

# IONOS

## Interim Statement 2023

## SELECTED KEY FIGURES

	March 31, 2023	March 31, 2022	Change
<b>NET INCOME (in €k)</b>			
Revenue	353,794	311,413	13.6%
EBITDA	92,752	86,076	7.8%
Adjusted EBITDA	86,205	91,797	-6.1%
EBIT	65,871	57,887	13.8%
Adjusted EBT <sup>(1)</sup>	44,302	35,538	24.7%
Adjusted EPS (in €) <sup>(2)</sup>	0.32	0.26	23.1%
<b>BALANCE SHEET (in €k)</b>			
Current assets	191,432	187,753	2.0%
Non-current assets	1,361,146	1,332,545	2.1%
Equity	-117,011	-209,881	
Equity ratio	-7.5%	-13.8%	+6.3%-P
Balance sheet total	1,552,578	1,520,297	2.1%
<b>CASH FLOW (in €k)</b>			
Operative cash flow	39,607	52,710	-24.9%
Cash flow from operating activities	26,509	40,720	-34.9%
Cash flow from investing activities	16,980	-24,916	-168.1%
Free cash flow <sup>(3)</sup>	7,209	16,320	-55.8%
<b>EMPLOYEES</b>			
Headcount as of March 31	4,217	4,062	3.8%
thereof domestic	2,295	2,247	2.1%
thereof foreign	1,922	1,815	5.9%
<b>SHARE (in €)</b>			
Share price as of March 31 (Xetra)	14.58	n/a	
<b>CUSTOMER BASE (in Mio.)</b>			
thereof domestic	3.15	3.12	0.03
thereof foreign	2.91	2.88	0.04

<sup>(1)</sup> EBT excluding non-cash valuation effects from the contingent purchase price liability (Q1 2023: +€ 26,418k; Q2 2022: -€ 1,585k)

<sup>(2)</sup> EPS excluding non-cash valuation effects from the contingent purchase price liability (Q1 2023: +€ 0.29; Q1 2022: -€ 0,02).

For reasons of comparability, EPS was calculated for Q1 2022, as for Q1 2023, on the basis of the weighted average number of shares outstanding of 91,902 thousand. This average reflects the capital increase from € 360,001 to € 140,000,000 from company funds on February 1, 2023.

<sup>(3)</sup> Free cash flow is defined as net cash provided by operating activities less capital expenditure on intangible assets and property, plant and equipment, plus cash inflows from disposals of intangible assets and property, plant and equipment; reported including the repayment portion of lease liabilities reported in cash flow from financing activities.

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# INTERIM STATEMENT FIRST QUARTER 2023

## Business development

### Development of customer base in Q1 2023

in Mio.	March 31, 2023	December 31, 2022	Change
<b>Total customers</b>	<b>6.06</b>	<b>6.00</b>	<b>0.06</b>
thereof domestic	3.15	3.12	0.03
thereof foreign	2.91	2.88	0.04

The **number of paying customers** increased by 63,000 contracts in the first quarter of 2023. This growth, supported in particular by our current TV campaigns at IONOS and STRATO, resulted from 26,000 customers in Germany and 37,000 customers abroad. This brought the total number of customers to 6.06 million.

### Quarterly development: Change compared to prior-year quarters

in €k	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q1 2022	Change
Revenue	318,391	323,835	339,322	353,794	311,413	13.6%
EBITDA	83,969	88,813	61,495	92,752	86,076	7.8%
Adjusted EBITDA	89,700	94,257	69,892	86,205	91,797	-6.1%
EBIT	55,358	60,763	34,013	65,871	57,887	13.8%

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

in €k	Q1 2020	Q1 2021	Q1 2022	Q1 2023
Revenue	245,927	265,730	311,413	353,794
EBITDA	78,974	81,383	86,076	92,752
EBITDA margin	32.1%	30.6%	27.6%	26.2%
Adjusted EBITDA	80,974	87,600	91,797	86,205
Adjusted EBITDA margin	32.9%	33.0%	29.5%	24.4%
EBIT	51,608	53,709	57,887	65,871
EBIT margin	21.0%	20.2%	18.6%	18.6%

## Quarterly development: Adjusted EBITDA

in €k	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q1 2022
EBITDA	83,969	88,813	61,495	92,752	86,076
Adjustment for LTIP <sup>(1)</sup>	777	1,112	1,371	1,537	948
Adjustment for stand-alone activities <sup>(2)</sup>	3,471	3,508	2,172	2,518	3,897
Adjustment for IPO costs <sup>(3)</sup>	1,483	824	5,646	-11,287	876
Adjustments for consulting fees incurred for one-off projects <sup>(4)</sup>	0	0	1,118	0	0
Adjustment for the sale of shares <sup>(5)</sup>	0	0	-1,910	0	0
Adjustment for severance payments <sup>(6)</sup>	0	0	0	685	0
Total adjustments	5,731	5,444	8,397	-6,547	5,721
Adjusted EBITDA	89,700	94,257	69,892	86,205	91,797

(1) Includes costs for employee stock ownership programs.

