2023 UNIVERSAL REGISTRATION DOCUMENT

OVHcloud

Contents

The elements of the annual financial report are identified in the summary using the pictogram /AFR/.
The non-financial performance statement is identified by the pictogram /NFPS/.

UNIVERSAL REGISTRATION DOCUMENT

Including the annual financial report **2023**

We are the leading European cloud provider with a global footprint. Our goal is to provide secure, reliable, open and sustainable cloud services to everyone.

We serve our customers, whatever their location.

We provide industry-leading performance and cost-effective solutions to help them better manage, protect and scale their data.

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

The French language version of this Universal Registration Document was filed on 20 November 2023 with the *Autorité des marchés financiers* (AMF) as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said Regulation. The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This is a translation into English of the 2023 Universal Registration Document of the Company issued in French and it is available on the website of the Issuer. It is provided solely for the convenience of English-speaking readers. In the event of a discrepancy, the French version will prevail.

GROUP BUSINESS MODEL /NFPS/

OUR PROFILE

European leader in the cloud

- **+20 years** of existence
- **2,900** employees
- **140** countries in 4 continents
- **€897 million** in revenue in 2023
- **1.6 million** customers (SMEs, large companies, technology and public companies)
- **37** datacenters in **9** countries
- **450,000** servers

BREAKDOWN OF REVENUE BY BUSINESS SECTOR

- **62%** Private Cloud
- **17%** Public Cloud
- **21%** Web Cloud

GEOGRAPHICAL BREAKDOWN OF REVENUE

- **49%** France
- **29%** Rest of Europe
- **22%** Rest of the World

OUR VISION

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

- **Guaranteeing data freedom and sovereignty**
- **Pioneering the sustainable cloud**
- **Collectively advancing the cloud for the benefit of society**

OUR STRATEGY

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

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

OUR STRENGTHS

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

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

OUR VALUE PROPOSAL FOR OUR STAKEHOLDERS

CUSTOMERS

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

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

EMPLOYEES

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

- Employee engagement score of **7.2/10**
- **23%** of women in management positions
- **68%** of employees trained

SHAREHOLDERS

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

- **>20%**, long-term growth rate of the cloud market
- **36.3%**, FY2023 adjusted EBITDA margin
- **2.6%** of capital held by employees

PARTNERS

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

- **Nearly 1,200** companies in the OVHcloud Partner programme in 2023
- Open Trusted Cloud: **78** active members

SUPPLIERS

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

- **>20%**, medium-term growth rate of the cloud market and OVHcloud's competitive position
- **69%** of suppliers having signed the supplier code of conduct

CIVIL SOCIETY & ENVIRONMENT

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

- **160** patent families held at 31 August 2023
- **1.26** PUE (constant scope vs 2022)
- **0.28** WUE (constant scope vs 2022)
- **36%**, component reuse rate


OVHcloud

1

PRESENTATION OF THE GROUP

1.1 HISTORY

OVHcloud's position as the leading European cloud provider traces its roots to its founding in 1999 as an internet hosting company in France. Over the past 20 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 was founded by Octave Klaba as one of Europe's first internet hosting companies.
2000	First top-level .fr and .be 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 datacenter, in Roubaix, France.
2006	Opening of a datacenter 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 datacenter opened in Roubaix, France.
2009	Continued expansion in Europe, including the Netherlands, Ireland, Finland, Lithuania and the Czech Republic. OVH launches 10 Gbps Bare Metal servers.
2010	Expansion into cloud services. Opening of third datacenter in Roubaix, France.
2011	OVH becomes Europe's No. 1 web hosting service. Fourth datacenter 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 datacenters 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 datacenters 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 with the opening of datacenters 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 Chief Executive Officer. Opening of office in India. Launch of Gscan (monitoring and alerting at scale).
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) health data hosting 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. On 15 October 2021, OVHcloud is listed in compartment A of the Euronext Paris regulated market to finance its growth strategy, including the financing of its geographical expansion, the construction of datacenters, the development of new products and, where applicable, external growth transactions.
2022	Acquisition of ForePaaS. OVHcloud reaches more than 80 available IaaS and PaaS solutions.
2023	Opening of new datacenters in France and India. S&P Global ratings awards OVHcloud a score of 71/100, reflecting the Group's commitment to leading the data revolution for a responsible future. OVHcloud strengthens its range of PaaS solutions, in particular for artificial intelligence.

1.2 THE CLOUD COMPUTING MARKET

1.2.1 Cloud computing

Cloud computing means providing users with storage, computing and network resources on demand. Cloud resources are located in datacenters 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, as long as they have an internet connection, users are able to access IT services through the cloud.

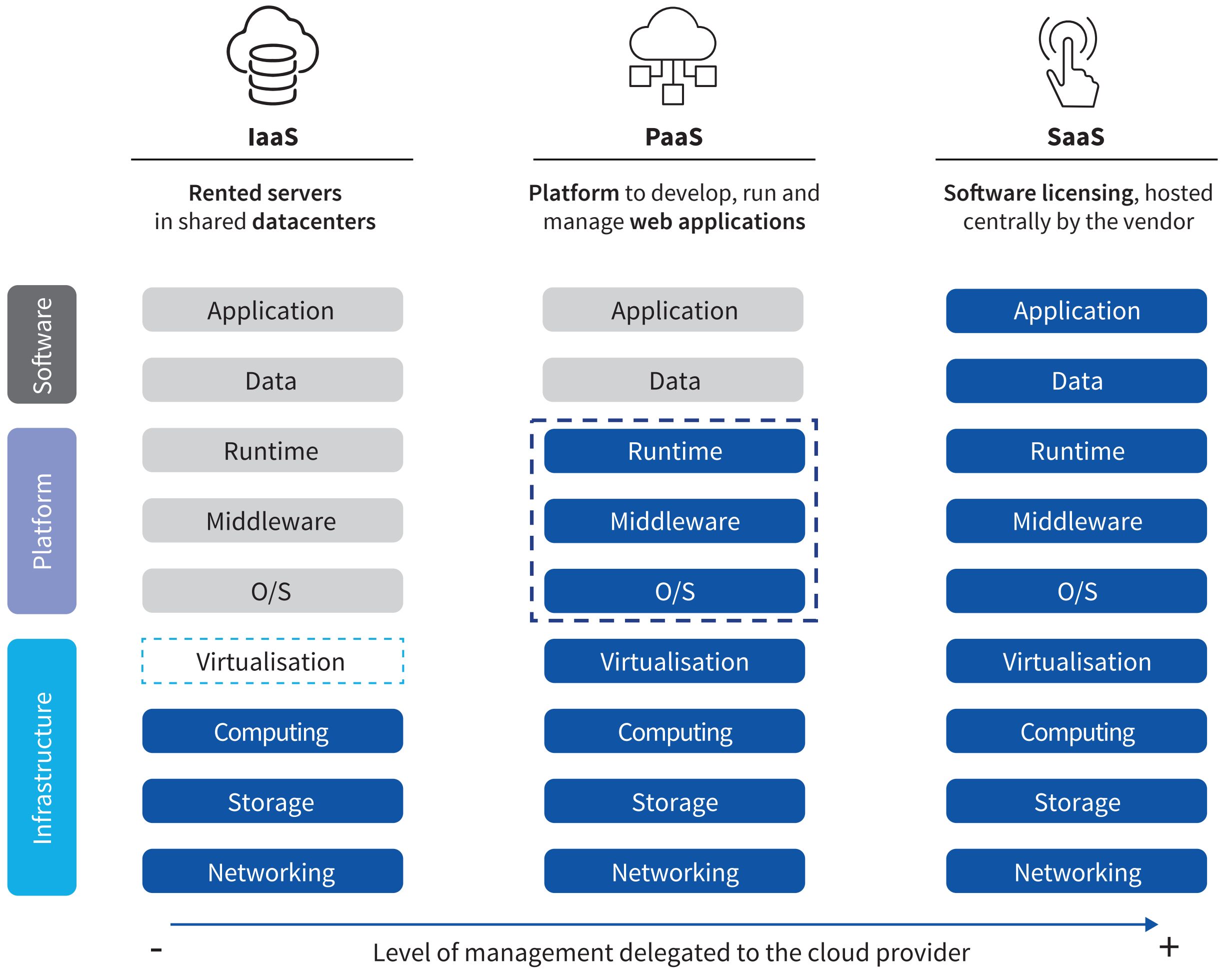
Businesses can establish and operate their own datacenters using internal IT staff, or they can outsource some or all functions to cloud service providers such as OVHcloud. For many businesses, the time and financial investment required makes proprietary cloud computing less attractive than outsourcing, which means 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 datacenters can be used for multiple functions, each of which is accessed through a "virtual machine" created on the server. The virtual machines are operated and separated from one another through a software platform known as a "virtualisation stack." Each virtual machine can have its own operating system that permits users to develop and run applications. Through a function known as a "hypervisor," the server's capacity is allocated to the virtual machines in accordance with the demands of users. More recently, software applications have been written to be bundled in "containers" that run directly on the operating system of the server itself, coordinated through platforms known as "orchestration" systems, which generally take up 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"). These features are illustrated in the following graphic:

