company concerned irrevocably promises to sell all of the OVH Groupe shares it holds to the other Holding companies for a price equal to the weighted average price over the last twenty (20) trading days preceding the exercise of the promise. This promise to sell will be exercisable for a period of ten (10) years from the Default or Change of Control, on one or more occasions, by each Holding company up to the amount of its share. In addition, the Holding company concerned will be deprived of its rights under the Agreement for the adoption of the decisions referred to in the Governance section.

For the purposes of this section, the "**Default**" of a Holding company results from a material breach that has not been remedied within thirty (30) days after formal notice (if the breach is capable of remediation) of the commitments under the Agreement.

The "**Change of Control**" of a Holding company refers to the transfer of securities issued by the Holding company for the benefit of, the subscription of securities issued by a Holding company by, or the allocation of securities issued by a Holding company for the benefit of a person other than (i) Henryk Klaba, Halina Klaba *née* Wachel, Octave Klaba, Miroslaw Klaba, (ii) the direct descendants of the persons referred to in (i) above, (iii) a Holding company, or (iv) any legal entity wholly-owned directly or indirectly by the natural persons referred to in (i) and (ii) above.

6.1.3 Threshold crossing

No declaration of threshold crossing was brought to the attention of the French Financial Markets Authority (AMF – Autorité des Marchés Financiers) during the 2022 financial year.

6.1.4 Employee shareholding in the Company's share capital

Employee shareholding

On the occasion of its initial public offering, the Company proposed an offer reserved for employees, as part of the Group savings plan and the OVH Groupe international group savings plan. The subscription of shares was possible through the "OVHcloud Shares" mutual fund (FCPE) or, depending on the applicable local regulations, by subscription of shares directly by employees.

Around 1,900 employees became Company shareholders through the OVHcloud Shares mutual fund and around 340 employees in a personal capacity. At 31 August 2022, employees and former employees held approximately 0.6% of the Company's share capital through the OVHcloud Shares mutual fund (FCPE).

Shares held by employees *via* the OVHcloud Shares mutual fund (FCPE) or directly are subject to a lock-up period of five years, except in the event of early release in accordance with the rules applicable to savings plans.

Employee savings plans and similar plans

In France, there are within the social and economic unit:

- a Group Savings Plan (*plan d'épargne groupe*), which allows eligible employees to invest their savings, including payments under the profit-sharing agreement and the global incentive plan, in diversified investment funds and to benefit from certain social and tax advantages in exchange of a lock-up period of generally five years;
- a Time Savings Account (*Compte Épargne-Temps* – CET), which allows eligible employees to save unused rest days (certain holidays, RTT, etc.) or part of their 13^{th} month converted into days. They can then take these days at any time, ask to be paid for them or transfer them to another scheme to prepare their retirement;
- a Group Retirement Savings Plan (*Plan d'Épargne Retraite Collectif* – PERCO) which allows eligible employees to invest the payments under the profit-sharing agreement and the global incentive plan in diversified investment funds in view of their retirement. This scheme allows employees to benefit from certain social and tax advantages as consideration for a lock-up period until retirement. It is also a way for employees to prepare for their retirement by making voluntary payments or by transferring days from their CET to the PERCO (up to 10 days per year). This transfer is then matched by their employer.

6.2 STOCK MARKET DATA

OVHcloud shares are listed on compartment A of Euronext Paris and are included in the following indexes: SBF 120, CAC Mid-60, Euronext Tech Leaders, CAC Technologie and CAC All-Share.

OVHcloud listed its shares at an IPO price of €18.50 on 15 October 2021.

At end August 2022, at the end of the Company's financial year, the share price was €12.74.

The change in the price of the OVHcloud share (ISIN code FR0014005HJ9) on the Euronext market during the 2022 financial year is presented below:

(in euros)	Number of trading sessions	Average closing price	Highest	Lowest
2021				
October	11	21.19	22.50	17.80
November	22	20.77	21.65	19.60
December	23	22.25	25.40	20.22
2022				
January	21	25.28	28.20	23.09
February	20	22.92	24.77	20.40
March	23	22.78	24.99	19.23
April	19	21.72	23.68	20.07
May	22	19.28	21.83	18.20
June	22	18.94	19.89	15.91
July	21	15.53	17.11	13.87
August	23	14.67	16.20	12.65

Source: Euronext

6.3 DIVIDENDS

OVHcloud intends to invest its profits in the growth of its business, and does not plan to distribute dividends in the medium term.

In line with its strategy, the Company does not plan to distribute dividends in respect of the period ended 31 August 2022, and recalls that it did not pay any dividends in respect of the financial years ended 31 August 2019, 2020 and 2021.

6.4 RELATIONS WITH THE FINANCIAL COMMUNITY

Relations with the OVHcloud financial community are managed by the financial communication team.

OVHcloud aims to establish long-term trusted relationships with its financial community. This objective is based in particular on the values of transparency, consistency and clarity about the Company's activities.

These discussions take the form of quarterly revenue publications as well as the publication of half-yearly and annual results. For these publications, OVHcloud issues a press release, in French and English, and organises a conference call for financial analysts and investors with its Chief Executive Officer and Chief Financial Officer.

In addition to these regular communications, OVHcloud participates in several conferences and roadshows throughout the year, in order to meet its existing shareholders or present the Company to new investors.

In addition, all of OVHcloud's financial information is available on its website https://corporate.ovhcloud.com .

6.5 INFORMATION ON SHARE CAPITAL

6.5.1 Subscribed share capital and authorised but unissued share capital

As of the date of this Universal Registration Document, the Company's share capital amounts to €190,540,425, divided into 190,540,425 ordinary shares (the "**Ordinary Shares**").

With regard to the authorised share capital not yet issued, the General Shareholders' Meeting of the Company, which met on 14 October 2021, adopted the following financial delegations, which were not used during the 2022 financial year:

Type of delegated authority	Maximum duration	Maximum nominal amount
Authorisation to be given to the Board of Directors to trade in the Company's shares, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	18 months	Maximum purchase price: 200% of the share offer price in the context of the IPO €50 million
Authorisation to be given to the Board of Directors to reduce the share capital through the cancellation of treasury shares, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	26 months	Within the limit of 10% of the share capital per 24 months
Delegation of authority to the Board of Directors to increase the share capital of the Company or another company by issuing shares and/or securities giving access to the share capital immediately or in the future, with maintained preferential subscription rights	26 months	€70 million (1) €1 billion with regard to debt securities giving access to the share capital issued on the basis of this delegation
Delegation of authority to the Board of Directors to increase the share capital of the Company by issuing shares and/or securities giving access to the share capital immediately or in the future, with cancellation of preferential subscription rights, by way of a public offering other than the public offerings mentioned in Article L. 411-2 1° of the French Financial and Monetary Code	26 months	€35 million (1) €1 billion with regard to debt securities giving access to the share capital issued on the basis of this delegation
Delegation of authority to the Board of Directors to increase the share capital of the Company by issuing shares and/or securities giving access to the share capital immediately or in the future, with cancellation of preferential subscription rights by way of a public offering mentioned in Article L. 411-2 of the French Financial and Monetary Code, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	26 months	€35 million (1) (2) €1 billion with regard to debt securities giving access to the share capital issued on the basis of this delegation
Possibility of issuing shares and/or securities giving access immediately or in the future to shares to be issued by the Company as consideration for contributions in kind consisting of equity securities or securities giving access to the share capital, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	26 months	10% of the share capital (1)
Determination of the issue price, up to a limit of 10% of the share capital per year, as part of an increase in the share capital through the issue of equity securities with cancellation of preferential subscription rights, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	12 months	10% of the share capital per year (3)
Delegation of authority to the Board of Directors to increase the share capital by incorporation of premiums, reserves, profits or any other sums, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	26 months	€100 million
Delegation of authority to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights	26 months	15% of the initial issue (1) (3)

Type of delegated authority	Maximum duration	Maximum nominal amount
Delegation of authority to the Board of Directors to increase the Company's share capital by issuing shares and/or securities giving access to the share capital immediately or in the future, with cancellation of preferential subscription rights, reserved for members of savings plans	26 months	1% of the share capital (1)
Authorisation to be given to the Board of Directors to grant share subscription or purchase options to the Group's employees and corporate officers, or some of them, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	18 months	10% of the share capital (1) Subject to not exceeding 0.10% of the share capital for the corporate officers
Authorisation to be given to the Board of Directors to grant free existing shares or shares to be issued to employees and corporate officers of the Group or to some of them, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	18 months	10% of the share capital (1) (4) Subject to not exceeding 0.10% of the share capital for the corporate officers

(1) The maximum aggregate amount of capital increases that may be effected pursuant to this delegation shall be deducted from the overall limit set at €70 million.