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

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

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

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

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

## Multi-period overview: Adjusted EBITDA

in €k	Q1 2021	Q1 2022	Q1 2023
EBITDA	81,383	86,076	92,752
Adjustment for LTIP <sup>(1)</sup>	3,441	948	1,537
Adjustment for stand-alone activities <sup>(2)</sup>	2,616	3,897	2,518
Adjustment for IPO costs <sup>(3)</sup>	0	876	-11,287
Adjustments for consulting fees incurred for one-off projects <sup>(4)</sup>	160	0	0
Adjustment for the sale of shares <sup>(5)</sup>	0	0	0
Adjustment for severance payments <sup>(6)</sup>	0	0	685
Total adjustments	6,217	5,721	-6,547
Adjusted EBITDA	87,600	91,797	86,205

(1) Includes costs for employee stock ownership programs.

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

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

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

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

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

In the first quarter of 2023, **sales** increased by +13.6% from € 311,413k in the previous year to € 353,794k. In addition to the further expansion of the aftermarket business, the increase in revenues is mainly due to the continued positive development of new customer business and higher revenues from cross-selling and upselling to existing customers, especially with email, domain and website builder products, but also with our cloud/VPS server offerings. Sedo's aftermarket business (domain trading platform and domain parking) contributed 9.8 percentage points to the overall revenue growth of +13.6%.

In total, sales from contracts with customers are divided into product revenues from the Web Presence & Productivity business field of € 307,074k (Q1 2022: € 267,924k; +14.6%) and from the Cloud business field of € 35,367k (Q1 2022: € 31,408k; +12.6%). Sales also include sales with related parties, i.e. with Group companies of the United Internet Group. These sales showed a slight decline (Q1 2023: € 11,353k; Q1 2022: € 12,081k; -6.0%), which is mainly due to lower electricity costs in purchasing and the resulting lower cost pass-through to other United Internet companies.

**EBITDA** developed positively in the first quarter of 2023 with an increase of € 6,676k to € 92,752k (+7.8%), due in particular to the recharging of costs incurred in previous and the current financial year in connection with the IPO of IONOS Group SE (+€ 14,630k), which was partially offset by higher marketing expenses.

Due to stronger sales growth, particularly in the lower-margin aftermarket business, the **EBITDA margin** decreased from 27.6% in the first quarter of the previous year to 26.2%.

**Adjusted EBITDA** decreased by -6.1% from € 91,797k to € 86,205k in the first quarter of 2023. This was due in particular to higher marketing expenses as a result of the different IONOS campaign planning (timing) for the 2023 financial year during the year, which was reflected in purchased advertising services in the amount of € 9,917k in Q1 2023.

The **adjusted EBITDA margin** decreased accordingly from 29.5% in the first quarter of the previous year to 24.4% in Q1 2023.

**EBIT** increased by 13.8% from € 57,887k to € 65,871k and thus developed in line with the increase in sales. In the first quarter of 2023, costs of € 9,917k were incurred for the additional marketing activities announced at IONOS to increase brand awareness in the key European markets and for performance marketing. EBIT was boosted by the recharging of costs incurred in connection with the IPO in the past fiscal years and in 2023 to the shareholders United Internet and Warburg Pincus in the amount of € 14,630k.

The **EBIT margin** was unchanged at 18.6%.

## Position of the Group

There were no significant acquisition and divestment effects on Group sales and EBITDA in the first quarter of 2023. There were also only minor positive currency effects of € 1,606k on sales and € 593k on EBITDA, in particular due to a more favorable dollar exchange rate than in the previous year. The same applies to the Group's net assets, for which there were no significant effects from currency fluctuations.