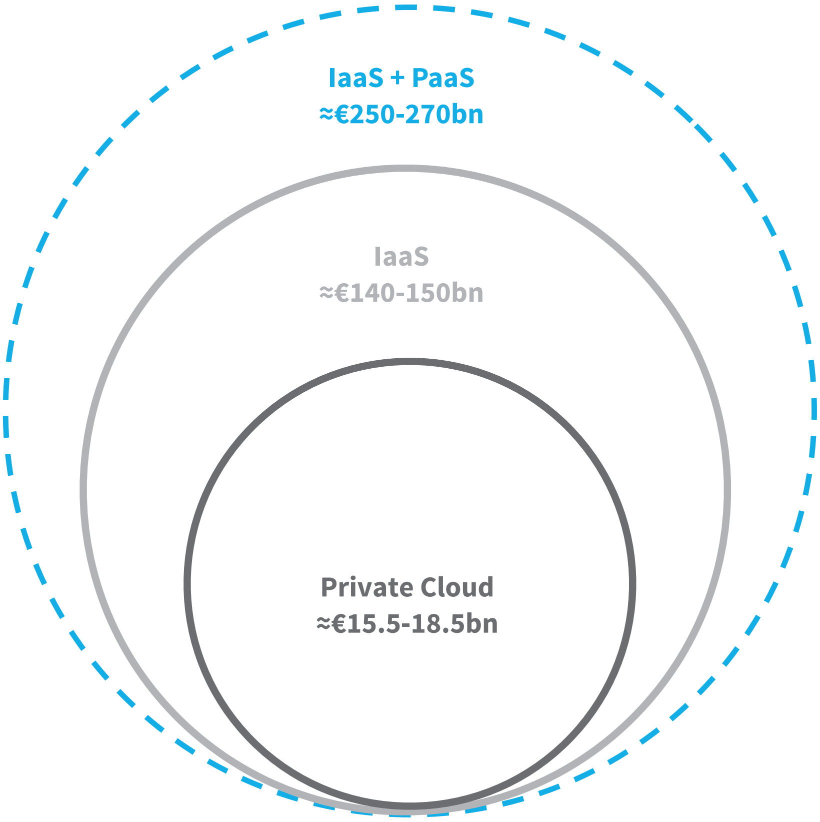


The cloud solutions market also includes Web services targeted mainly at individuals and small and medium-sized businesses. The web cloud market largely consists of web and domain hosting, including leasing servers for websites, selling secondary services (such as software packages) and domain name registration,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

1.2.2 A large and fast-growing market [1]

1.2.2.1 Overview of the cloud market

MARKET SIZE IN 2023



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 and Private Cloud offerings.

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	2023	2027
Of which IaaS	85-95	110-120	140-150	315-325
Of which PaaS	70-80	150-160	110-120	250-260
Size of the Iaas and PaaS market	**150-170**	**200-220**	**250-270**	**560-580**

In 2023, the global market for IaaS and PaaS cloud offerings was estimated at approximately €250-270 billion. This includes an IaaS market of an estimated €140-150 billion and a PaaS market estimated at €110-120 billion.

The IaaS market includes an estimated amount of €15.5-18.5 billion in 2023 for Private Cloud services (including Bare Metal Cloud) and the rest for the Public Cloud.

1) *As described in Section 7.6 of this Universal Registration Document, estimates relating to the size and trends of cloud markets are based on the Company's analysis of multiple sources, including market research carried out by Bain & Company, Inc. ("Bain") at the request of the Company and information obtained from International Data Corporation (IDC) and Forrester Research, Inc.*

OVHcloud believes that guaranteeing customers access to a cloud service protected against interference from non-European authorities is essential for many public and private organisations that process very sensitive data. Bain & Company stated in 2020 that between 15% and 30% of the European data market alone would be affected by this data sovereignty requirement. This service is in demand in the health, finance, telecom, business and individual services, aerospace, automotive, robotics, chemicals and luxury goods sectors.

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

1.2.2.2 Private and Public Cloud market trends

OVHcloud believes the cloud market's strong growth trend should continue in the coming years, with the global IaaS and PaaS markets set to grow at a compound annual rate of around 20% from 2023 to 2027.

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

These strong growth trends, which have been confirmed for the medium term, are being impacted in 2023 and 2024 by the macroeconomic environment, which is encouraging most economic players to streamline their IT spending, particularly in the cloud. This may involve the postponement of migration projects or the optimisation of existing cloud infrastructure.

Although OVHcloud predicts sharp growth in each market segment, the growth rate may vary significantly by segment, driven by specific usages and customer requirements:

- Public Cloud is expected to be the most dynamic segment, with annual global growth of over 20% from 2023 to 2027, driven by high scalability and the wide range of potential uses of Public Cloud services;
- Private Cloud is also expected to grow substantially, as businesses seek to combine outsourcing and data privacy needs. OVHcloud forecasts annual global growth of roughly 10% from 2023 to 2027 for Private Cloud services. OVHcloud believes this growth will be fuelled by a continued trend for outsourcing, 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 guarantee on the Public Cloud.

The PaaS market is expected to grow at a rate of more than 20%, driven by artificial intelligence and database management.

The cloud services market is also evolving rapidly, changing some of the main factors driving 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 datacenter management.

1.2.2.3 The Web Cloud services market

The global web and domain hosting market was estimated to be worth around €5 billion in 2020. OVHcloud operates in the Web Cloud market through website hosting and domain name registration, as well as through the provision of internet access services and voice over internet protocol solutions.

Europe's Web Cloud market 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 coming years, though perhaps at a slightly slower rate than previously.

OVHcloud believes future market growth will be driven by the fact that a web presence is 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 cloud leader

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) and Rackspace (US/international). In 2020, IBM Cloud and Rackspace were the leaders in the United States and Northern Europe (including the United Kingdom), where OVHcloud has a significant market share, although less than 5% given the market fragmentation.

The Public Cloud market is dominated by the so-called hyperscalers, Amazon Web Services, Microsoft Azure and Google Cloud Platform, which together represented approximately 70% of the worldwide Public Cloud market in 2022.

Based on customer feedback, 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 datacenter location. The price/performance ratio is the most significant criterion in the Bare Metal Cloud segment, while continuity and reliability of service are of approximately equal importance with price/performance in the Hosted Private Cloud segment, and represent 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, to develop in the field of artificial intelligence and to introduce solutions in areas such as DBaaS and orchestration, which should be very attractive to its target customers comprising large companies and technology companies.

