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 stac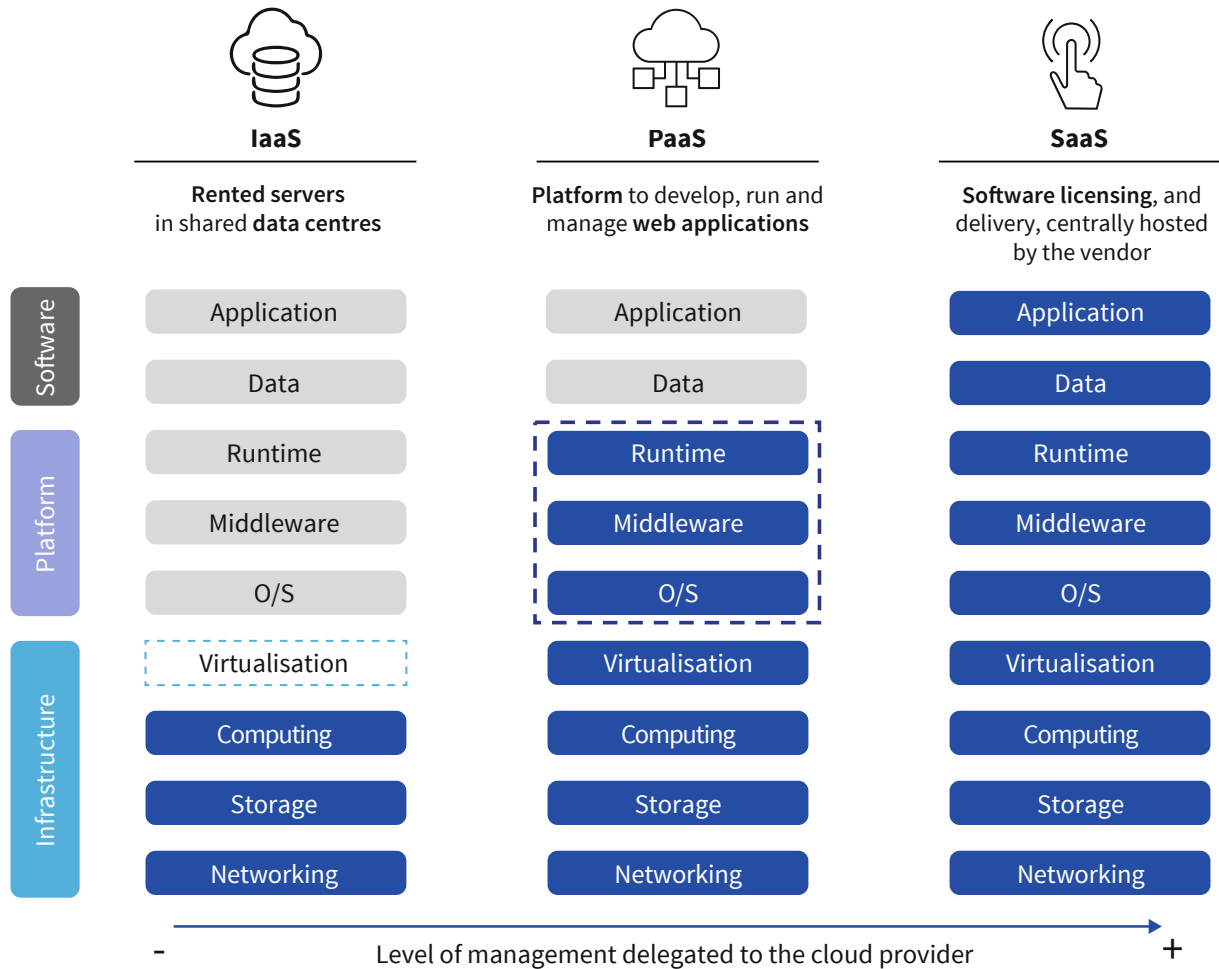k." Each virtual machine can have its own operating system that permits users to develop and run applications. Through a function known as a "hypervisor," the server's capacity is allocated to the virtual machines in accordance with the demands of users. More recently, software applications have been 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:

	IaaS Rented servers in shared **data centres**	**PaaS** **Platform** to develop, run and manage **web applications**	**SaaS** **Software licensing**, and delivery, centrally hosted by the vendor
Software	Application	Application	Application
	Data	Data	Data
Platform	Runtime	Runtime	Runtime
	Middleware	Middleware	Middleware
	O/S	O/S	O/S
Infrastructure	Virtualisation	Virtualisation	Virtualisation
	Computing	Computing	Computing
	Storage	Storage	Storage
	Networking	Networking	Networking