## Earnings position

### Multi-period overview: Development of key cost items

in €k	Q1 2020	Q1 2021	Q1 2022	Q1 2023
Cost of sales	110,431	124,222	161,676	191,043
Gross margin	55.1%	53.3%	48.1%	46.0%
Selling expenses	66,586	64,089	69,856	84,870
Selling expenses ratio	27.1%	24.1%	22.4%	24.0%
Administrative expenses	17,187	18,618	19,942	18,793
Administrative expenses ratio	7.0%	7.0%	6.4%	5.3%

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

**Cost of sales** in Q1 2023 increased by 18.2% to € 191,043k compared to the first quarter of the previous year, with an increase in sales of +13.6%. The reason for this development is the disproportionate increase in Sedo's lower-margin aftermarket business, which reduces the gross margin from 48.1% to 46.0%.

Increased marketing services were purchased in the first quarter of 2023 to raise brand awareness. The increase in advertising services (+€ 9,917k; +37%) compared with the first quarter of the previous year contributed significantly to the rise in **selling expenses**. As a result, the selling expense ratio increased by 1.6 percentage points.

**Administrative expenses** developed in the opposite direction, falling by 5.8% year-on-year in the first three months. This was due in particular to lower depreciation and amortization charges and a decrease in expenses for consulting services. As a percentage of sales, the administrative expense ratio decreased from 6.4% to 5.3%.

The **net position from other operating income and expenses** increased by € 9,049k to € 9,099k (previous year: € 50k). This includes income of € 8,555k relating to other periods from the charging on of IPO costs from the previous years.

The **financial result** amounted to € 4,860k (Q1 2022: € -24,143k) and is characterized by a valuation adjustment of the purchase price liability in connection with the acquisition of STRATO AG (€ +26,418k). In addition, the repayment of the United Internet AG loan resulted in lower interest expenses (Q1 2023: € - 20,600k; Q1 2022: € -21,727k).

As the measurement of the purchase price liability with income of € 26,418k in the first quarter of 2023 does not result in the recognition of a deferred tax item, the Group tax rate decreased significantly in the first three months (from 33.3% in Q1 2022 to 21.1% in Q1 2023). After tax expenses of € 14,891k (prior year: € 11,322k), consolidated net income amounted to € 55,829k (prior year: € 22,631k).

**Earnings per share (EPS)** amounted to € 0.61 in the first three months of 2023 and were calculated on the basis of the weighted average number of shares outstanding of 91,902 thousand. This average reflects the capital increase from € 360,001 to € 140,000,000 from company funds on February 1, 2023. In the previous year, EPS of € 61.75 was calculated on the basis of 360,001 shares.

**Adjusted EPS** is € 0.32 for the first three months of 2023 and € 0.26 for the first quarter of the previous year. Adjusted EPS is calculated excluding the positive earnings effect from the measurement of the contingent purchase price liability. In addition, EPS for Q1 2022, like EPS for Q1 2023, is calculated on the basis of the weighted average number of shares outstanding of 91,902 thousand (EPS effect Q1 2023: +€ 0.29; prior year: -€ 0.02).

## Financial position

### Development of key cash flow figures

in €k	Q1 2023	Q1 2022	Change
Operative cash flow	39,607	52,710	-24.9%
Cash flow from operating activities	26,509	40,720	-34.9%
Cash flow from investing activities	16,980	-24,916	-168.1%
Free cash flow <sup>(1)</sup>	7,209	16,320	-55.8%
Cash flow from financing activities	-34,659	-24,260	42.9%
Cash and cash equivalents on March 31	35,172	41,360	-15.0%

<sup>(1)</sup> Free cash flow is defined as net cash provided by operating activities less capital expenditure on intangible assets and property, plant and equipment, plus cash inflows from disposals of intangible assets and property, plant and equipment; reported including the repayment portion of lease liabilities reported in cash flow from financing activities

### Multi-period overview: Development of key cash flow figures

in €k	Q1 2020	Q1 2021	Q1 2022	Q1 2023
Operative cash flow	45,546	52,520	52,710	39,607
Cash flow from operating activities	30,322	44,518	40,720	26,509
Cash flow from investing activities	24,945	-13,992	-24,916	16,980
Free cash flow <sup>(1)</sup>	19,747	25,669	16,320	7,209
Cash flow from financing activities	-53,648	-84,674	-24,260	-34,659
Cash and cash equivalents on March 31	43,165	52,752	41,360	35,172