1.3 BUSINESS

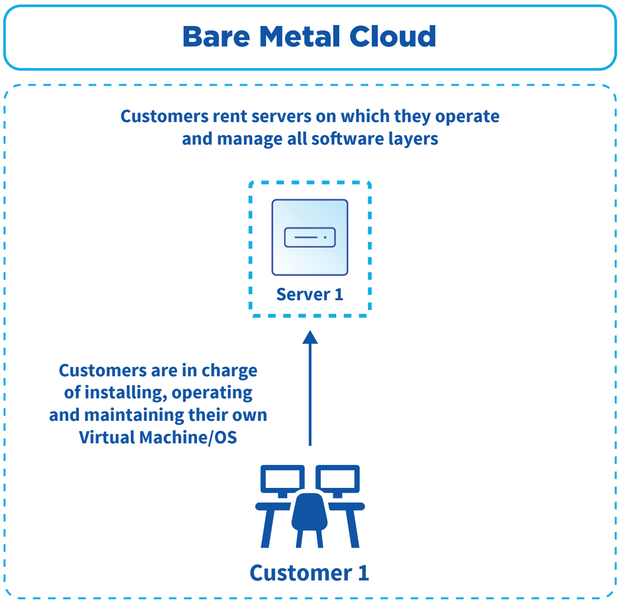
1.3.1 A comprehensive range of solutions

1.3.1.1 Private Cloud

OVHcloud provides two main Private Cloud offerings: Bare Metal and Hosted Private Cloud.

Bare Metal Cloud

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



OVHcloud's main Bare Metal Cloud offering consists of high-end servers and mid-to-high-level services. OVHcloud also has a lower-priced offering marketed as part of the "Eco" range, which uses refurbished servers that provide quality services at a reduced cost, while improving environmental efficiency.

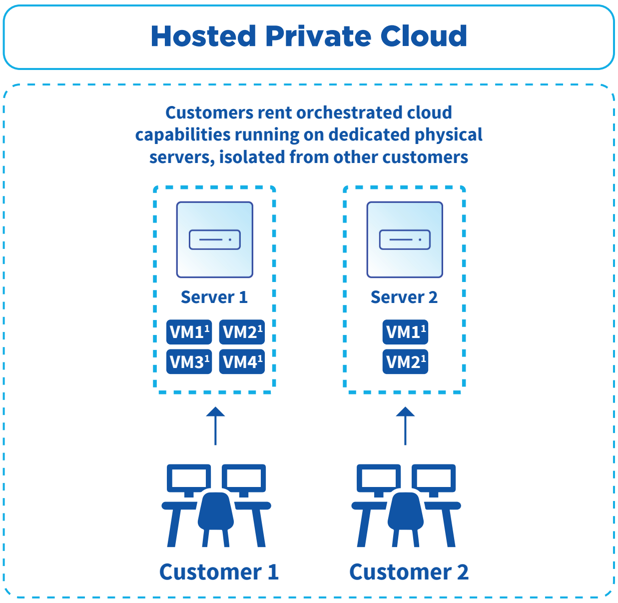
Bare Metal Cloud services provide business customers with high-level computing power and strict service level agreements in a secure environment appropriate for sensitive data applications. The server can be customised to meet customer requirements and can be operated without allocating the server's capacity to virtual machines through a hypervisor, allowing 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.

Bare Metal 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 Bare Metal Cloud services include the computation of complex data, low latency operations, streaming, online gaming and 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.



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 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 customers are primarily large companies and public sector players 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 their specific requirements. They meet the needs of customers seeking isolation and security, scalable resources and resilience.

The main uses 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 deliberately transparent 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. As the Public Cloud service is based on shared servers, customisation options are defined by OVHcloud. The flexibility of the hardware architecture offers high service levels.

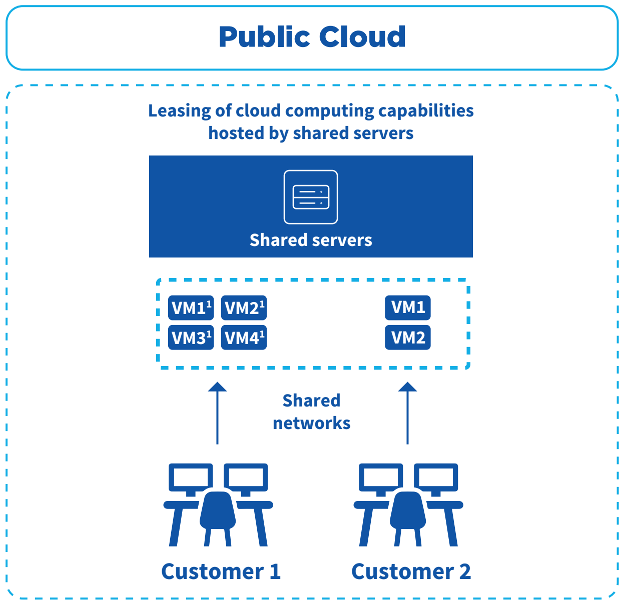
Public Cloud customers pay usage fees for the capacity they actually use. The OVHcloud model offers much more predictability than models used by hyperscalers and many other competitors. In particular, unlike hyperscalers, OVHcloud does not charge additional fees for outgoing data transfers or API calls,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

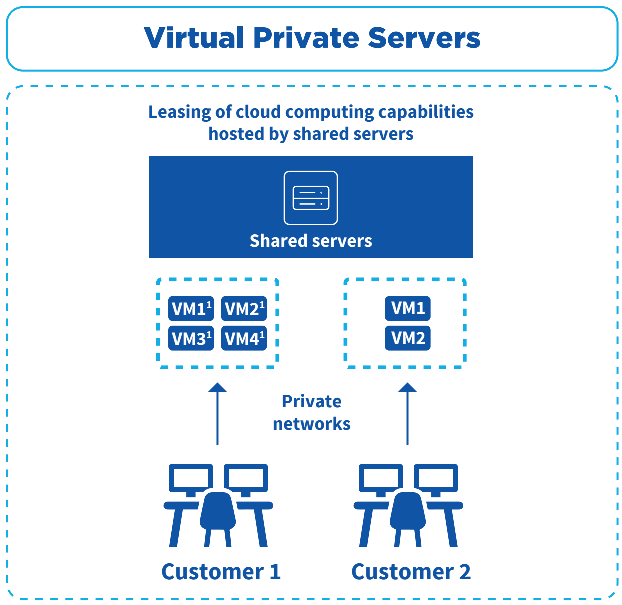


1. VM: Virtual Machine

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-term 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-term peak loads and backup functions.



1. VM: Virtual Machine

Platform-as-a-Service (PaaS)

As part of its growth strategy, OVHcloud is developing and implementing a comprehensive PaaS offering, overlaying 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, enabling it to offer more than 80 IaaS and PaaS solutions to its customers by the end of the 2023 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 with MongoDB in April 2021 and a partnership with Aiven in July 2021 to make several types of database 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 analytics. Throughout 2023, OVHcloud strengthened its artificial intelligence product offering, such as AI Notebook, AI Deploy, AI Training, AI App Builder and AI Endpoint;
- *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 company specialising 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 and Other

OVHcloud has offered Web Cloud 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 revenue base and regular growth.

OVHcloud offers three principal solutions to Web Cloud customers:

- *Web hosting and domain names.* This includes the leasing of hosting capacity on 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 just one or 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 for use 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 services, including a range of support, expertise and online services. There are two levels of support offering: i) Business, which corresponds to the level suitable for production environments, or ii) Enterprise, which offers a key account experience for critical production environments. Additional services are proposed 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 generally seek 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 businesses, and a wide range of individual customers.

The customer base is highly diversified, with the top 50 customers representing approximately 10% of 2023 revenue, and the top 500 customers approximately 24%.

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 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 startup 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 and their needs become more complex, OVHcloud continues to meet their needs for a full range of solutions.

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 and through its IT systems integrator partners.

OVHcloud occupies a strong position with small and medium-sized business 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 labellers, resellers and individuals

OVHcloud leverages its technology by providing cloud hosting services to resellers and white labeller 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. Historically, web agencies (such as Publicis and GoDaddy) have represented a strong marketing base for OVHcloud, contributing to its leading position in the French Web Cloud market. Individual customers are also included in this customer group.