− Level of management delegated to the cloud provider +

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
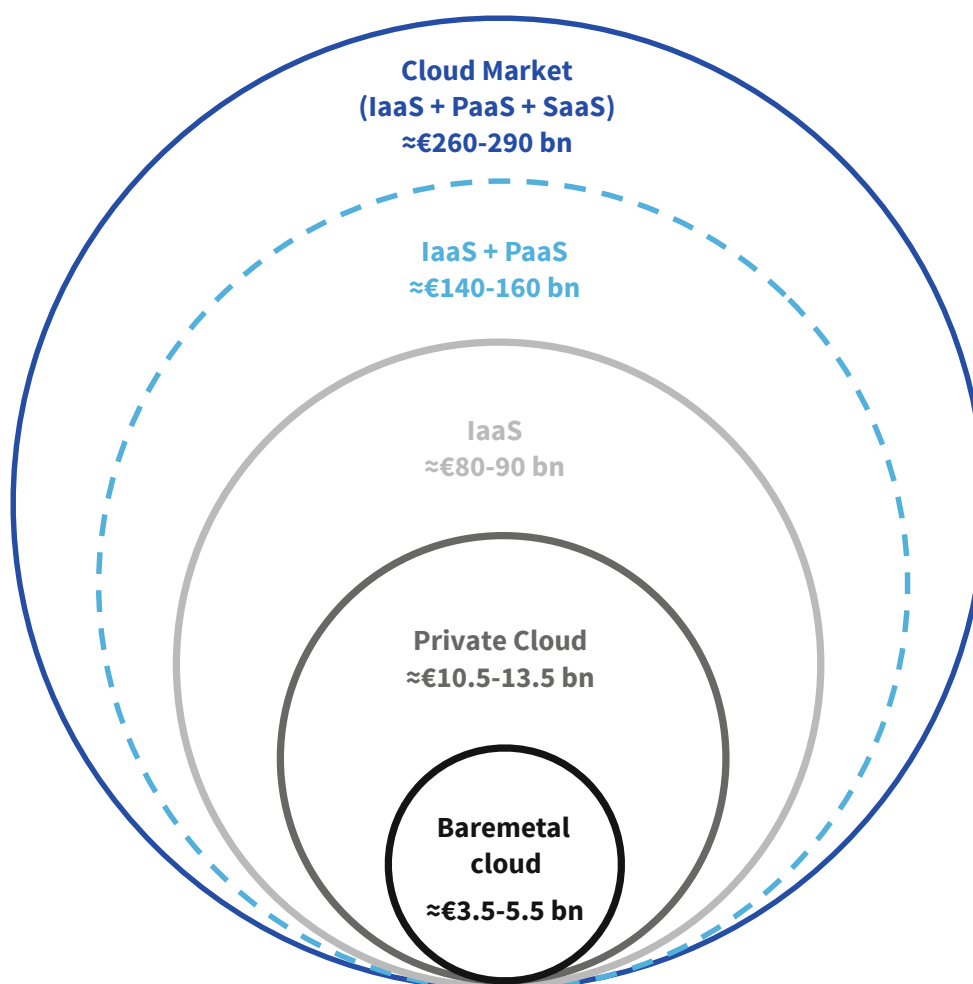
In the Private and Public Cloud services market, OVHcloud is active primarily in the IaaS and PaaS segments. OVHcloud holds leading positions in Europe, based on revenue, in Private Cloud services. OVHcloud is also recognised by IDC and Forrester for the strength of its Public Cloud and Hosted Private 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.
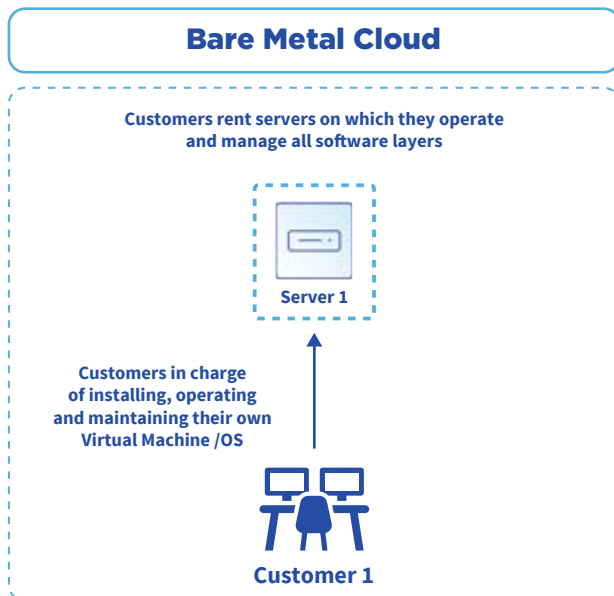
OVHcloud's main Baremetal Cloud offering sells high-end servers and mid-to-high-level services. OVHcloud also has a lower priced offering marketed under the "Eco" range, with the "So You Start" and "Kimsufi" products, using refurbished servers that provide quality services at a reduced cost, while improving 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.
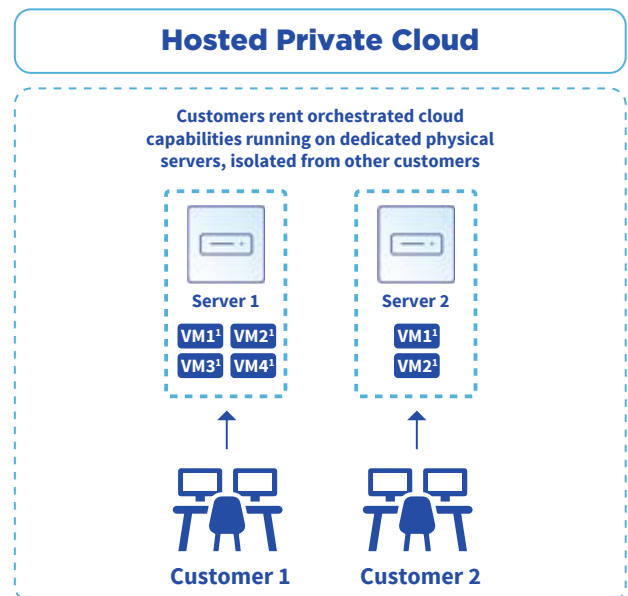
Note: 1. VM: Virtual Machine