<sup>(1)</sup> Free cash flow is defined as net cash provided by operating activities less capital expenditure on intangible assets and property, plant and equipment, plus cash inflows from disposals of intangible assets and property, plant and equipment; reported including the repayment portion of lease liabilities reported in cash flow from financing activities



**Net cash inflows from operating activities** amounted to € 26,509k, a decrease of € 14,211k compared to the first quarter of the previous year (Q1 2022: € 40,720k), mainly due to a payout of the first third of the employee stock option plan (Long Term Incentive Plan, LTIP) in the amount of € 13,347k. This LTIP, which was launched in 2017, vested on the first day of trading of the IONOS share. The payment of the first third of the LTIP was due with the IPO. The payment of the next third will be made in 18 and 24 months respectively after the first trading day.

In the reporting period, **net cash inflows from investing activities** of € 16,980k are generated (Q1 2022: net cash outflows of € 24,916k). The cash inflows resulted from a reduction in surplus liquidity invested with United Internet AG, which led to a € 31,588k decrease in cash pool receivables. The main driver for this was the further reduction of the shareholder loan at United Internet AG. Investments in intangible assets and property, plant and equipment decreased by € 6,028k (Q1 2023: € 15,034k; Q1 2022: € 21,062k), with investments in servers remaining roughly at the previous year's level (Q1 2023: € 11,686k; Q1 2022: € 12,002k).

**Free cash flow** at IONOS is defined as net cash inflows from operating activities less capital expenditures for intangible assets and property, plant and equipment, plus cash inflows from disposals of intangible assets and property, plant and equipment including the repayment portion of lease liabilities. The decrease in free cash flow in Q1 2023 to € 7,209k from € 16,320k in Q1 2022 is due in particular to the payment of the first third of the LTIP in the amount of € 13,347k.

**Financing activities** in the first quarter of 2023 mainly resulted in an outflow of € 30,000k from the repayment of the long-term loan to United Internet AG (Q1 2022: € 20,000k).

**Cash and cash equivalents** amounted to € 35,172k as of March 31, 2023 - compared to € 41,360k as of the prior-year reporting date.

## Asset position

At € 1,552,578k, total assets are slightly higher than total assets at December 31, 2022 (€ 1,541,505k).

## Development of current assets

in €k	March 31, 2023	December 31, 2022	Change
Cash and cash equivalents	35,172	26,440	33.0%
Trade accounts receivable	69,993	66,628	5.1%
Receivables from related parties	16,088	27,964	-42.5%
Contract assets	8,095	8,128	-0.4%
Prepaid expenses	27,606	23,779	16.1%
Other financial assets	17,573	12,377	42.0%
Income tax claims	16,102	9,918	62.4%
Other non-financial assets	803	1,128	-28.8%
<b>Total current assets</b>	<b>191,432</b>	<b>176,362</b>	<b>8.5%</b>

The increase in **current assets** by € 15,070k is mainly due to the higher level of cash and cash equivalents (+€ 8,732k) and the increase of € 6,184k in income tax claims from advance tax payments to the tax authorities. On the other hand, receivables from related parties decreased by € 11,876k. This item includes cash pool receivables, which decreased by € 31,588k as a result of the reduction in surplus liquidity invested with United Internet AG.

## Development of non-current assets

in €k	March 31, 2023	December 31, 2022	Change
Investments in associated companies	2,412	2,423	-0.5%
Other financial assets/Receivables from finance lease	4,000	4,081	-2.0%
Property, plant and equipment	316,637	322,286	-1.8%
Intangible assets	173,615	178,826	-2.9%
Goodwill	821,503	820,844	0.1%
Contract assets	1	1	0.0%
Prepaid expenses	9,779	8,573	14.1%
Deferred tax assets	33,199	28,109	18.1%
<b>Total non-current assets</b>	<b>1,361,146</b>	<b>1,365,143</b>	<b>-0.3%</b>

Overall, **non-current assets** have changed only insignificantly compared with the end of the 2022 financial year. **Property, plant and equipment** and **intangible assets** decreased by € 10,860k, in particular as a result of depreciation and amortization (€ 26,881k) exceeding capital expenditure (€ 15,034k). Due to positive planning of tax results, additional **deferred tax assets** were recognized on interest carryforwards in the amount of € 5,090k.