(2) The total maximum amount of capital increases that may be carried out under this delegation is deducted from the ceiling amount of €35 million provided for the Company's capital increase through the issuance of shares and/or securities giving access to the share capital immediately or in the future, with cancellation of preferential subscription rights, by way of public offering other than the public offerings mentioned in Article L. 411-2 1° of the French Financial and Monetary Code.

(3) The maximum overall amount of capital increases that may be carried out under this delegation is deducted from the ceiling stipulated in the resolution under which the initial issue is decided.

(4) The maximum aggregate amount of capital increases that may be carried out under this delegation is deducted from the ceiling stipulated in the resolution under which share subscription or purchase options are granted for the benefit of the Group's employees and corporate officers, or some of them, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market.

6.5.2 Change in share capital

Over the last three periods, changes in the Company's share capital were the following:

- a share capital increase of an aggregate nominal amount of €316,135.83 by incorporation of a part of the special reserve through the issue of 257,021 A Preference Shares at par value of €1.23 each, pursuant to a written consultation dated 7 October 2019;
- a share capital reduction by way of share cancellations of an aggregate nominal amount of €7,705,994.28 relating to the 6,265,036 cancelled A Preference Shares at par value of €1.23 each, pursuant to a General Meeting held on 6 October 2016, and decisions of the Chairman dated 5 November 2019, and 4 December 2019;
- a share capital increase of a nominal amount of €1,733,779 by incorporation of share premiums through the issue of 1,733,779 Ordinary Shares at par value of €1 each, pursuant to a General Meeting held on 10 October 2017, and a decision of the Chairman dated 17 February 2020;
- a share capital increase of a nominal amount of €371,952 by incorporation of share premiums, through the issue of 371,952 Ordinary Shares at par value of €1 each, pursuant to a General Meeting held on 23 July 2020 and a decision of the Chairman dated 22 July 2021;
- a share capital increase of a nominal amount of €3,018,487 through the issuance of 3,018,487 Ordinary Shares with a par value of €1 each, to be allocated to the shareholders of MANOVH and a capital reduction of a nominal amount of €3,018,669, through the cancellation of 3,018,669 Ordinary Company Shares contributed by MANOVH as a merger, pursuant to the terms of a General Meeting of 14 October 2021 and a Board of Directors' decision of 18 October 2021;
- a share capital increase of a nominal amount of €925,494 through the issuance of 925,494 Ordinary Shares with a par value of €1 each, to be allocated to the shareholders of MENOVH and a capital reduction of a nominal amount of €925,264, through the cancellation of 925,264 Ordinary Company Shares contributed by MENOVH as a merger, pursuant to the terms of a General Meeting of 14 October 2021 and a Board of Directors' decision of 18 October 2021;
- a share capital reduction of a nominal amount of €6,432,668.29 following the reduction in the par value of A Preference Shares from €1.23 to €1 per A Preference Share, pursuant to a written consultation of the Company's shareholders closed on 16 August 2021 and a Board of Directors' decision of 18 October 2021 and a capital increase of a nominal amount of €5,267,621 through the issuance of 33,235,744 Ordinary Shares with a par value of €1 each following the conversion of all Preference Shares into Ordinary Shares, pursuant to the terms of a General Meeting of 14 October 2021 and a Board of Directors' decision of 18 October 2021;
- a share capital increase of a nominal amount of €18,918,919 through the issuance of 18,918,919 new Ordinary Shares with a par value of €1 each, issued on 18 October 2021 by way of a public offering carried out as part of the admission of the Company's shares to trading on the Euronext Paris regulated market;

- a share capital increase of €702,266 through the issuance of shares subscribed by the persons eligible for an offer reserved for employees concerning 702,266 Ordinary Shares with a value of €1 each, and of €663,074 through the incorporation of reserves, compensated by the issue of 663,074 Ordinary Shares with a value of €1 each, in respect of the matching contribution paid in addition to the subscriptions, issued on 9 November 2021;
- a share capital increase of a nominal amount of €442,186 by incorporation of share premiums, through the issue of 442,186 Ordinary Shares at par value of €1 each, pursuant to a General Meeting held on 13 July 2020 and a decision of the Chairman dated 23 February 2022;
- a share capital increase of a nominal amount of €200,183 by incorporation of share premiums, through the issue of 200,183 Ordinary Shares at par value of €1 each, pursuant to a General Meeting held on 13 July 2020 and a decision of the Chairman dated 20 July 2022.

6.5.3 Non-equity securities

On 30 October 2014, the General Shareholders' Meeting of the Company decided the following issues:

- 570 senior secured bonds in the form of Euro PP (Euro Private Placement) for an aggregate nominal amount of €57,000,000 bearing interest at 4% *per annum* which matured on 17 November 2021; and
- 100 senior secured bonds in the form of Euro PP (Euro Private Placement) for an aggregate nominal amount of €10,000,000 bearing interest at 4.125% *per annum* which mature on 27 May 2022.

All of the aforementioned senior secured bonds in the form of Euro PP were redeemed during 2022.

6.5.4 Shares held in treasury by the Company or for its account

The General Meeting of 14 October 2021 authorised for a period of 18 months with the option of subdelegation under the conditions set by law, to purchase or cause to be purchased shares of the Company. As this authorisation is expiring, the shareholders will be asked at the General Meeting of 16 February 2023 to approve a resolution authorising the Board of Directors, with the option of subdelegation under the conditions set by law, in accordance with the provisions of Articles L. 225-210 *et seq.* and L. 22-10-62 of the French Commercial Code, for a new period of 18 months, to purchase or cause to be purchased shares of the Company with a view to:

- the implementation of any Company share option plan under the provisions of Articles L. 225-177 *et seq.* and L. 22-10-56 *et seq.* of the French Commercial Code or of any similar plan; or
- the allocation or sale of shares to employees for their participation in the benefits of the Company's expansion or the implementation of any company or group savings plan (or similar plan) under the conditions provided for by law, in particular Articles L. 3332-1 *et seq.* of the French Labour Code; or
- the allocation of free shares under the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 and L. 22-10-60 of the French Commercial Code; or
- in general, to honour obligations related to stock option programmes or other allocations of shares to employees or corporate officers of the issuer or an associate; or
- the delivery of shares upon the exercise of rights attached to securities giving access to the share capital by redemption, conversion, exchange, presentation of a warrant or in any other manner; or
- the cancellation of all or part of the shares thus purchased; or
- the delivery of shares (in exchange, payment or otherwise) as part of acquisitions, mergers, spin-offs or contributions; or
- market making by an investment services provider under a liquidity contract in accordance with the accepted market practice established by the French Financial Markets Authority (AMF – Autorité des Marchés Financiers).