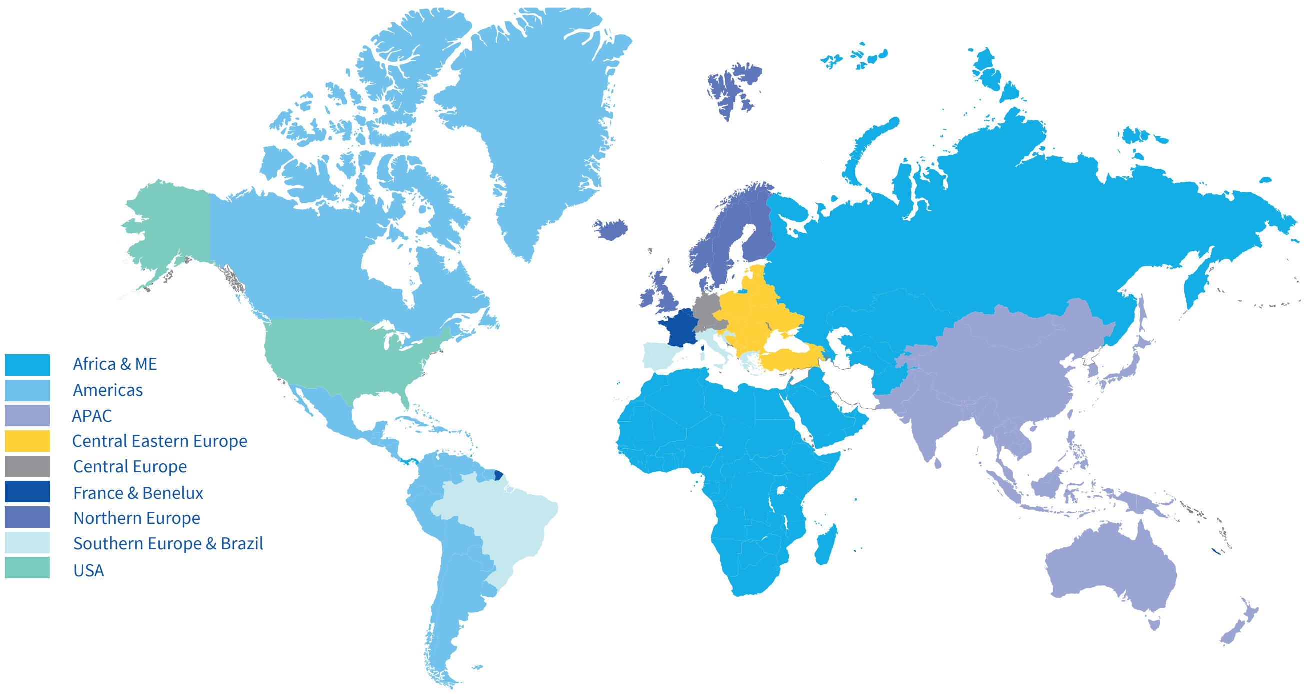
OVHcloud has recently developed its indirect sales strategy by entering into white label partnerships. For example, OVHcloud manages datacenters for third parties that in turn provide solutions to their own customers, hosted in the managed datacenters. The DataCenter-as-a-Service (DCaaS) offering provides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

1.3.3 Geographical footprint

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

In 2023, 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:



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 startup 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 labellers, resellers and private individuals.

Technology and software companies (digital natives)

This customer segment is historically favourable for OVHcloud. In order to extend its growth in this segment, OVHcloud has implemented 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 materials such as webinars and technical documentation.

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

- the Startup Program helps startups grow and develop by providing them with technology credits, resources, training and advice. This programme is particularly useful for startups 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 startups 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 achieve 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, meeting the 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 datacenters chosen by its customers. It offers the highest level of security with numerous recognised certifications, including SecNumCloud certification from the French National Cybersecurity Agency (ANSSI), attesting to Europe's highest level of IT security 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, helping to 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 guide corporate customers in their cloud migration projects.
- OVHcloud has developed specific offerings for small and medium-sized 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 labellers, 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 ongoing 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 "DataCenter-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. 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. Thanks to the continuous development of new products, through internal development, partnerships or acquisitions, OVHcloud already offered more than 80 IaaS and PaaS services at the end of August 2023.

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 growth, partnerships and targeted acquisitions.

1.4.3 Extend the 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 is implementing 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 American market, OVHcloud is experiencing substantial growth after managing a restructuring process following the acquisition of vCloudAir in 2017. The Group believes there are opportunities to expand its business with European customers' American operations, offering a ring-fenced solution that is segregated from its European offerings. OVHcloud also targets local tech companies and small and medium-sized business customers through an enhanced, scalable digital channel, which has generated significant revenues since it was rolled out in late 2019. The Group is also enhancing its direct and indirect marketing channels by establishing and reinforcing relationships with mid-sized IT integrators, and 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 and drive growth.

In Asia and Australia, OVHcloud currently has several datacenters and most of its revenue is generated through digital channels. In 2023, OVHcloud opened its first datacenter in India and the Group will continue to 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's external growth policy consists of two types of operation.

Acquisitions of complementary technological building blocks

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 Data Analytics specialist 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 or to step-up its technological development and its product offering.

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 2024 and 2025 targets

Outlook for 2024

For FY2024, OVHcloud is targeting organic revenue growth of between 11% and 13%, an adjusted EBITDA margin of over 37% and recurring and growth capex representing approximately 16% and 24% of revenue respectively.

OVHcloud is also aiming to generate positive unlevered free cash-flow (cash flow from operating activities adjusted for capex, excluding acquisitions, change in working capital requirement and corporation tax paid) in the second half of FY2024, with a view to generating full-year positive unlevered free cash-flow as from FY2025.

The outlook for FY2024 is based on assumptions of an ongoing upward trend in ARPAC, prudent new customer acquisitions, a price effect of between 1% and 2% over the year, mainly in the first quarter, and strict operating cost discipline.

Outlook for 2025

As part of its ongoing strategic review, OVHcloud has noted certain trends it expects to see in FY2025:

- Organic revenue growth should improve versus FY2024;
- Adjusted EBITDA margin should improve versus FY2024;
- Capex as a percentage of revenue should be slightly lower than in FY2024;
- The Group should generate positive unlevered free cash-flow for the full year.

1.5 OVHCLOUD'S COMPETITIVE ADVANTAGES

1.5.1 The only European player of this size

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

It is one of the two main providers of Private Cloud services in Europe. Additionally, as a Europe-based cloud provider, the Group 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 American "hyperscalers" (Amazon Web Services, Google Cloud Platform and Microsoft Azure). It is the only European provider of Public Cloud infrastructure services that was positioned as a major player in the IDC MarketScape (IDC – September 2022), based on its infrastructure offering.

1.5.2 A comprehensive suite of solutions

With its suite of Private, Public and Web Cloud solutions, OVHcloud is well positioned to capture the growing demand for multi-cloud and hybrid cloud services that are driving 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 predictability in terms of both prices and performance. These factors provide OVHcloud with an ideal platform to reach key customer segments, including technology and software companies (digital natives), other businesses and public entities, which are increasingly migrating 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 management and control tools, offering customers 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. OVHcloud also uses a partner ecosystem of system integrators to reach businesses 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 and across sectors, increasing 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, who 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 for alternatives to the American "hyperscalers" and other US-based cloud providers. With its European-based offering, fully separate 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 37 datacenters around the world. The Group 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 Bare Metal 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 Bare Metal Cloud offering is 20 minutes, and the advertised provisioning time for its Hosted Private Cloud offering is between two 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.