## Development of current liabilities

in €k	March 31, 2023	December 31, 2022	Change
Trade accounts payable	81,842	80,324	1.9%
Liabilities to related parties	8,047	6,570	22.5%
Income tax liabilities	26,543	19,471	36.3%
Contract liabilities	79,056	74,375	6.3%
Other provisions	561	594	-5.6%
Other financial liabilities	72,078	97,657	-26.2%
Other non-financial liabilities	30,610	20,267	51.0%
<b>Total current liabilities</b>	<b>298,737</b>	<b>299,258</b>	<b>-0.2%</b>

**Current liabilities** have changed only insignificantly overall compared with the end of the 2022 financial year. Income tax liabilities for expected tax payments on the result of the 2023 financial year increased by € 7,072k. The increase in **other non-financial liabilities** by € 10,343k results from higher VAT and payroll and church tax liabilities. By contrast, **other financial liabilities** decreased by € 25,579k due to the lower subsequent measurement of a purchase price liability in connection with the acquisition of STRATO AG.

## Development of non-current liabilities

in €k	March 31, 2023	December 31, 2022	Change
Liabilities to related parties	1,215,000	1,245,000	-2.4%
Deferred tax liabilities	37,736	38,470	-1.9%
Contract liabilities	1,423	1,099	29.5%
Other provisions	3,159	4,203	-24.8%
Other financial liabilities	113,501	115,655	-1.9%
<b>Total non-current liabilities</b>	<b>1,370,819</b>	<b>1,404,427</b>	<b>-2.4%</b>

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

## Development of equity

in €k	March 31, 2023	December 31, 2022	Change
Issued capital	140,000	360	38788.9%
Reserves	-231,257	-136,644	69.2%
Currency translation adjustment	-25,883	-26,019	-0.5%
Equity attributable to shareholders of the parent company	-117,140	-162,303	-27.8%
Non-controlling interests	129	123	4.9%
<b>Total equity</b>	<b>-117,011</b>	<b>-162,180</b>	<b>-27.9%</b>

The Company's **capital** was increased by € 139,640k from € 360k to € 140,000k from company funds (other reserves). Other significant changes in other reserves in the first quarter of 2023 were a reduction as a result of the payment of the employee stock ownership program in the amount of € 13,347k and the addition of the consolidated profit for the first quarter of 2023 in the amount of € 55,823k. Overall, equity in the Group increased by € 45,169k from € -162,180k as of December 31, 2022 to € -117,011k as of March 31, 2023.

**Net debt** (i.e., the balance of liabilities to related parties, receivables from related parties and cash and cash equivalents) decreased by € 25,379k from € 1,197,166k as of December 31, 2022 to € 1,171,787k as of March 31, 2023.

## Multi-period overview: Development of key balance sheet items

in €k	December 31, 2020	December 31, 2021	December 31, 2022	March 31, 2023
Balance sheet total	1,488,536	1,471,668	1,541,505	1,552,578
Cash and cash equivalents	105,805	49,520	26,440	35,172
Trade accounts receivable	35,572	49,526	66,628	69,993
Property, plant and equipment	219,908	271,782	322,286	316,637
Intangible assets	220,960	201,437	178,826	173,615
Goodwill	806,893	825,261	820,844	821,503
Liabilities to related parties	1,466,000	1,315,000	1,245,000	1,215,000
Issued capital	360	360	360	140,000
Equity	-326,166	-231,708	-162,180	-117,011
Equity ratio	-21.9%	-15.7%	-10.5%	-7.5%

## Management Board's overall assessment of the business situation

IONOS Group SE has started successfully into the fiscal year 2023, which is reflected in a positive development of revenues, but also in an increase of the paying customer base by 63,000 customers in Q1 2023. This also underlines the success of our branding campaign launched in fiscal year 2021 and further intensified in 2022 and 2023, with which the IONOS Group continues to develop today's target markets with Web Presence & Productivity products, but also with Cloud solutions. With this customer growth, a revenue growth of 13.6% to € 353,794k as well as a 7.8% increase in EBITDA to € 92,752k, IONOS performed well in Q1 2023.

Adjusted EBITDA decreased by € 5,592k in the first quarter to a level of € 86,205k, mainly due to higher investments in our brand awareness and an associated increase in selling expenses (€ -15,014k) as well as an increase in personnel expenses in the administration area (€ -1,958k). This is partially offset by a significant increase in gross profit (+€ 13,014k) of around +8.7% to € 162,751k. This disproportionately low increase in relation to sales is due in particular to the higher share of the Group's total sales accounted for by the lower-margin aftermarket business. Based on the effects described above, the adjusted EBITDA margin decreased as expected from 29.5% in Q1 2022 to 24.4% in Q1 2023.