The purchase price of the shares under this resolution shall not exceed 200% of the offer price of the shares offered as part of the admission of the Company's shares to trading on the Euronext Paris regulated market.

The maximum amount of funds allocated to the share buyback programme authorised above is set at €50 million.

6.5.4.1 Share buybacks completed in 2021

The Company did not hold any of its shares and no Company shares were held by any of its subsidiaries or by a third party on its own behalf as at 31 August 2021.

6.5.4.2 Summary of transactions carried out under the liquidity contract valid in 2022

Percentage of capital held in treasury at 31 August 2022

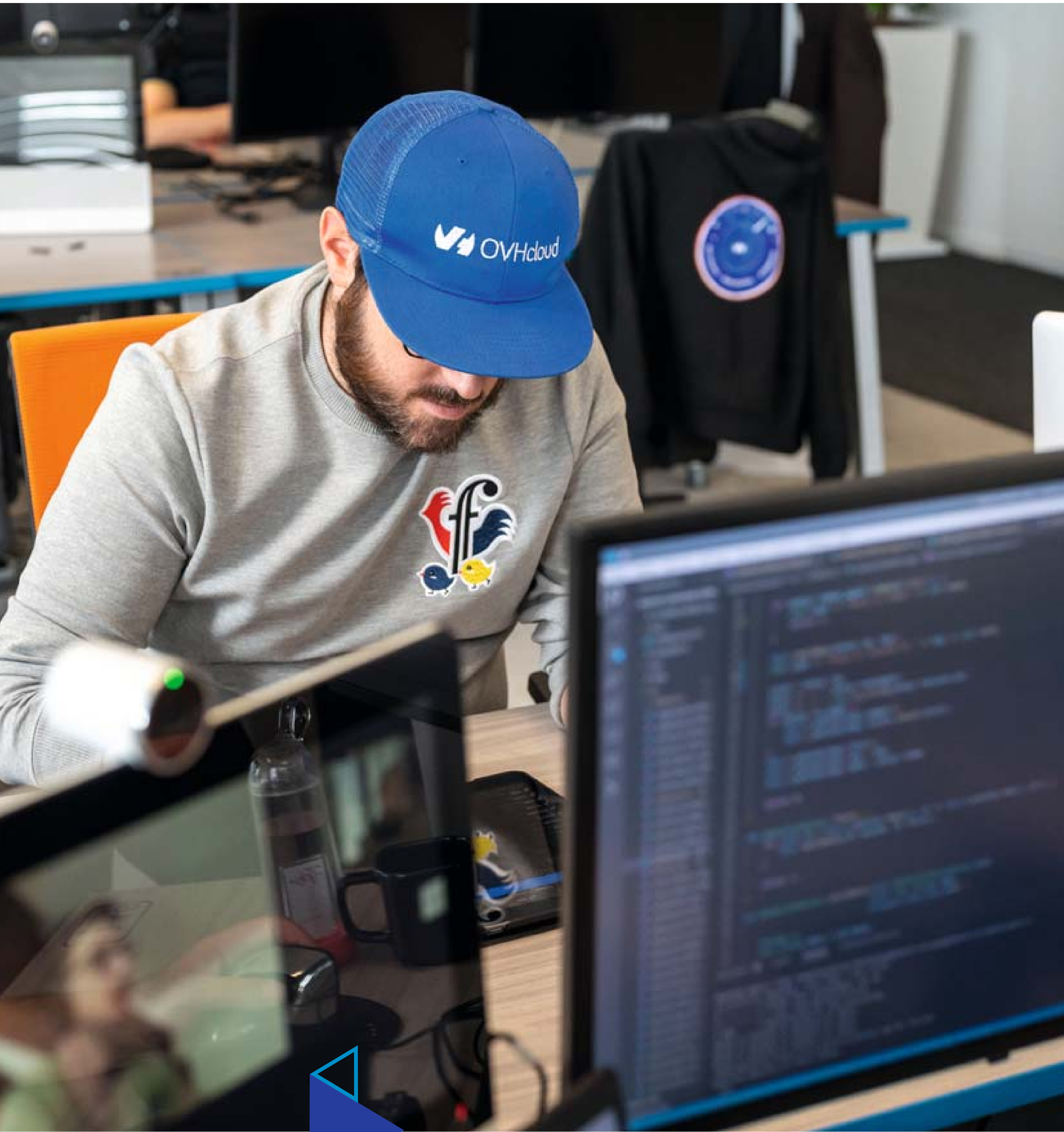
PERCENTAGE OF CAPITAL HELD IN TREASURY AT 31 AUGUST 2022	**0.029%**
NUMBER OF TREASURY SHARES HELD AT 31 AUGUST 2022	**57,000**
Valuation of the portfolio's equity position at 31 August 2022	725,895
Cash outstanding R/L at 31 August 2022	4,006,886
Total	4,732,781
Number of shares cancelled during the last 24 months	0

Percentage of capital held in treasury at 30 November 2022

PERCENTAGE OF CAPITAL HELD IN TREASURY AT 30 NOVEMBER 2022	**0.026 %**
NUMBER OF TREASURY SHARES HELD AT 30 NOVEMBER 2022	**50,600**
Cash outstanding at 30 novembre 2022	914,405.2
Total	1,594,975.2
Number of shares cancelled during the last 24 months	0

Free allocation of shares

As of the date of this Universal Registration Document, the General Meeting of the Company has authorised the allocation of free shares (see also Chapter 4 "*Compensation and benefits*", Subsection 4.2.2 of this Universal Registration Document).


OVHcloud

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ADDITIONAL INFORMATION

7.1 GENERAL AND LEGAL INFORMATION

7.1.1 Corporate purpose (Article 2 of the bylaws)

Pursuant to Article 2 of its bylaws, the Company's purpose is, in France and in all countries:

- all holding activities: management of shareholdings, development of the Group's policy and participation in the control of the Group's subsidiaries, performance of all administrative, legal, accounting or financial services for its subsidiaries;
- the acquisition of interests (participation) of the Company in all businesses or companies incorporated or to be incorporated, which may be directly or indirectly related to the corporate purpose, or to any similar or related purposes, and in particular businesses or companies whose corporate purpose may contribute to the realisation of the corporate purpose, and this by all means, in particular by way of incorporation of new companies, mergers, alliances or joint ventures; and
- more generally, all commercial, financial, real estate, or property transactions directly or indirectly relating to the corporate purpose and to any similar or related purposes.

7.1.2 Company name

As of the date of this Universal Registration Document, the legal name of the Company is OVH Groupe.

The Group generally presents itself under the name of its main brand, OVHcloud.

7.1.3 Registration location and registration number

The Company is registered with the Trade and Companies Register of Lille Métropole (RCS Lille Métropole) under number 537 407 926.

Its LEI (Legal Entity Identifier) number is 9695001J8OSOVX4TP939.

7.1.4 Date of incorporation and term of the Company

The Company was incorporated on 10 October 2011.

Its term is until 19 October 2110, and may be extended in accordance with applicable laws.

The financial year begins on 1 September and ends on 31 August of each year.

7.1.5 Headquarters

The Company's headquarters are located at its registered office at 2, rue Kellermann, 59100 Roubaix, France. The Company's telephone number is +33 (0) 3.20.82.73.32.

7.1.6 Legal form

As of the date of this Universal Registration Document, the Company is a public limited company (*société anonyme*). The law applicable to the issuer is French law.

7.2 MAIN PROVISIONS OF THE BYLAWS AND THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS

7.2.1 Statutory provisions relating to management bodies

a) Provisions relating to the Board of Directors (Articles 13, 14, 15 and 16 of the bylaws and Articles 1, 2, 3, 4 and 5 of the internal regulations)

Composition

The Company is governed by a Board of Directors composed of at least three members and at most eighteen members elected by the Ordinary General Meeting pursuant to and subject to the exceptions stated by law.