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.
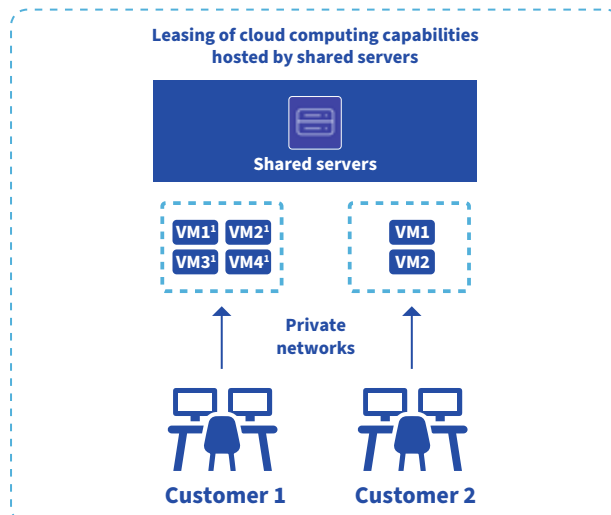
Note: 1. VM: Virtual Machine

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.
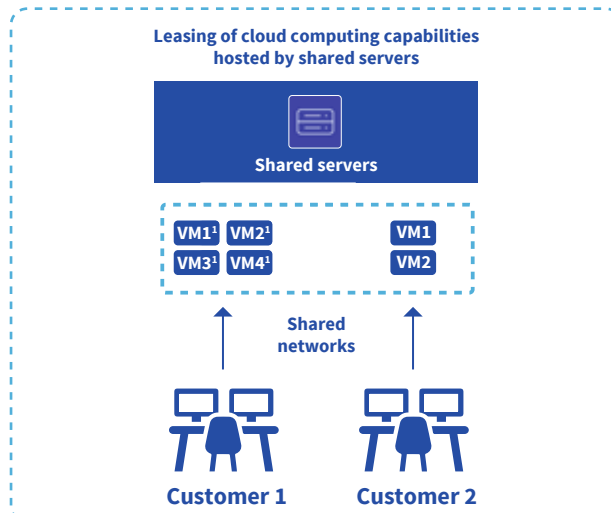
Platform-as-a-Service (PaaS)