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

After a positive start to the year, the Management Board of the IONOS Group is optimistic at the present time that it will achieve the targets contained in the planning and accordingly confirms its expected development of the key performance indicators revenue and adjusted EBITDA margin in the forecast for the financial year 2023.

## Subsequent events

After the balance sheet date of March 31, 2023, no events of particular significance have occurred in the IONOS Group that have a major impact on the results of operations, net assets and financial position of the company or the Group with implications for accounting and reporting.

## Risk and opportunity report

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

### Management Board's overall assessment of the Group's risk and opportunity position

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

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

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

## Forecast report

### Forecast for the fiscal year 2023

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

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

### Forward-looking statements

This quarterly statement contains forward-looking statements based on current expectations, assumptions and forecasts of the Executive Board of IONOS and currently available information. The forward-looking statements are subject to various risks and uncertainties and are based on expectations, assumptions and projections that may not prove to be accurate in the future. IONOS does not guarantee

that the forward-looking statements will prove to be accurate, assumes no obligation to update or revise the forward-looking statements contained in this interim report.

## NOTES TO THE INTERIM STATEMENT

### Information on the Company

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

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

The shares of IONOS Group SE have been listed on the regulated market of the Frankfurt Stock Exchange since February 8, 2023. As of March 31, 2023, United Internet AG holds 63.8% and WP XII Venture Holdings II SCSp, Luxembourg / Luxembourg 21.2% of the shares in IONOS Group SE. A further 15.0% are in free float.

### Significant accounting, measurement and consolidation principles

The quarterly statement of IONOS Group SE as of March 31, 2023, like the consolidated financial statements as of December 31, 2022, has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

This quarterly statement does not constitute interim financial reporting within the meaning of IAS 34. The accounting policies applied in this quarterly statement are the same as those applied in the previous year, with the exception of the mandatory new standards, and should be read in conjunction with the consolidated financial statements as of December 31, 2022.

## Mandatory adoption of new accounting standards

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

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

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

## Use of estimates and assumptions

In preparing this quarterly statement, management makes judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, the uncertainty associated with these assumptions and estimates could lead to results that may require material adjustments to the carrying amounts of the assets or liabilities affected in the future.

## Miscellaneous

This quarterly statement includes all significant subsidiaries and associated companies.

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

This Interim Statement was not audited in accordance with Section 317 of the German Commercial Code (HGB) or reviewed by an auditor.

## **INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER 2023**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**FINANCIAL CALENDAR / IMPRINT**



IONOS Group SE, Montabaur  
Consolidated statement of financial position as of March 31, 2023

	March 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	35,172	26,440
Trade accounts receivable	69,993	66,628
Receivables from related parties	16,088	27,964
Contract assets	8,095	8,128
Inventories	124	162
Prepaid expenses	27,606	23,779
Other financial assets	17,573	12,377
Other non-financial assets	679	966
Income tax claims	16,102	9,918
	<b>191,432</b>	<b>176,362</b>
<b>Non-current assets</b>		
Investments in associated companies	2,412	2,423
Receivables from finance leases	3,097	3,178
Other financial assets	903	903
Property, plant and equipment	316,637	322,286
Intangible assets		
Other intangible assets	173,615	178,826
Goodwill	821,503	820,844
Contract assets	1	1
Prepaid expenses	9,779	8,573
Deferred tax assets	33,199	28,109
	1,361,146	1,365,143
<b>Total assets</b>	<b>1,552,578</b>	<b>1,541,505</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade accounts payable	81,842	80,324
Liabilities to related parties	8,047	6,570
Income tax liabilities	26,543	19,471
Contract liabilities	79,056	74,375
Other provisions	561	594
Other financial liabilities	72,078	97,657
Other non-financial liabilities	30,610	20,267
	298,770	299,258
<b>Non-current liabilities</b>		
Liabilities to related parties	1,215,000	1,245,000
Deferred tax liabilities	37,736	38,470
Contract liabilities	1,423	1,099
Other provisions	3,159	4,203
Other financial liabilities	113,501	115,655
	1,370,819	1,404,427
<b>Total liabilities</b>	<b>1,669,589</b>	<b>1,703,685</b>