The Board of Directors shall ensure that at least one third of its members are independent. It shall further ensure that at least two thirds of the members of the Audit Committee and more than half of the members of the Appointments and Compensation Committee are independent.

Appointment

During the Company's existence, directors shall be appointed, re-elected or removed from office under the conditions laid down by applicable laws and regulations and by the bylaws.

Each member of the Board of Directors shall hold at least 1,000 shares throughout his or her term of office and in any event within six (6) months of his or her appointment.

Directors are appointed for a 4-year term.

Directors representing employees

The Board of Directors includes in addition, one director representing the employees when the number of members of the Board of Directors, calculated in accordance with Article L. 225-27-1, II of the French Commercial Code, is less than or equal to eight, or two directors representing the employees when this number exceeds eight. The number of members of the Board of Directors to be taken into account to determine the number of directors representing employees is assessed on the date of appointment of the director(s) representing employees.

The director(s) representing employees are appointed by the Company's Social and Economic Committee or, when the Company belongs to an economic and social unit, by the common Social and Economic Committee of the economic and social unit to which the Company belongs, under the conditions provided for by Articles L. 225-27-1 *et seq.* of the French Commercial Code and of this article. In accordance with Article L. 225-27-1, II of the French Commercial Code, when the Social and Economic Committee appoints two directors representing employees, it must appoint a woman and a man.

The term of office of directors representing employees is four years from the date of their appointment. The term of office is renewable without limitation.

Subject to the provisions of this article and the laws and regulations in force, the directors representing employees have the same status, the same rights and the same responsibilities as the other directors, with the exception of the obligation to hold one thousand (1,000) Company shares, which does not apply to directors representing the employees.

Chairperson of the Board of Directors

The Board of Directors elects a Chairperson from among the members who are natural persons. The Chairman may not be older than 70 years old.

The Chairperson shall be appointed for a term that cannot exceed that of his or her term of office as director. He/she may be re-elected indefinitely, subject to the application of the age limit provision below regarding age limits. The Chairperson may be removed from office by the Board of Directors at any time.

The Board of Directors shall determine the amount, method of calculation and payment of the compensation of the Chairperson.

The Chairperson organises and manages the work of the Board of Directors, and reports on such work to the General Meeting. He/she oversees the proper functioning of the Company's governing bodies and ensures, in particular, that the directors are able to carry out their duties.

Non-voting directors

The Board of Directors may appoint one or more non-voting members.

Non-voting members may be natural or legal persons. The term of office of non-voting members is determined by the Board of Directors in the appointment decision. The duties of non-voting members, including any compensation, shall be decided by the Board of Directors. The Board of Directors may entrust specific tasks to non-voting members. Non-voting members shall be eligible for re-election indefinitely. They shall be invited as observers to meetings of the Board of Directors and shall participate in discussions in an advisory capacity.

Powers of the Board of Directors

The Board of Directors shall perform the duties and exercise the powers conferred on it by law, by the Company's bylaws and by the internal regulations of the Board of Directors. The Board of Directors shall determine and monitor the implementation of the Company's overall business strategy. It shall examine any and all matters pertaining to the efficient operation of the Company and make decisions about any and all issues concerning the Company, within the limits of the Company's corporate purpose and except for those issues which, by law, can only be decided upon by shareholders at a general meeting. The Board of Directors shall perform any inspections and audits it deems necessary.

Compensation of members of the Board of Directors

The General Meeting may allocate compensation to the directors in a fixed annual amount, which it shall determine for the current period and/or later periods until a new decision replaces it. The Board of Directors may freely distribute such compensation among its members.

The Board of Directors may also allocate exceptional compensation, which shall be subject to the approval of the Ordinary General Shareholders' Meeting, for specific assignments or mandates given to directors (separately from compensation for participation in specialised Board committees).

b) Chief Executive Officer (Article 17 of the bylaws)

Method of management

The management of the Company is assumed, under his or her responsibility, either by the Chairman of the Board of Directors, or by another individual, appointed by the Board from Board members or outside the Board, who holds the title of Chief Executive Officer.

The Board of Directors chooses between these two methods of management at any time and at least each time the appointment of the Chief Executive Officer or the term of office of the Chairman expires when the Chairman also assumes senior management of the Company.

Shareholders and third parties shall be informed of this choice under the conditions required by the applicable regulations.

When management of the Company is performed by the Chairman of the Board of Directors, the following provisions concerning the Chief Executive Officer shall apply to the Chairman. In this case, he holds the title of Chairman-Chief Executive Officer.

Powers of the Chief Executive Officer

The Chief Executive Officer is vested with the most extensive powers to act in all circumstances in the name of the Company. He or she shall exercise those powers within the limits of the corporate purpose and subject to the powers attributed expressly to the shareholders' meeting and the Board of Directors by law and to the limitations set forth by the internal regulations of the Board of Directors.

He or she represents the Company in its relations with third parties. The Company is committed by the acts of the Chief Executive Officer which do not fall within the corporate purpose, unless it proves that the third party knew that the act exceeded this purpose or that the third party could not have been aware of this fact given the circumstances; simple publication of the bylaws is not sufficient to establish such proof.

Decisions of the Board of Directors limiting the powers of the Chief Executive Officer are not enforceable against third parties.

7.2.2 Rights, privileges and restrictions attached to shares (Article 9, 11 and 12 of the bylaws)

Voting rights

In accordance with the bylaws, each ordinary share gives the right to one vote at these General Meetings, the double voting right provided for in Article L. 22-10-46 of the French Commercial Code being expressly excluded.

Convening, participation and conduct of General Meetings

General Meetings shall be called and shall deliberate on the terms provided by law. Meetings shall be held either at the registered office or at another place stated in the notice of the call to a meeting.

Any shareholder has the right to attend General Meetings and participate in the deliberations personally or through an agent.

Any shareholder may participate at meetings in person or through his or her agent, under the conditions defined by the regulations in force, with proof of his or her identity and the ownership of his or her shares in the form of accounting registration under the conditions defined by the laws and regulations in force.

On the decision of the Board of Directors published in the notice of meeting to use such telecommunications methods, shareholders who attend the meeting *via* videoconference or other telecommunication or electronic transmission methods, including the Internet, which allow identification under the conditions required by the regulations in force, are deemed present for the calculation of quorum and majority.

Any shareholder may vote remotely or give his or her proxy pursuant to the regulations in force using a form prepared by the Company and sent to the Company under the conditions defined by the regulations in force, including electronic or broadcast transmission methods. This form must be received by the Company under the regulatory conditions to be counted.

Only the Extraordinary General Meeting is authorised to amend all provisions of the bylaws. The meeting rules by a two-thirds majority of the votes of the shareholders present, represented or voting by mail or means of distance communication. However, under no circumstances may the Extraordinary General Meeting increase the commitments of the shareholders unless this is done by unanimous vote of the shareholders. The Ordinary General Meeting is authorised to make decisions in all other cases. It rules by a majority of the votes held by the shareholders present, represented or who have voted by mail or means of distance communication.

Identifiable bearer securities

The Company, or its agent, is entitled, under the legal and regulatory conditions in force, either to request at any time, at its own expense, from the central depository which keeps the account for the issue of its securities, or directly from one or more intermediaries mentioned in Article L. 211-3 of the French Monetary and Financial Code, information under the conditions set out in Articles L. 228-2 *et seq.* of the French Commercial Code, regarding the owners of its shares and securities conferring an immediate or future right to vote in its own shareholders' meetings.