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.
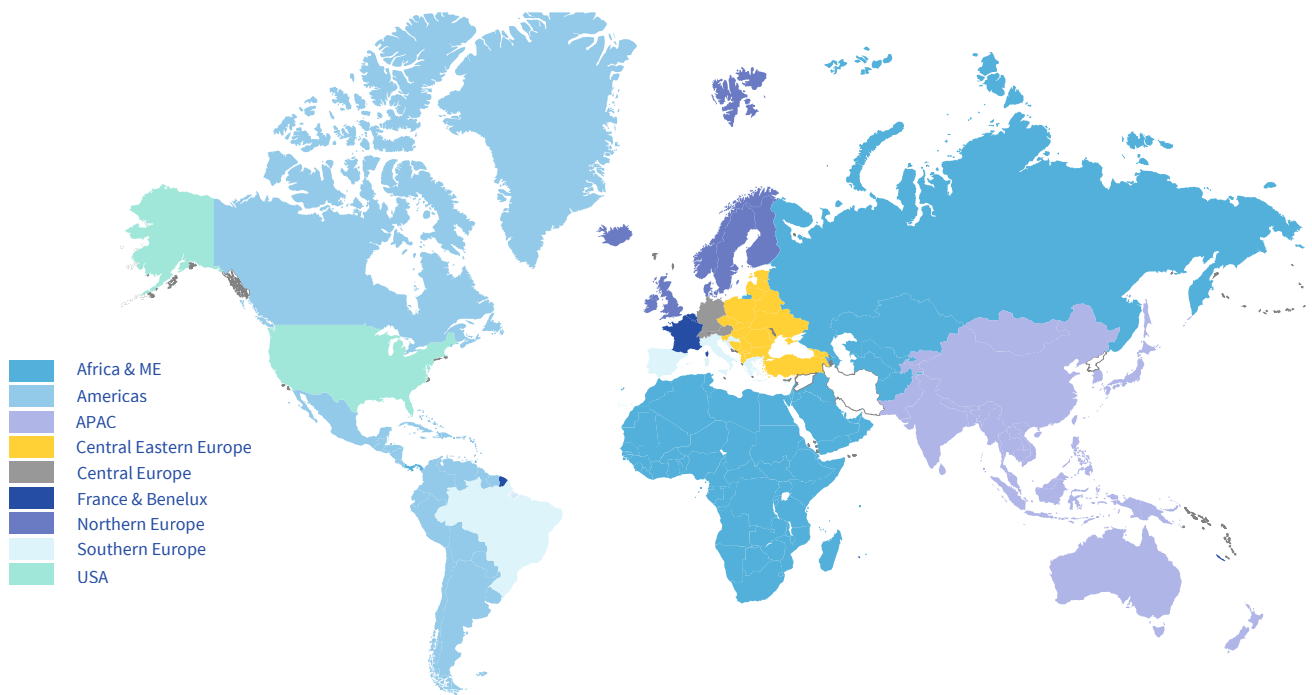
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1.3.3 Geographical footprint

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:

Legend:
- Africa & ME
- Americas
- APAC
- Central Eastern Europe
- Central Europe
- France & Benelux
- Northern Europe
- Southern Europe
- USA