1.5.5 A vertically integrated model

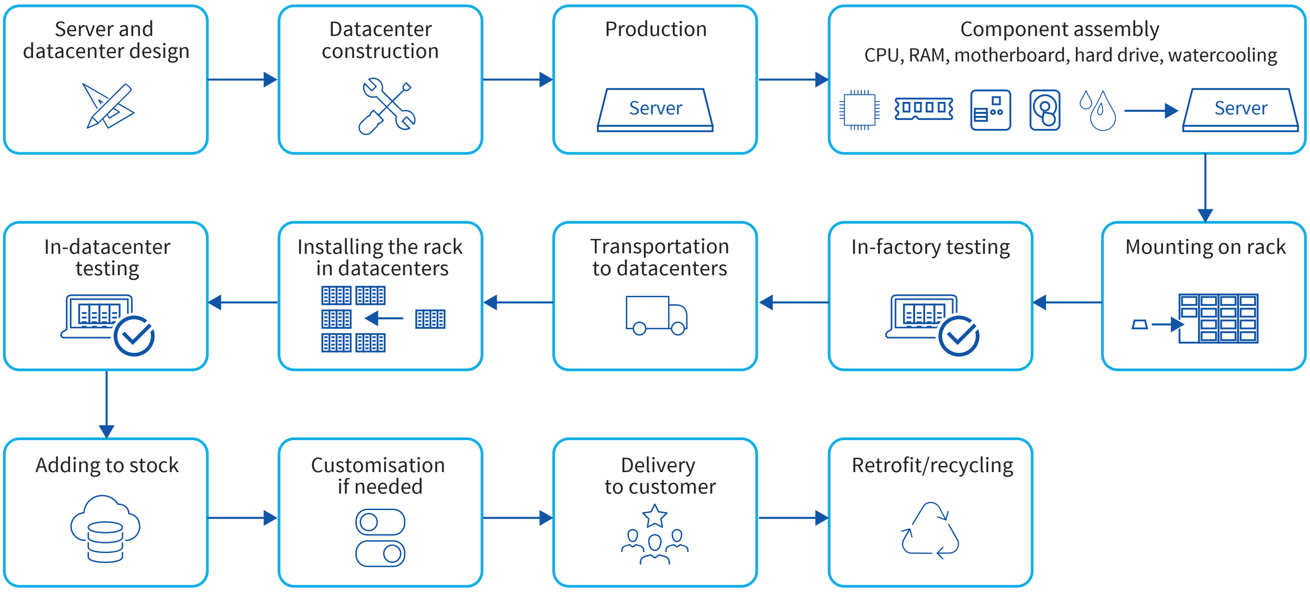
Competitive advantage from a vertically integrated model for operational efficiency, driven by proprietary technology

OVHcloud operates under a unique, vertically integrated production model encompassing server manufacturing, datacenter 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. The Group 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 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 the datacenters. OVHcloud believes this trend is likely to continue as corporate customers strive to meet their carbon neutrality commitments, and that this should favour providers such as OVHcloud with high environmental performance ratings.

Vertically integrated, sustainable production model

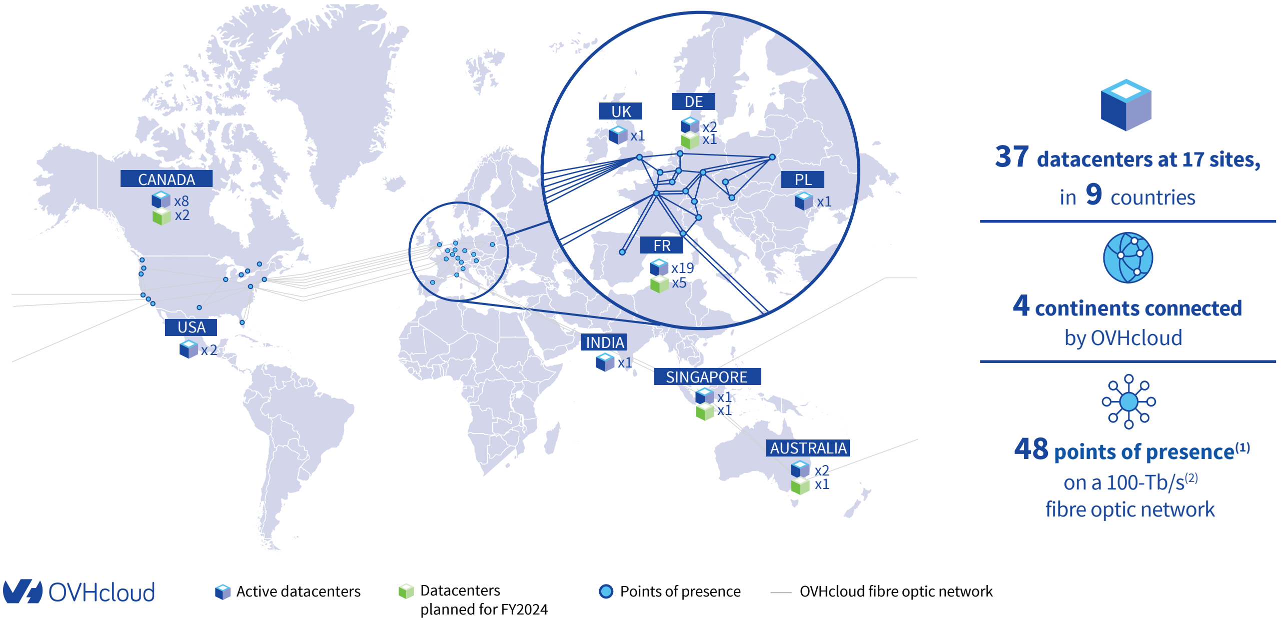
OVHcloud is involved in each step of both server and datacenter lifecycles, as illustrated by the graphic above. OVHcloud's vertically integrated supply chain includes server manufacturing, datacenter operations, network provisioning and IT infrastructure management. By designing and assembling all of its servers in-house, OVHcloud is able to optimise server design and bypass intermediaries, as well as reduce costs, increase customisation, reduce delivery time, and increase lifecycle management efficiency by 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 datacenter and customised as necessary prior to delivery to the customer.

Since 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 datacenters, OVHcloud has more control over each stage of the production process, which, in turn, provides its customers with more opportunities for customisation. With datacenters spread over 17 sites in nine countries around the world, OVHcloud is able to deliver servers to its customers within a short time frame: at OVHcloud's European and North American sites, it takes approximately 14 days from server production to delivery. OVHcloud's datacenters are generally housed in former industrial buildings, which has provided a cost advantage and has reduced its environmental impact through the repurposing of existing resources.



Source: At 31 August 2023, 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 datacenters, which the Group pioneered and has used for over 20 years. OVHcloud's watercooling technology combines water-cooled servers with air-cooled datacenters, thereby removing the need for air conditioning, which has significant environmental and cost benefits. It uses direct watercooling 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 watercooling 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 up 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 service providers that integrate OVHcloud solutions in their customer offerings. Through its open trusted cloud programme, several software application providers 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 dialogue with its community of customers enables OVHcloud to design and rethink its products to ensure consistency between technology updates and market expectations.

A systematic approach

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

- **S**imple. First, OVHcloud endeavours to confirm that its solutions can be implemented quickly and easily, and that they save its customers time;
- **M**ulti-local. OVHcloud believes that product and offering solutions should be local to everyone, everywhere. The Group also works to adapt its offerings to the needs, wants and constraints of customers with respect to data safety and local regulations;
- **A**ccessible. OVHcloud targets solutions that are affordable and accessible to a wide range of customers. OVHcloud also focuses on a transparent pricing model;
- **R**eversible. To increase flexibility, OVHcloud assesses whether its innovations are reversible, open and interoperable to ensure that they are not limiting their future evolution. OVHcloud also provides robust and reliable technologies and ensures that customers are not "locked in" and do not pay for bandwidth;
- **T**ransparent. Lastly, OVHcloud treats all of its customers equally. The Group 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 to be 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. Generally, in order for a product 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 drive 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 2023, OVHcloud held 160 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 datacenters. 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 techniques used in the context of operating datacenters and higher level software applications, such as web applications. They comprise the largest percentage of OVHcloud's portfolio: at 31 August 2023, these represented approximately 34% of patents;
- Cooling. Cooling patents cover technologies relating to systems and methods for extracting heat from electronic components, in particular from servers operating in racks stacked in datacenters. The technologies covered 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 2023, these represented approximately 37% of OVHcloud's portfolio of patents;
- Electronic. Electronic patents cover technologies relating to electronic components facilitating the deployment and operation of servers in datacenters. 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 2023;
- Mechanical. These patents, which represented approximately 16% of OVHcloud's patent portfolio at 31 August 2023, cover technologies relating to the structural design of racks, support for racks, tools to be used for 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 sector. 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 achievement of OVHcloud's strategic growth plan.