Crossing of statutory thresholds

In addition to the thresholds provided for by applicable laws and regulations, any natural person or legal entity, acting alone or in concert, who comes to hold or ceases to hold, directly or indirectly, a fraction equal to or greater than one percent (1%) of the Company's share capital or voting rights or any multiple of such percentage, including beyond the reporting thresholds provided for by laws and regulations and up to 50% of the share capital or voting rights, must inform the Company of the total number of shares and voting rights that it possesses as well as of securities giving access to the share capital and voting rights that are potentially attached thereto, by registered letter with return receipt requested sent to the Company's senior management at the registered office no later than the close of the fourth trading day following the day on which the threshold is crossed.

The thresholds referred to above shall be determined also taking into account indirectly held shares or voting rights and shares or voting rights having the same rights as the shares or voting rights held, as defined in Articles L. 233-7 *et seq.* of the French Commercial Code.

In the event of non-compliance with the above provisions, the sanctions provided for by law for the failure to comply with the obligation to report the crossing of legal thresholds shall apply to the thresholds set forth in the bylaws only upon the request (recorded in the minutes of the General Shareholders' Meeting) of one or more shareholders holding at least five percent (5%) of the Company's share capital or voting rights.

The Company reserves the right to inform the public and the shareholders either of the information that shall have been provided to it or of the non-compliance by any person with the obligation set forth above.

7.3 INFORMATION CONCERNING THE STATUTORY AUDITORS

7.3.1 Statutory auditors

Grant Thornton

Represented by Pascal Leclerc and Vincent Papazian

29 rue du Pont

92200 Neuilly-sur-Seine

France

Grant Thornton is a member of Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre (the Regional Association of Auditors of Versailles and Centre).

Appointed statutory auditor by decision of the General Meeting of 26 January 2017, for a period of six financial years, *i.e.* until the Ordinary General Meeting called to approve the financial statements for the financial year ended 31 August 2022, on the recommendation of the Board of Directors, the renewal of the term of office of Grant Thornton will be submitted to the vote of the General Meeting of 16 February 2023.

KPMG

Represented by Jacques Pierre and Stéphanie Ortega

2 avenue Gambetta

Tour Eqho

92066 Paris La Défense Cedex

France

KPMG is a member of Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre (the Regional Association of Auditors of Versailles and Centre).

Appointed statutory auditor by decision of the General Meeting of 10 January 2018, for a period of five financial years, *i.e.* until the Ordinary General Meeting called to approve the financial statements for the financial year ended 31 August 2022, on the recommendation of the Board of Directors, the renewal of the term of office of KPMG will be submitted to the vote of the General Meeting of 16 February 2023.

7.3.2 Alternate statutory auditors

IGEC

3 rue Léon Jost

75017 Paris

France

IGEC is a member of Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre (the Regional Association of Auditors of Versailles and Centre).

Appointed statutory auditor by decision of the General Meeting of 26 January 2017, for a period of six financial years, *i.e.* until the Ordinary General Meeting called to approve the financial statements for the financial year ended 31 August 2022, on the recommendation of the Board of Directors, the renewal of the term of office of IGEC will be submitted to the vote of the General Meeting of 16 February 2023.

7.4 DOCUMENTS AVAILABLE TO THE PUBLIC

The Company's bylaws, minutes of General Meetings and other statutory documents, as well as any valuation or statement made by an independent expert at the Company's request which must be made available to shareholders in accordance with applicable regulations, may be consulted at the Company's registered office.

Regulated information within the meaning of the provisions of the AMF General Regulations is also be available on the Company's website.

7.5 PERSONS RESPONSIBLE /AFR/

7.5.1 Persons responsible for the Universal Registration Document and the annual financial report

Michel Paulin, Chief Executive Officer of the Company

7.5.2 Statement by the person responsible for the Universal Registration Document

"I declare that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and makes no omission likely to affect its import.

I certify that, to the best of my knowledge, the financial statements are prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and of all the companies included in the consolidation, and that the management report, comprising the items referred to in the cross-reference table in Appendix I of this Universal Registration Document, presents a true and fair view of the development of the business, results and financial position of the Company and all the companies included in the consolidation and describes the main risks and uncertainties with which they are confronted."

19 December 2022,

Michel Paulin, Chief Executive Officer of the Company

7.6 THIRD-PARTY INFORMATION

This Universal Registration Document contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets. Unless otherwise indicated, this information is based on the Company's analysis of multiple sources, including market research conducted by Bain & Company, Inc. ("**Bain**") at the request of the Company and information obtained from International Data Corporation (IDC) and Forrester Research, Inc. IDC MarketScape's vendor assessment model is designed to provide an overview of the competitive fitness of ICT (information and communications technology) suppliers in a given market. The research methodology utilises a rigorous scoring methodology based on both qualitative and quantitative criteria that results in a single graphical illustration of each vendor's position within a given market. IDC MarketScape provides a clear framework in which the product and service offerings, capabilities and strategies, and current and future market success factors of IT and telecommunications vendors can be meaningfully compared. The framework also provides technology buyers with a 360-degree assessment of the strengths and weaknesses of current and prospective vendors. To the best of the Company's knowledge, information extracted from third-party sources has been faithfully reproduced in this Universal Registration Document and no fact has been omitted that would make this information inaccurate or misleading. However, the Company cannot guarantee that a third party using different methods to collect, analyse or calculate data on these markets would obtain the same results.


Bureaux
Office
OVHcloud

8

APPENDIX

GLOSSARY

Adjusted EBITDA	means current EBITDA restated to exclude share-based compensation expenses. In the future, the Group intends to exclude expenses resulting from the payment of earn-outs from its adjusted EBITDA.
Baremetal Cloud	is a high-performance Private Cloud solution receiving fully automated access to dedicated servers on which the customer operates and manages all software layers.
Cloud	refers to a technology for the remote use of execution and storage resources.
Cloud computing	means providing on-demand, fully automated access, *via* the internet, to computing, storage and networking resources.
Containerisation	refers to the encapsulation of software code and its dependencies in a virtual container to improve response time and performance of cloud solutions.
CPU	(Central Processing Unit) refers to the component of a server that runs the computer programmes.
Current EBITDA	is equal to revenue less the sum of personnel and other operating expenses (and excluding depreciation and amortisation charges, as well as items that are classified as "other non-current operating income and expenses").
Data centres	means a physical site where the infrastructures made available to customers by OVHcloud as part of its services are located.
DCaaS	(Data centre as a Service) is a hosting service in which the physical infrastructure and equipment of the data centre are provided to customers.
GPU	(Graphics Processing Unit) is the IT component dedicated to the processing of graphic information.
Growth Capex	represents all capital expenditures other than recurring Capex.
Hosted Private Cloud	refers to a Private Cloud solution providing customers with fully automated dedicated servers, with platforms such as the operating system and virtualisation stack selected and managed by OVHcloud.
Hybrid Cloud	is a solution that combines the Public and Private Clouds with on-premises resources in a multiple deployment model within a single organisation.
Hyperconvergence	refers to a tendency to locate processing power and storage solutions in the same unit, separating them through virtualisation rather than physical separation.
Hyperscalers	refers to the largest US cloud service providers: Amazon Web Services, Google Cloud Platform and Microsoft Azure.
IaaS (Infrastructure -as-a-Service)	refers to the service by which a cloud service provider makes available to its customer an IT infrastructure (servers, backup, storage, etc.) that the customer can use or configure remotely to compose its own environment.
KKR	means Kohlberg Kravis Roberts & Co. L.P. and/or one or more of its affiliates, including investment funds and other entities managed or directed by Kohlberg Kravis Roberts & Co. L.P. and/or one or more of its affiliates, depending on the context.
Leverage ratio	means net financial debt divided by adjusted EBITDA.
Multi-cloud	refers to a solution involving the use of computing and storage services from multiple vendors.
Network device (edge computing)	refers to a form of computer optimisation aimed at bringing data processing closer to the source of the data.
Open source	means software that has an open source code that can be modified and reused.
Open trusted cloud	is a label created by OVHcloud for providers of software applications and of PaaS and SaaS solutions, certifying that the solutions used are open and compliant with European standards and allowing them to be hosted by OVHcloud.
Operational free cash flow less recurring Capex	means adjusted EBITDA plus the change in working capital requirement, less recurring Capex, after reintegration of the amortisation expenses of lease costs in accordance with IFRS 16.
PaaS (Platform-as-a-Service)	refers to the service by which a cloud service provider makes available to its customer an infrastructure (servers, backup, storage, etc.) as well as tools called "middleware" (database, web server, etc.).