	March 31, 2023	December 31, 2022
<b>EQUITY</b>		
Issued capital	140,000	360
Reserves	-231,257	-136,644
Currency translation adjustment	-25,883	-26,019
Equity attributable to shareholders of the parent company	-117,140	-162,303
Non-controlling interests	129	123
<b>Total equity</b>	<b>-117,011</b>	<b>-162,180</b>
<b>Total liabilities and equity</b>	<b>1,552,578</b>	<b>1,541,505</b>

## IONOS Group SE, Montabaur

Consolidated statement of comprehensive income  
for the period from January 1 to March 31, 2023 in €k

	2023 January - March	2022 January - March
Revenue from contracts with customers	342,441	299,332
Revenue from contracts with related parties	11,353	12,081
<b>Total revenue</b>	<b>353,794</b>	<b>311,413</b>
Cost of sales	-191,043	-161,676
<b>Gross profit</b>	<b>162,751</b>	<b>149,737</b>
Selling expenses	-84,870	-69,856
General and administrative expenses	-18,793	-19,942
Impairment losses on receivables and contract assets	-2,316	-2,102
Other operating income / expenses	9,099	50
<b>Operating result</b>	<b>65,871</b>	<b>57,887</b>
Financial result	4,860	-24,143
Share of the profit or loss of associates accounted for using the equity method	-11	209
<b>Pre-tax result</b>	<b>70,720</b>	<b>33,953</b>
Income taxes	-14,891	-11,322
<b>Net income</b>	<b>55,829</b>	<b>22,631</b>
thereof attributable to		
non-controlling interests	6	402
shareholders of IONOS Group SE	55,823	22,229
Result per share of shareholders of IONOS Group SE (in €)		
basic	0.61	61.75
diluted	0.61	61.75
Weighted average of outstanding shares (in thousand units)		
basic	91,902	360
diluted	91,902	360
<b>Reconciliation to total comprehensive income</b>		
<b>Net income</b>	<b>55,829</b>	<b>22,631</b>
Items that may be reclassified subsequently to profit or loss		
Currency translation adjustment - unrealized	136	-1,274
Items that are no reclassified subsequently to profit or loss		
<b>Other comprehensive income</b>	<b>136</b>	<b>-1,274</b>
<b>Total comprehensive income</b>	<b>55,965</b>	<b>21,357</b>
thereof attributable to		
non-controlling interests	6	411
shareholders of IONOS Group SE	55,959	20,945

IONOS Group SE, Montabaur  
Consolidated cash flow statement  
for the period from January 1 to March 31, 2023 in €k

	2023 January - March	2022 January - March
Net income	55,829	22,631
<b>Adjustments to reconcile net income to net cash provided by operating activities</b>		
Depreciation and amortization of intangible assets and property, plant and equipment	20,800	20,783
Depreciation and amortization of assets resulting from business combinations	6,081	7,411
Employee expenses from share-based payment programs	1,517	0
Payments from share-based payment programs	-13,347	1,269
Interest expense from the unwinding of the discount on lease liabilities	1,037	797
Share of the profit or loss of associates accounted for using the equity method	11	-209
Distributed profits of associated companies	0	205
Other non-cash items from changes in deferred tax position	-5,824	-1,812
Income/Loss from the sale of intangible assets and property, plant and equipment	-79	51
Other non-cash items	-26,418	1,584
<b>Operative cash flow</b>	<b>39,607</b>	<b>52,710</b>
Change in assets and liabilities		
Change in receivables and other assets	-14,729	-30,077
Change in inventories	38	-70
Change in contract assets	32	-41
Change in prepaid expenses	-5,033	-5,039
Change in trade accounts payable	1,518	1,796
Change in receivables from/liabilities to related parties	-18,236	4,418
Change in other provisions	-42	336
Change in income tax liabilities	5,643	2,645
Change in other liabilities	12,706	8,908
Change in contract liabilities	5,005	5,134
<b>Change in assets and liabilities, total</b>	<b>-13,098</b>	<b>-11,990</b>
<b>Cash flow from operating activities</b>	<b>26,509</b>	<b>40,720</b>
<b>Cash flow from investing activities</b>		
Cash payments to acquire property, plant and equipment and intangibles	-15,034	-21,062
Cash receipts from sales of property, plant and equipment and intangibles	426	153
Cash payments for business combinations, net of cash acquired	0	0
Payments for the acquisition of associated companies	0	-60
Cash payments to acquire assets as part of a business combination	0	0
Cash receipts from the sale of other financial assets	0	54
Payments within the framework of cash pooling	31,588	-4,001
Payments related to other financial assets	0	0
<b>Cash flow from investing activities</b>	<b>16,980</b>	<b>-24,916</b>