1.6 LEGISLATIVE AND REGULATORY ENVIRONMENT

1.6.1 Legislation and regulations in the European Union

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

1.6.1.1 Cybersecurity

OVHcloud is subject to European regulations aimed at strengthening cybersecurity across the European Union (the "EU"). Transposed into French law on 26 February 2018, Directive (**EU**) 2016/1148 of 9 July 2016 established requirements for cloud service providers with respect to network and information systems security. The French law [1] transposing Directive (EU) 2016/1148 classifies cloud service providers 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. Any security incident having a significant impact on the provision of services must be declared to the French National Cybersecurity Agency ("**ANSSI**"). The French Prime Minister may also open investigations upon receiving information of 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 grants the "SecNumCloud" label certifying an enhanced level of security for the storage of sensitive information. In October 2022, the ANSSI extended OVHcloud's "SecNumCloud" security visa for its Hosted Private Cloud 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, the 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.

In September 2022, the European Commission unveiled its proposed Cyber Resilience Act ("**CRA**"). This proposal fixes a series of general and organisational cybersecurity requirements for products containing digital elements (for example: software, hardware products, data processing). It aims to adopt a common base within the European Union to limit cyberattacks. The CRA applies differently to supply chain players: manufacturers, importers and distributors. The text is awaiting examination 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 undergo certain changes. It is therefore still too early to comment on the impacts this text may have on OVHcloud.

1.6.1.2 Data protection

As a provider of cloud and telecommunications services, OVHcloud processes, stores and transmits a substantial amount of personal data. As a result, OVHcloud must comply with a number of European regulations and national laws relating to personal data protection.

European Union – The General Data Protection Regulation (GDPR)

A cornerstone of personal data protection in the European Union since it came into force in May 2018, the GDPR has three main objectives: (i) to establish rules relating to the protection of individuals with regard to the processing of their personal data as well as rules relating to the free movement of such data, (ii) to strengthen the application of the regulation by providing a unified legal framework for organisations processing personal data, and finally (iii) to strengthen the responsibility of parties processing personal data (data controllers and processors) by requiring that processing and the tools/applications used be documented.

The GDPR places organisations under strict obligations in terms of information and transparency with regard to the personal data processing they carry out on their own behalf or on behalf of others.

It also confers a number of rights on data subjects with regard to the processing of their personal data, such as the right of access, the right to rectification and the right to erasure ("right to be forgotten"), giving them greater control over the use of their personal data.

The GDPR also requires organisations to implement appropriate technical and organisational security measures for the processing of personal data as soon as a new product or service is designed, in order to ensure that personal data security and confidentiality requirements are met ("Privacy by design").

Lastly, the GDPR requires organisations responsible for processing personal data to notify the supervisory authority of any breach that is likely to result in a risk to the rights and freedoms of natural persons and data subjects.

1) *Law no. 2018-133 of 26 February 2018.*
2) *ANSSI "Référentiel d'exigences" of 8 March 2022.*

Canada, Province of Quebec – An Act to modernise legislative provisions as regards the protection of personal information

Passed on 22 September 2021, the Act to modernise legislative provisions as regards the protection of personal information, known as "Law 25", makes major changes to the Act respecting the protection of personal information in the private sector ("ARPPIPS"), giving citizens greater control over their personal data and making organisations more accountable for the way they manage this information. This law establishes new obligations and transparency rules for Quebec companies, such as the appointment of a Data Protection Officer, in order to establish governance policies and practices regarding personal information, and conducting privacy impact assessments (PIAs), respecting the new rights granted to individuals with regard to their personal data, in particular the right to require that such information cease to be disseminated, or that it be re-indexed or de-indexed (the right to be forgotten) before being communicated outside Quebec, and ensuring that technological products and services offered to the public have settings that provide the highest level of confidentiality by default.

The new responsibilities and requirements applicable to organisations processing personal data are coming into force progressively in September 2022, 2023 and 2024.

Compliance tools

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

OVHcloud also relies on the Cloud Infrastructure Service Providers in Europe (CISPE) Code of Conduct, with its certified Bare Metal Cloud and Hosted Private Cloud powered by VMWare offerings, to ensure and demonstrate the compliance of its IaaS activities.

1.6.1.3 Free movement of non-personal data

Regulation (EU) 2018/1807 of 14 November 2018 (“**Regulation on the free flow of non-personal data**”) 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 natural persons, 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 Regulation on the free flow of non-personal data 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 porting data (“**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 aims to reduce 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. It also provides guidance for customers on the transfer of non-personal data.

1.6.1.4 Online content moderation

As a hosting service provider, OVHcloud must comply with a number of laws on content moderation, including those moderating terrorist content, child sexual abuse material 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 Digital Services and amending Directive 2000/31/EC (“Digital Services Act”) entered into force on 18 November 2022. This new framework aims to harmonise the rules applicable in the different Member States of the European Union and replaces the framework adopted in 2000 with regard to liability of intermediaries in relation to illegal content while maintaining the fundamental principles of freedom of expression and freedom to provide services.

The regulation also establishes new obligations of due diligence and transparency for hosting services such as OVHcloud, both vis-à-vis the authorities and users, particularly on the processing of reports of illegal content. It also increases the level of penalties that can be imposed in the event of a breach of the obligations established by the regulation, with fines of up to 6% of the intermediary service provider’s global annual revenue. 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 Act”) aims to make the digital sector fairer and more competitive by introducing preventive measures for large digital companies as gatekeepers on the European market. In particular, the regulation provides for several obligations and prohibitions against gatekeeping online platforms and strengthens the sanctioning powers of the European Commission, which will be assisted by an advisory committee and a high-level group. So, for example, gatekeepers 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. Gatekeepers will no longer be able to impose software such as internet browsers or default search engines or reuse users' personal data for the purpose of targeted advertising without their explicit consent.

Applicable from 2 May 2023, the companies concerned must report to the European Commission and ensure that they are compliant by March 2024 at the latest. The legislation gives the Commission the exclusive power to monitor compliance with their obligations, and new sanctions, including a fine of up to 10% of the company's total global revenue from the previous financial year.

The adoption of this new legislation is a positive step towards regulating the practices of the dominant digital players on the European market. However, its effectiveness will depend on the means that the European Commission devotes to ensuring compliance with it. OVHcloud will pay particular attention to the forthcoming details regarding the teams tasked with monitoring gatekeepers' compliance.

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 telecommunications 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 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 telecommunications operators, and ensure that national regulatory authorities are protected against external intervention or political pressure.

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 obtaining 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 the mandatory provisions prescribed by Article 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 obtained the “health data host” accreditation and, since 2018, the Group 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 information systems security and audit rights for 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 those of France's banking and insurance supervisor, *Autorité de contrôle prudentiel et de résolution* (“**ACPR**”) on critical outsourced services such as banking operations. Companies outsourcing critical 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 duties, with access to critical outsourced information. With respect to internal procedures for managing information system security, the American Institute of Certified Public Accountants (“**AICPA**”) granted OVHcloud SOC I-II type 2 certifications.

With respect to hosting banking data and reducing card fraud, OVHcloud’s main Hosted Private Cloud offering is compliant with the Payment Card Industry Data Security Standard (“**PCI DSS**”). OVHcloud’s datacenters 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**”). Following a proposal by the 2020 European Commission, this regulation 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 others. It imposes a number of information and communications technology risk management requirements on these financial entities, 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 proposed with qualitative and quantitative performance targets, and include provisions governing integrity, security, personal data protection, recovery in case of failure, rights of inspection and audit, and termination provisions with clear exit strategies. The regulation proposes the approval of standardised contractual terms by the European Commission.