Private Cloud	means the provision by a service provider of a server to a single customer by distributing the server's capacity among groups of users authorised by the customer.
Public Cloud	refers to the provision of a server by a service provider to several customers; the server is then shared between these customers.
PUE	(Power Usage Effectiveness) is a sustainability indicator that measures the energy efficiency of a data centre.
Recurring Capex	reflects the capital expenditure (excluding corporate acquisitions) needed to produce new servers to replace the revenues generated by servers that were downgraded or taken offline during the period, calculated on the basis of the average revenues per server taken offline and the average revenues of new servers assembled during the period.
Return on growth Capex	is calculated by dividing the difference between free operating cash flow less recurring Capex for the current year and the previous year, by growth Capex of the previous year.
SaaS (Software-as-a-Service)	refers to the service by which a cloud service provider makes available to the customer tools that it hosts (software, applications, etc.) that can be accessed remotely by the customer and associated services (hosting, maintenance, etc.).
Shareholder KKR	designates Spiral Holdings S.C.A.
Source code	means a set of instructions written in a computer programming language to produce a computer programme.
Streaming	refers to a mode of transmission of audio and video data.
Trusted Zone Sovereign solution	is a solution launched by OVHcloud to meet the highest security standards of public service and critical services operators.
Virtual Private Servers	refers to the virtual subpart of a hosting server whose memory and processor loads are shared with other independent virtual private servers.
Virtualisation	refers to a mechanism that consists of running multiple systems, virtual servers or applications, on a single physical server.
Webcloud	refers to web hosting and domain registration solutions.
White label	means the provision of hosting services by a company to resellers and partners who market the company's solutions to their own customers under their own brand.
WUE	(Water Usage Effectiveness) is a sustainability indicator that measures the amount of water used by data centres for cooling purposes.

CROSS-REFERENCE TABLES

Cross-reference table for the management report provided for in Articles L. 225-100 *et seq.* of the French Commercial Code

To facilitate the reading of this Universal Registration Document, the cross-reference table below makes it possible to identify the information relating to the annual Board of Directors' management report to be presented to the General Shareholders' Meeting called to approve the financial statements for each financial year ended, in accordance with Articles L. 225-100 *et seq.* of the French Commercial Code.

No.	Items required	Chapter/Sections of the Universal Registration Document
1.	**Group situation and business**	
	1.1. Situation of the Company during the past financial year and objective and exhaustive analysis of the evolution of the business, the results and the financial position of the Company and the Group, in particular its debt position, with regard to the business volume and complexity	Chapter 5 Section 5.1
	1.2. Key financial performance indicators	Chapter 5 Section 5.1
	1.3. Key non-financial performance indicators relating to the Company's specific activity	Chapter 3 - Summary of performance indicators
	1.4. Significant events occurring between the reporting date and the date on which the management report was prepared	Chapter 5 Section 5.2 Note 2
	1.5. Identity of the main shareholders and holders of voting rights at General Meetings, and changes made during the financial year	Chapter 6 Section 6.1
	1.6. Existing branches	Chapter 1 Section 1.7
	1.7. Significant equity investments in companies with their registered office in France	N/A
	1.8. Disposals of cross-shareholdings	N/A
	1.9. Foreseeable changes in the situation of the Company and the Group and future outlook	Chapter 5 Section 5.1
	1.10. Research and development activities	Chapter 5 Section 5.1
	1.11. Table showing the Company's results for each of the last five financial years	Chapter 5 Section 5.4
	1.12. Information on supplier and customer payment terms	Chapter 5 Section 5.4
	1.13. Amount of inter-company loans granted and statutory auditors' statement	Chapter 5 Section 5.4
2.	**Internal control and risk management**	
	2.1. Description of the main risks and uncertainties facing the Company	Chapter 2 Section 2.1
	2.2. Information on the financial risks related to the effects of climate change and presentation of the measures taken by the Company to reduce them by implementing a low-carbon strategy in all aspects of its activity	Chapter 2 Section 2.1
	2.3. Main characteristics of the internal control and risk management procedures implemented by the Company and the Group relating to the preparation and processing of accounting and financial information	Chapter 2 Section 2.3
	2.4. Information on the objectives and policy concerning the hedging of each main category of transactions and on the exposure to price, credit, liquidity and cash flow risks, including the use of financial instruments	Chapter 2 Section 2.1 Chapter 5 Section 5.2 Note 4.20
	2.5. Anti-corruption mechanism	Chapter 2 Section 2.3
	2.6. Vigilance plan and report on its effective implementation	N/A

No.	Items required	Chapter/Sections of the Universal Registration Document
3.	**Corporate governance report**	
	(Article 22-10-10 and L. 227-37-4 of the French Commercial Code)	
	List of all offices and functions exercised in any company by each of the corporate officers during the financial year	Chapter 4 Section 4.1.1
	Agreements entered into between a subsidiary and a corporate officer or a shareholder holding over 10% of voting rights	Chapter 4 Section 4.3
	Table summarising the current delegations of authority granted to increase the share capital	Chapter 6 Section 6.5.1
	Choice of senior management procedures	Chapter 4 Section 4.1.10
	Composition, conditions of preparation and organisation of the Board of Directors' work	Chapter 4 Sections 4.1.1; 4.1.6
	Diversity policy applied to the members of the Board of Directors and the Executive Committee and results in terms of diversity in the 10% of positions with the highest responsibility within the Company	Chapter 3 Section 3.3.1
	Limits on the powers of the Chief Executive Officer	Chapter 7 Section 7.2.1 b)
	Provisions of the Corporate Governance Code that have been waived and the place in which this code may be consulted	Chapter 4
	Specific procedures for shareholder participation in the General Meeting	Chapter 7 Section 7.2
	Description of the procedure for regulated agreements and regulated and free commitments set up by the Company and its implementation	Chapter 4 Section 4.3
	Executive compensation (L. 22-10-8, L. 22-10-9, L. 225-185 and L. 225-197-1 of the French Commercial Code)	
	Presentation of the compensation policy for corporate officers to be submitted to the General Meeting as part of the *ex-ante* vote	Chapter 4 Section 4.2.2
	Compensation of corporate officers paid during the period ended or allocated in respect of this period	Chapter 4 Section 4.2.2
	Relative proportion of fixed and variable compensation	Chapter 4 Section 4.2.2
	Use of the option to request the return of compensation paid	N/A
	Commitments for the benefit of corporate officers due to them taking office, ending the term of office or changing their functions	Chapter 4 Section 4.2
	Compensation paid or allocated by a consolidated company	Chapter 4 Section 4.2.2
	Ratio between the compensation of company executives and the average compensation of employees	Chapter 4 Section 4.2.2
	Annual change in compensation, the Company’s performance, the average compensation of the Company’s employees and the aforementioned ratios over the five most recent financial years for comparison	Chapter 4 Section 4.2.2
	Explanation of how the total compensation complies with the adopted compensation policy, including how it contributes to the Company’s long-term performance and how the performance criteria have been applied	Chapter 4 Section 4.2.2
	Method in which the vote of the last Ordinary General Meeting provided for in I of Article L. 22-10-34 of the French Commercial Code was taken into account	Chapter 4 Section 4.2.2
	Any differences between the compensation policy and any waivers applied in accordance with paragraph III of Article L. 22-10-8, including the explanation of the type of exceptional circumstances and the indication of the specific components to which it is a waiver	N/A
	Implementation of the legal provisions with regard to the suspension of payment of directors' compensation, if applicable	N/A
	Allocation and retention of options by corporate officers	Chapter 4 Section 4.2.3
	Allocation and retention of free shares to executive corporate officers	Chapter 4 Section 4.2.3