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

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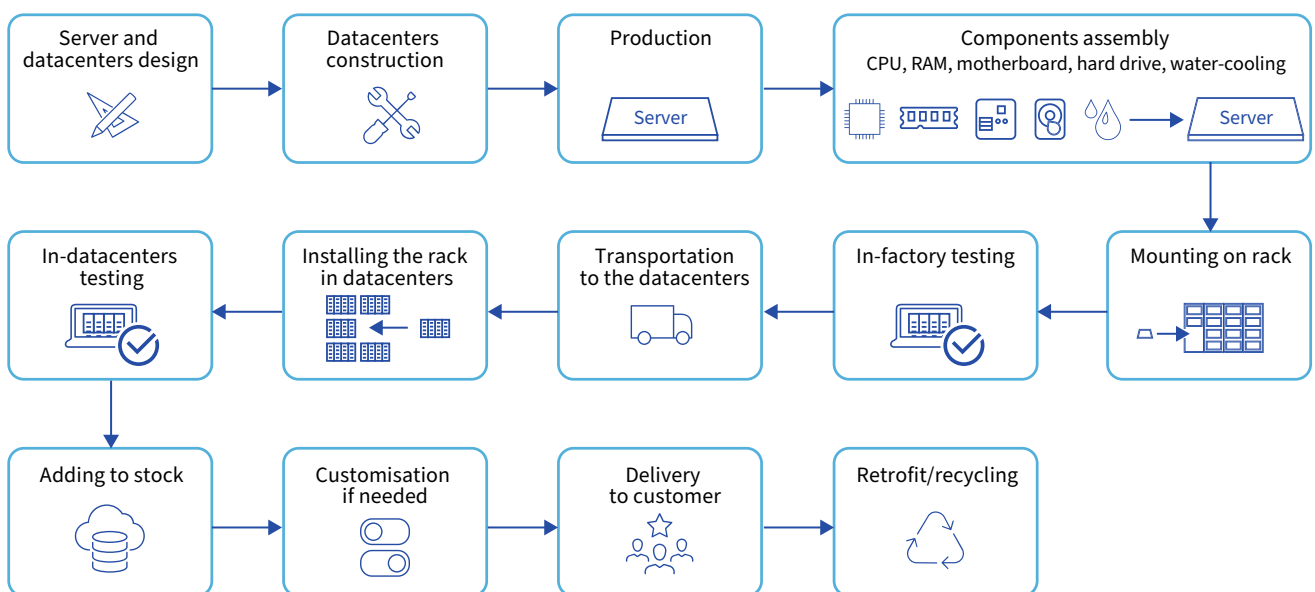
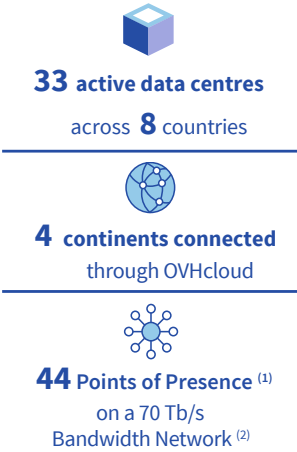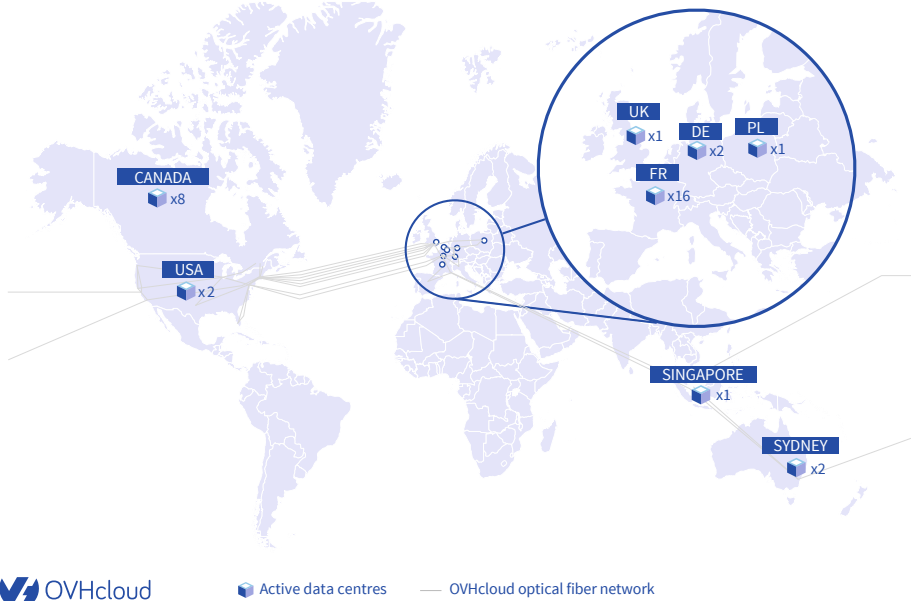OVHcloud has two dedicated production sites – in France and in Canada – for assembling different hardware components into servers. Once the various components have been assembled, they are transported to the data centre and customised as necessary prior to delivery to the customer.

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.

33 active data centres
across **8** countries

4 continents connected
through OVHcloud

44 Points of Presence [1]
on a 70 Tb/s
Bandwidth Network [2]

V4 OVHcloud   🗄 Active data centres   —— OVHcloud optical fiber network

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." ":

- ▶ *Simple*. 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;

- ▶ *Multi-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;

- ▶ *Accessible*. OVHcloud targets solutions that are affordable and accessible to a wide range of customers. It also focuses on a transparent pricing model;

- ▶ *Reversible*. 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;

- ▶ *Transparent*. 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

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.