1) *Order no. 2021-650 of 26 May 2021.*

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 the European financial regulatory bodies responsible for supervising banks, securities markets or insurance companies, depending on the sector primarily using 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 the service provider's global revenue 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 datacenters are located in former industrial buildings, some of which are classified as presenting environmental or other risks under applicable French legislation. OVHcloud's datacenters 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 obtain operating licenses. OVHcloud may be required to take certain remedial measures as part of the application process.

Operating licenses are required in most countries where OVHcloud operates its datacenters. 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

OVHcloud has a subsidiary in the United States whose activities are completely separate from those of the other subsidiaries of the OVHcloud Group.

This subsidiary 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 national security purposes. In addition to state laws across the US that require notifying customers in the event of a data breach in which their personally identifiable information has been disclosed, the two main US regulations applicable to OVHcloud's US subsidiary 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.

A "Chinese wall" has been established to separate the activities of the US subsidiary from those of its other subsidiaries, preventing these regulations from applying to the non-US subsidiaries.

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 authorities 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 authorities may access such electronic information regardless of whether it is stored inside or outside of the United States.

The CLOUD Act also allows the US government to enter into data-access agreements with foreign states through which the participating states' law enforcement authorities 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 entered into bilateral agreements with the United Kingdom and Australia pursuant to which US law enforcement officers can obtain electronic information stored by cloud companies subject to UK and Australian jurisdiction. UK and Australian law enforcement officers can likewise obtain electronic information stored by cloud companies subject to US jurisdiction, such as OVHcloud's US subsidiary. It should be noted that at the time of writing this Universal Registration Document, no date for the entry into force of the bilateral agreement between the US and Australia has been made public.

OVHcloud will closely monitor any new decisions 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 datacenter. Furthermore, the ability of OVHcloud's UK-based team to access European customers' data in European datacenters is restricted and controlled.

The US government may enter into agreements similar to the US-UK bilateral agreement with other countries, which may allow the US law enforcement authorities 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, on 25 September 2019, the European Union and the United States entered into negotiations on a future treaty to facilitate access to digital evidence.

California Consumer Privacy Act

Since 1 January 2020, the California Consumer Privacy Act (the "**CCPA**") has required businesses that process personal data of California residents, to provide notices to these residents disclosing their privacy practices. The CCPA also grants customers resident in California the right to access or delete certain personal information collected by OVHcloud's US subsidiary and gives them more control over the use and sale of their personal data. 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's US subsidiary.

On 1 July 2023, the CCPA was amended by the entry into force of the California Privacy Rights Act (the "**CPRA**"), which, among other changes, expands customers' rights surrounding certain sensitive personal data and creates a state agency for the implementation and enforcement of the CCPA and CPRA.

Virginia Consumer Data Privacy Act

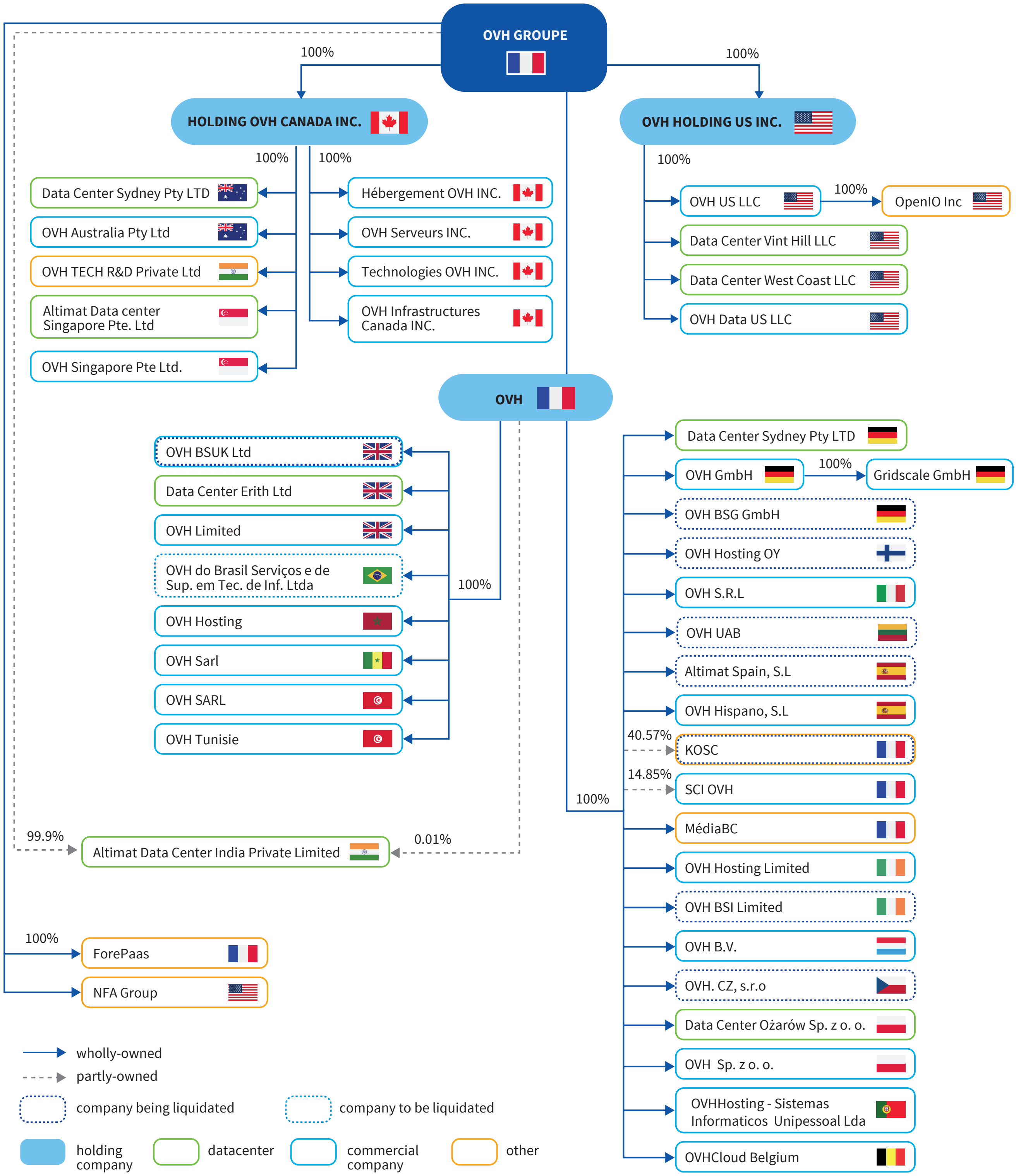
Effective 1 January 2023, Virginia's Consumer Data Privacy Act (the "**CDPA**") grants Virginia residents additional control over their personal data, including the right to delete certain personal data collected by businesses, such as OVHcloud's US subsidiary. They will also have the right to withhold their personal data from certain types of data processing.

1.7 GROUP ORGANISATION

1.7.1 Simplified organisational chart

Simplified organisational chart as of the date of this Universal Registration Document

The simplified organisational chart below shows the Company's legal structure and its consolidated subsidiaries as of the date of this Universal Registration Document. The percentages indicated below represent the percentages of share capital. There has been no significant change in capital ownership since 31 August 2023.



1.7.2 Subsidiaries and equity interests

Main subsidiaries

The Company's main direct and indirect subsidiaries at the date of this Universal Registration Document are described below:

- **OVH SAS** is a French simplified joint 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 datacenter hosting activities, the provision of cloud services, manufacturing of computers and peripheral devices, marketing activities and research and development;
- **OVH Infrastructures Canada Inc.** is a Canadian joint 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 involves datacenter hosting activities.
- **OVH Holding US Inc.** is an American joint stock company, registered under number 5103215, having its registered office located at 2915 Ogletown Road, Newark, DE, 19713, United States. The Company holds 100% of the capital and voting rights of the companies OVH US LLC, Datacenter Vint Hill LLC, Datacenter West Coast LLC and OVH Data US LLC whose principal activity is datacenter hosting.