No.	Items required	Chapter/Sections of the Universal Registration Document
	Factors likely to have an impact in the event of a public tender offer (L. 22-10-11 of the French Commercial Code)	
	Company share capital structure	Chapter 6 Section 6.1.1
	Statutory restrictions on the exercise of voting rights and share transfers	Chapter 1 Section 1.7
	Direct or indirect interests in the Company's share capital	Chapter 6 Section 6.1.1
	List of holders of any securities with special control rights	N/A
	Control mechanisms provided for in an employee shareholding system	Chapter 6 Section 6.1.4
	Agreements between shareholders which may result in restrictions on the transfer of shares and the exercise of voting rights	Chapter 6 Section 6.1.2
	Rules applicable to the appointment and replacement of members of the Board of Directors and to the amendment of the Company's bylaws	Chapter 7 Sections 7.2.1; 7.2.2
	Powers of the Board of Directors (specifically with regard to the issue or buyback of shares)	Chapter 4 Section 4.1.6
	Agreements entered into by the Company which are amended or terminated in the event of a change of control of the Company, unless such disclosure, other than in the case of a legal obligation to disclose, would seriously harm its interests	N/A
	Agreements providing for compensation for members of the Board of Directors or employees, if they resign or are dismissed without real and serious cause or if their employment is terminated due to a takeover bid or exchange offer	N/A
4.	**Shareholding and capital**	
	4.1. Structure, changes in the Company's share capital and crossing of thresholds	Chapter 6 Section 6.1
	4.2. Acquisition and disposal by the Company of its own shares	Chapter 6 Section 6.5
	4.3. Statement of employee participation in the share capital on the last day of the financial year (proportion of share capital represented)	Chapter 6 Section 6.1
	4.4. Statement of any adjustments for securities giving access to the share capital in the event of share buybacks or financial transactions	N/A
	4.5. Information on transactions by executives and related persons on the Company's shares	Chapter 4 Section 4.1
	4.6. Amounts of dividends distributed in respect of the three previous periods	Chapter 6 Section 6.3
5.	**Statement of Non-Financial Performance (SNFP)**	Chapter 3
6.	**Other information**	
	6.1. Additional tax information (*Articles 223 quater and 223 quinquies of the French General Tax Code*)	Chapter 5 Section 5.4
	6.2. Injunctions or financial penalties for anti-competitive practices (*Article L. 464-2 of the French Commercial Code*)	N/A

Cross-reference table of the annual financial report required by Articles L. 451-1-2 of the French Financial and Monetary Code and 222-3 of the General Regulation of the French Financial Markets Authority (AMF – Autorité des Marchés Financiers)

This Universal Registration Document also constitutes the Company's annual financial report. In order to facilitate the reading of this Universal Registration Document, the cross-reference table below identifies, in this Universal Registration Document, the information that constitutes the annual financial report to be published by listed companies in accordance with the Articles L. 451-1-2 of the French Financial and Monetary Code and Article 222-3 of the AMF General Regulation.

No.	Items required	Chapter/Sections of the Universal Registration Document
1.	Annual Financial Statements	Chapter 5 Section 5.3
2.	Consolidated Financial Statements	Chapter 5 Section 5.2
3.	Management report	See Cross-reference table above
4.	Statement by the persons responsible for the annual financial report	Chapter 7 Section 7.5
5.	Statutory auditors' reports on the parent company and consolidated financial statements	Chapter 5 Sections 5.2 and 5.3

8

Cross-reference table of the Universal Registration Document

Included by reference

Pursuant to article 19 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, the Group Consolidated Financial Statements for the fiscal years ended 31 August 2021, 31 August 2020 and 31 August 2019 and corresponding Statutory Auditors' Report, included in chapter 18 of the Registration Document approved by the AMF on 17 September 2021, under n°I. 21 – 052, are included by reference in this Universal Registration Document.

Cross-reference table

Information required by Appendices 1 and 2 of Delegated Regulation (EC) 2019/980 of 14 March 2019 in accordance with the Universal Registration Document.

No.	Description of headings	Section(s)
1.		
	1.1 Persons responsible for the information contained in the document	Chapter 7 Section 7.5.1
	1.2 Statement by the persons responsible for the document	Chapter 7 Section 7.5.2
	1.3 Statement or report attributed to a person acting as an expert	Chapter 5 Sections 5.2.2 and 5.3.2
	1.4 Information from third parties, expert declarations and declarations of interests	Chapter 7 Section 7.6
	1.5 Issuer's statement	Chapter 7 Section 7.5.1
2.	**Statutory auditors**	
	2.1 Name and address of the issuer's statutory auditors	Chapter 7 Section 7.3
	2.2 Statutory auditors who resigned or were dismissed during the reporting period	N/A
3.	**Risk factors**	**Chapter 2**
4.	**Additional information**	
	4.1 Legal and commercial name	Chapter 7 Section 7.1.1
	4.2 Place of registration, registration number and legal entity identifier (LEI)	Chapter 7 Section 7.1.2
	4.3 Date of incorporation and term	Chapter 7 Section 7.1.3
	4.4 Registered office, legal form of the issuer, legislation governing its activities, country of origin, address and telephone number and website	Chapter 7 Section 7.1.4
5.	**Presentation of the Group**	
	5.1 Main activities	Chapter 1 Section 1.3
	5.1.1 Nature of the issuer's transactions and its main activities	Chapter 1 Section 1.3.1
	5.1.2 Significant new product or service launched on the market	Chapter 1 Section 1.3.1.2
	5.2 Main markets	Chapter 1 Section 1.2
	5.3 Significant events in the development of the issuer's business	N/A
	5.4 Strategy and targets	Chapter 1 Section 1.4
	5.5 Degree of dependence of the issuer on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	Chapter 1 Section 1.5.6
	5.6 Information on which the issuer's competitive position is based	Chapter 1 Section 1.2.3
	5.7 Investments	Chapter 5 Section 5.1.2
	5.7.1 Main investments made by the issuer during each financial year of the period covered by the historical financial information	Chapter 5 Section 5.1.2
	5.7.2 Main investments in progress by the issuer	N/A
	5.7.3 Information on joint ventures and undertakings in which the issuer holds a share of capital likely to have a significant impact on the valuation of its assets and liabilities, its financial position or its results	N/A
	5.7.4 Describe any environmental issue that may influence the issuer's use of its property, plant and equipment	N/A