	2023 January - March	2022 January - March
<b>Cash flow from financing activities</b>		
Dividend payments to non-controlling interests	0	-799
Cash payments for equity acquisition of remaining shares in InterNetX Holding GmbH		0
Cash proceeds from loans	33	29
Repayment of loans	-30,000	-20,000
Redemption of lease liabilities	-4,692	-3,490
Dividend payments to shareholders	0	0
<b>Cash flow from financing activities</b>	<b>-34,659</b>	<b>-24,260</b>
<b>Net decrease in cash and cash equivalents</b>	<b>8,830</b>	<b>-8,456</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>26,440</b>	<b>49,520</b>
<b>Currency translation adjustments of cash and cash equivalents</b>	<b>-98</b>	<b>296</b>
<b>Cash and cash equivalents at end of period</b>	<b>35,172</b>	<b>41,360</b>

IONOS Group SE, Montabaur  
 Consolidated statement of changes in equity  
 for the period from January 1 to March 31, 2023 in €k

	Issued capital €k	Reserves €k	Currency translation adjustment €k	Equity attributable to shareholders of the parent company €k	Non- controlling interests €k	Total equity €k
<b>Balance as of January 1, 2022</b>	<b>360</b>	<b>-213,903</b>	<b>-20,760</b>	<b>-234,303</b>	<b>2,595</b>	<b>-231,708</b>
Net income	0	22,229	0	22,229	402	22,631
Other comprehensive income	0	0	-1,284	-1,284	10	-1,274
<b>Total comprehensive income</b>	<b>0</b>	<b>22,229</b>	<b>-1,284</b>	<b>20,945</b>	<b>412</b>	<b>21,357</b>
Employee stock ownership program	0	1,269	0	1,269	0	1,269
Profit distributions	0	0	0	0	-799	-799
<b>Balance as of March 31, 2022</b>	<b>360</b>	<b>-190,405</b>	<b>-22,044</b>	<b>-212,089</b>	<b>2,208</b>	<b>-209,881</b>
<b>Balance as of January 1, 2023</b>	<b>360</b>	<b>-136,644</b>	<b>-26,019</b>	<b>-162,303</b>	<b>123</b>	<b>-162,180</b>
Net income	0	55,823	0	55,823	6	55,829
Other comprehensive income	0	0	136	136	0	136
<b>Total comprehensive income</b>	<b>0</b>	<b>55,823</b>	<b>136</b>	<b>55,959</b>	<b>6</b>	<b>55,965</b>
Capital increase from company funds	139,640	-139,640	0	0	0	0
Employee stock ownership program	0	-10,796	0	-10,796	0	-10,796
<b>Balance as of March 31, 2023</b>	<b>140,000</b>	<b>-231,257</b>	<b>-25,883</b>	<b>-117,140</b>	<b>129</b>	<b>-117,011</b>

## FINANCIAL CALENDAR

<b>March 30, 2023</b>	Annual Financial Statements for fiscal year 2022
<b>May 10, 2023</b>	Quarterly Statement Q1 2023
<b>May 15, 2023</b>	Annual General Meeting 2022, Alte Oper Frankfurt/Main
<b>August 3, 2023</b>	6-Month Report 2023
<b>November 10, 2023</b>	Quarterly Statement Q32023

## IMPRINT

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May 2023  
Registry court: Montabaur HRB 25386

### **Note:**

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

This quarterly statement is available in German and English. Both versions are also available for download on the internet at [www.ionos-group.com](http://www.ionos-group.com). In case of doubt, the German version shall prevail.

For better readability, the masculine form is used for gender-specific terms in the Quarterly Statement. IONOS points out that the use of the masculine form is to be understood explicitly as gender-independent.

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### **Disclaimer**

This Interim Statement contains certain forward-looking statements which reflect the current views of IONOS Group SE's management with regard to future events. These forward looking statements are based on our currently valid plans, estimates and expectations. Forward-looking statements are only based on those facts valid at the time when the statements were made. Such statements are subject to certain risks and uncertainties, as well as other factors which IONOS often cannot influence but which might cause our actual results to be materially different from any future results expressed or implied by these statements. Such risks, uncertainties and other factors are described in detail in the Risk Report section of the Annual Reports of IONOS Group SE. The IONOS Group SE does not intend to revise or update such forward-looking statements.



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