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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.

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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.

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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.

1.7 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.
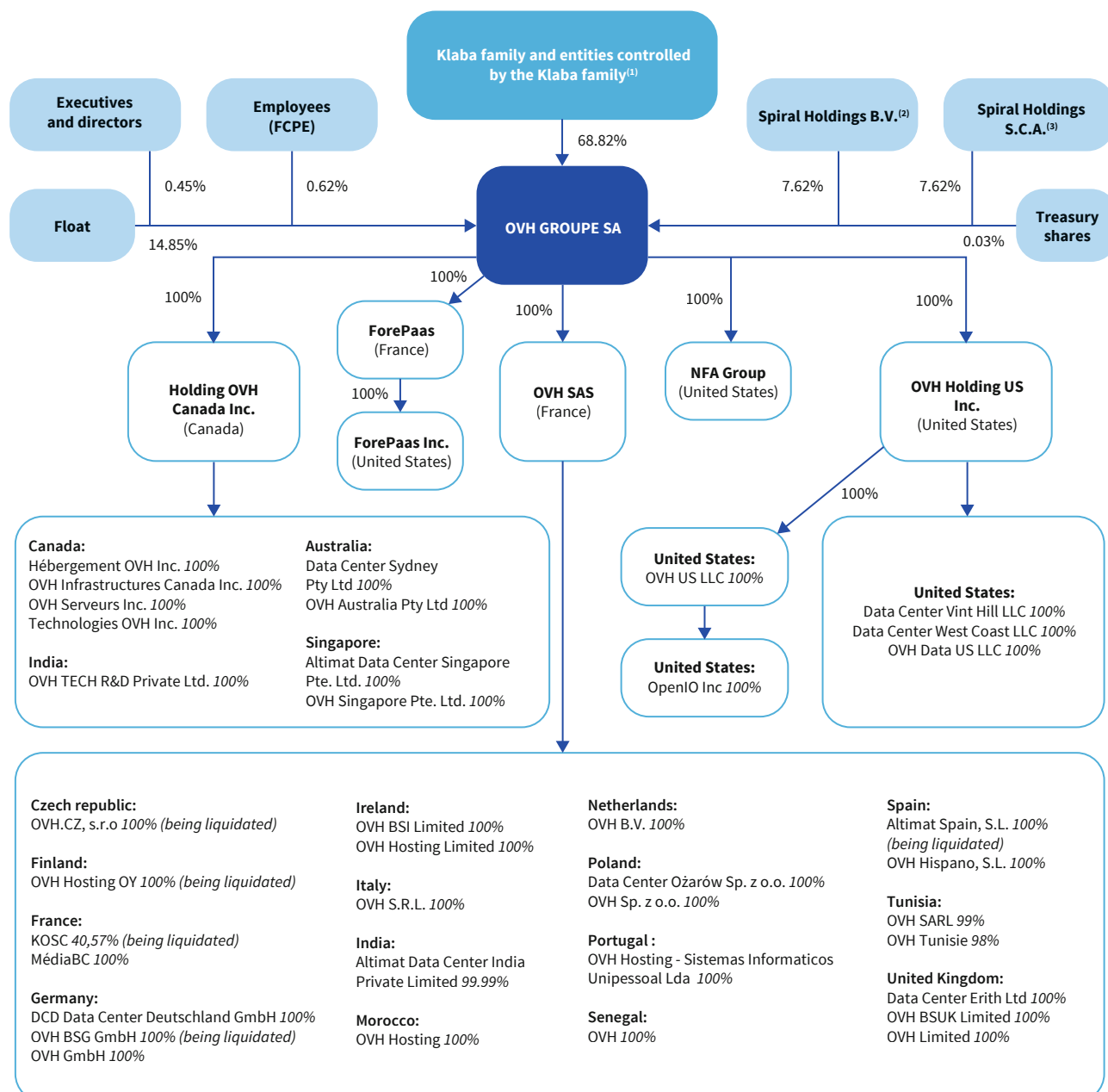
(1) The Klaba family includes Messrs Henryk, Octave and Miroslaw Klaba, Mrs. Halina Klaba, as well as entities controlled by the Klaba family. As at 31 August 2022, the reporting date, these entities were Digital Scale SAS, Deep Code SAS, Yellow Source SAS, Bleu Source SAS, Innolys SAS and Invest Bleu 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.