No.	Description of headings	Section(s)
6.	**Organisational chart**	
	6.1 Description of the Group and the issuer's position	Chapter 1 Section 1.7.1
	6.2 List of the issuer's significant subsidiaries	Chapter 1 Section 1.7.2
7.	**Review of the financial position and results**	
	7.1 Financial position of the issuer, changes in this financial position and results of transactions carried out during each financial year and interim period for which historical financial information is required	Chapter 5 Section 5.1
	7.1.1 Description of changes in the issuer's activities and results	Chapter 5 Section 5.1
	7.1.2 Probable future development of the issuer's activities and research and development activities	N/A
	7.2 Operating income	Chapter 5 Section 5.1.1
	7.2.1 Significant factors, including unusual or infrequent events or new developments, that materially affect or could materially affect the issuer's operating income	N/A
	Significant changes in net revenue or net income and reasons for these changes	Chapter 5 Section 5.1.1
8.	**Cash and capital**	
	8.1 Information on the issuer's capital (short-term and long-term)	Chapter 5 Section 5.1.2
	8.2 Sources and amounts of the issuer's cash flows	Chapter 5 Section 5.1.2
	8.3 Information on the issuer's funding requirements and funding structure	Chapter 5 Section 5.1.2
	8.4 Information on any restrictions on the use of capital	Chapter 5 Section 5.1.2
	8.5 Information on expected sources of funding	Chapter 5 Section 5.1.2
9.	**Regulatory environment**	
	9.1 Description of the regulatory environment in which the issuer operates and which may have a significant influence on its activities and indication of any measure or any factor of an administrative, economic, budgetary, monetary or political nature that has materially affected, or could materially affect, directly or indirectly, the issuer's activities	Chapter 1 Section 1.6
10.	**Trend information**	
	Main recent trends affecting production, sales and inventories as well as costs and selling prices between the end of the last financial year and the date of the registration document	Chapter 5 Section 5.1.1
	10.1 Any significant change in the Group's financial performance between the end of the last financial year for which financial information has been published and the date of the registration document, or provide an appropriate negative statement	Chapter 5 Section 5.1.1
	10.2 Trends, uncertainties, constraints, commitments or events of which the issuer is aware and which is reasonably likely to have a material impact on the issuer's outlook, at least for the current financial year	Chapter 5 Section 5.1.1
11.	**Profit forecasts or estimates**	**Chapter 5 Section 5.1.1**
12.	**Administrative, management and supervisory bodies and senior management**	
	12.1 Information on activities, absence of convictions and corporate offices: • members of the administrative, management or supervisory bodies; and • any Chief Executive Officer whose name can be mentioned to prove that the issuing company has the appropriate expertise and experience to conduct its own affairs	Chapter 4 Section 4.1.9
	12.2 Conflicts of interest at the level of the administrative, management and supervisory bodies and senior management	Chapter 4 Section 4.1.9
	Arrangement or agreement entered into with the main shareholders, customers, suppliers or others, pursuant to which any of the persons referred to in point 12.1 has been selected as a member of an administrative, management or supervisory body or as a member of the Senior Management	Chapter 6 Section 6.1.2
	Detail of any restrictions accepted by the persons referred to in point 12.1 concerning the sale, within a certain period of time, of the securities of the issuer that they hold	N/A

No.	Description of headings	Section(s)
13.	**Compensation and benefits of the persons referred to in point 14.1**	
	13.1 Amount of compensation paid and benefits in kind granted by the issuer and its subsidiaries	Chapter 4 Section 4.2.2
	13.2 Total amount set aside or accued by the issuer or its subsidiaries to provide for pensions, retirement or similar benefits	Chapter 4 Section 4.2.4
14.	**Operation of the administrative and management bodies**	
	14.1 Date of expiry of the current term of office of members of the administrative, management or supervisory bodies	Chapter 4 Section 4.1.1
	14.2 Information on service contracts binding members of the administrative bodies	Chapter 4 Section 4.1.9
	14.3 Information on the issuer's Audit Committee and Compensation Committee	Chapter 4 Section 4.1.7
	14.4 Statement indicating whether the issuer complies with the corporate governance regime in force	Chapter 4 Section 4.1
	14.5 Potential material impacts on corporate governance, including future changes to the composition of the Board of Directors and committees (insofar as this has already been decided)	N/A
15.	**Employees**	
	15.1 Number of employees at the end of the period covered by the historical financial information or average number during each financial year of that period and breakdown of employees	N/A
	15.2 Equity investments and stock options	Chapter 4 Section 4.2.3
	For each of the persons referred to in point 12.1, information concerning the shareholding he/she holds in the issuer's share capital and any existing options on its shares	Chapter 4 Section 4.2.3
	15.3 Agreement providing for employee shareholding in the issuer's share capital	Chapter 6 Section 6.1.4
16.	**Major shareholders**	
	16.1 Name of any person who is not a member of an administrative, management or supervisory body holding, directly or indirectly, a percentage of the share capital or voting rights of the issuer that must be notified under applicable national law	Chapter 6 Section 6.1.1
	16.2 Existence of differences in voting rights	Chapter 6 Section 6.1.1
	16.3 Ownership or control of the issuer and measures taken to avoid abusive exercise of this control	N/A
	16.4 Agreements whose implementation could result in a change of control	Chapter 6 Section 6.1.2
	16.5 Public tender offer for the Company's share capital during the last and current financial years	N/A
	16.6 Shareholder agreement	Chapter 6 Section 6.1.2
17.	**Related-party transactions**	**Chapter 4 Section 4.3**
18.	**Financial information**	
	18.1 Historical financial information	Chapter 5 Section 5.2
	18.1.1 Audited historical financial information over the last three years and audit report on each year	Chapter 8
	18.1.2 Change of accounting reference date	N/A
	18.1.3 Accounting standards	Chapter 5 Section 5.1.1
	18.1.4 Change in accounting framework	N/A
	18.1.5 National accounting standards	N/A
	18.1.6 Consolidated financial statements	Chapter 5 Section 5.2
	18.1.7 Date of latest financial information	Chapter 5 Section 5.5
	18.2 Interim and other financial information	N/A

No.	Description of headings	Section(s)
	18.3 Audit of historical annual financial information	
	18.3.1 Statement certifying that the historical financial information has been audited	Chapter 5 Sections 5.2.2; 5.3.2
	18.3.2 Other information contained in the registration document verified by the Statutory Auditors	Chapter 3 Sections 3.4 Chapter 4 Section 4.3
	18.3.3 Where financial information in the registration document is not taken from the issuer's audited financial statements, indicate the source and specify that it has not been audited	N/A
	18.4 *Pro forma* financial information	N/A
	18.5 Dividend policy	Chapter 6 Section 6.3
	18.6 Litigation and arbitration proceedings	Chapter 2 Section 2.1.2.2 Chapter 5 Note 4.21
	18.7 Significant change in financial position since the end of the last financial year	N/A
19.	**Share capital and bylaws**	
	19.1 Share capital	Chapter 6 Section 6.5
	19.1.1 Amount of issued capital, total authorised share capital, number of shares issued, par value per share and reconciliation of the number of shares outstanding at the opening and reporting date of the financial year	Chapter 5 Section 5.2 Note 4.16
	19.1.2 Shares not representing capital	Chapter 6 Section 6.1
	19.1.3 Number, carrying amount and nominal value of shares held by the issuer or its subsidiaries	N/A
	19.1.4 Convertible securities, exchangeable securities or securities with warrants	N/A
	19.1.5 Information on the conditions governing any acquisition right or any obligation attached or authorised but unissued capital, or on any undertaking to increase the share capital	N/A
	19.1.6 Information on the share capital of any member of the Group that is the subject of an option or an agreement to place it under option	N/A
	19.1.7 History of share capital for the period covered by the historical financial information	N/A
	19.2 Constitutive documents and bylaws	Chapter 7 Section 7.2
	19.2.1 Corporate purpose	Chapter 7 Section 7.2.1
	19.2.2 Rights, privileges and restrictions attached to each class of existing shares	Chapter 7 Section 7.2.3
	19.2.3 Provisions of the bylaws, a charter or regulations of the issuer that would have the effect of delaying, deferring or preventing a change in its control	N/A
20.	**Material contracts**	**Chapter 5 Section 5.1.2**
21.	**Documents available**	**Chapter 7 Section 7.4**

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OVHcloud

OVH Groupe

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Registered office: 2 rue Kellermann, 59100 Roubaix, France
R.C.S. Lille Métropole 537 407 926