Acquisitions during past periods

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 ForePaaS teams' 23 employees and its founders have joined the Group's workforce to jointly build a family of solutions, which will actively contribute to the rollout 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.

Acquisitions after the reporting date

gridscale

On 4 September 2023, for fiscal year 2024, OVHcloud announced the acquisition of 100% of the German company gridscale specialised in hyperconverged infrastructures. This acquisition is a strategic milestone in accelerating the Group's geographical expansion by entering the high growth Edge Computing market.

Restructuring

ForePaas Inc., a subsidiary of ForePaas SAS, was wound up on 30 August 2023.

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


OVHcloud

2

RISK FACTORS AND INTERNAL CONTROL

Central to its governance mechanism, OVHcloud's risk management system helps the Group achieve its strategic objectives while protecting its assets and reputation. It also helps to mobilise employees around a common approach to risk. OVHcloud is committed to regularly assessing risks and implementing internal controls and action plans to mitigate them.

2.1 RISK FACTORS /AFR/

2.1.1 Risk management system

Risk monitoring system

The risk management system aims to identify, analyse and manage the main risks to which the Group is exposed. It contributes to the control and security of its activities, the effectiveness of its operations and the efficient use of resources.

This system comprises a series of processes aiming to identify, assess and prioritise risks, prevent and control them, and monitor action plans to limit them. It relies on the Group's employees, particularly in internal control and compliance, and on external expertise where required. Group management, the Board of Directors and the Audit Committee closely monitor risk management and define the most appropriate strategy.

CSR risks are covered in Chapter 3 – Non-financial performance statement of this Universal Registration Document.

Risk mapping

In 2020, the Group drew up a risk map, which was updated in 2022 and 2023.

Carried out with the support of an external specialised consultant and the involvement of top management from all the Group’s activities, the risk mapping process has made it possible to identify the main risks to which the Group is exposed and to assess their potential impact, taking into account their criticality and probability of occurrence.

The most significant risks have been grouped into different families (strategy and markets, operational, human resources, financial, regulatory and legal, information systems) and a description is provided of their causes and potential impact, as well as the actions taken to manage them.

One or more risk owners are appointed for each risk to complete the risk analysis, identify the actions and resources needed to mitigate the risk, and manage the corresponding action plans.

The relevance and progress of the action plans are monitored by members of the Group's Executive Committee, including the Chief Executive Officer, Chief Financial Officer and General Counsel, who review them on a quarterly basis. Risk mapping and action plans are presented annually to the Group’s Audit Committee, and more frequently upon request.

2.1.2 Main risks identified

Summary table of the main risks

Risk category	Description of the risk	Impact/ Probability
Risks related to OVHcloud's strategy and market	Risks related to international development	○○●
	Risks related to acquisitions	○●○
	Risks related to product or service offerings in a competitive market	○●○
	Risks related to the implications of climate change	○●○
Risks related to OVHcloud's business	Risks related to Supply Chain	○○●
	Risks related to an incident on OVHcloud's physical infrastructures	○○●
	Risks related to the quality of service level provided to customers	○●○
Human resources risks	Risks related to the recruitment, integration, development and retention of human resources	○●○
	Safety risks related to physical and mental health	●○○
Financial risks	Risks related to liquidity	○●○
	Risks related to inflation, foreign exchange rates and interest rates	○●○
	Risks related to fraud	○●○
	Risks related to tax management	●○○
Legal and compliance risks	Risks related to non-compliance with certain laws and regulations and their developments	○●○
	Risks related to intellectual property	●○○
	Risks related to governance and related parties	●○○
Risks related to information systems	Risks related to the outage of an internal IT system or tool	○○●
	Risks related to cybersecurity	○○●
	Risks related to data protection, loss or theft	○○●

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

2.1.2.1 Risks related to OVHcloud's strategy and market

Risks related to international development

Description of the risk

As part of its growth strategy, OVHcloud is seeking to expand its revenue from other regions, including Europe (outside France), the United States and Asia (see Chapter 1 – Presentation of the Group, which describes the current breakdown of activities and development strategies.

OVHcloud may face significant challenges in its efforts to expand its international revenue. Outside its home market of France, OVHcloud has less brand recognition and does not benefit from the historical web hosting market leadership that it enjoys in France, reducing opportunities for cross-selling. Market dynamics and customer preferences in international markets are likely to be different from those of OVHcloud's traditional markets and local policies of economic patriotism can make it difficult to access new territories. Some of the markets that OVHcloud targets (such as the United States) are dominated by hyperscalers, and OVHcloud's expansion in these markets will depend on its ability to market tailored products to priority customer segments.

Even if OVHcloud is able to expand internationally, managing international operations requires a more structured organisation and greater resources than managing operations in OVHcloud's home market, which could increase OVHcloud's operating expenses, even if there is a not a corresponding increase in revenue generated from these new markets.

When opening up physical infrastructures and operations internationally, adjustments must be made to ensure that operations are compliant with local rules. Certain internal processes must also be adapted and this can sometimes slow down expansion or reduce the profitability of local operations.

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

Management of the risk

The Group's international development strategy enables it to dilute country risk. To increase its capacity to develop in new regions, OVHcloud has developed several programmes and initiatives to limit the risks associated with its international expansion.

OVHcloud has created commercial clusters made up of local teams, who are experts in their regions with knowledge of local specificities, in order to define commercial or product offerings that are closely aligned with the expectations of local customers. Through this organisation, OVHcloud can also manage and anticipate any changes in the markets, both by the end customer and by local public authorities.

The Group has also set up a programme dedicated to assessing and monitoring projects to open new datacenters ("GEOS programme"). This programme involves all the teams concerned by such projects in order to anticipate potential operational and regulatory obstacles. OVHcloud followed this process to open a datacenter in India in March 2023.

To ensure that the performance of its international operations is up to standard, OVHcloud is also continuing to roll out SAP and internal control, in order to harmonise its processes and centralise critical operations.

Risks related to acquisitions

Description of the risk

OVHcloud expects to make acquisitions in order to expand its service offering portfolio (particularly in the area of software platform services) and geographical footprint.

When OVHcloud makes acquisitions, the Group is exposed to the risk that they will not contribute to the implementation of its strategy, or that OVHcloud will receive an unsatisfactory return on its investment. There is also the risk that OVHcloud will have difficulties integrating and retaining new employees, new business systems and new technologies, or that the acquisition distracts management from OVHcloud's other activities. It may also take longer than expected to reap the full benefits from these transactions and arrangements, such as increased revenue or enhanced efficiencies, or the benefits may ultimately be less significant than OVHcloud expected. Such events could adversely affect OVHcloud's business, financial position and operating results.

Management of the risk

OVHcloud has strengthened the financial teams dedicated to acquisitions in order to improve the sourcing of potential acquisitions and structure the internal processes for approving targets, as was the case recently during the gridscale acquisition process. In order to limit the risk related to integrating acquisitions, dedicated teams from several departments are involved throughout the acquisition process to anticipate and monitor project developments. Regular reviews are conducted following the acquisition, in order to ensure that the integration process is running smoothly. OVHcloud has made several acquisitions in recent years, which has strengthened the processes while improving the expertise of teams to select and integrate the acquired companies and assets. For instance, the successful integration of ForePaaS, acquired in April 2022, has enabled ForePaaS and OVHcloud to deliver the product development as planned.

Risks related to product or service offerings in a competitive market

Description of the risk

The markets in which OVHcloud operates are rapidly evolving and highly competitive. In order to be competitive in these markets, OVHcloud must continually innovate and adapt its offerings to changing customer needs (see Chapter 1 – Presentation of the Group, which describes the strategy and the market).

OVHcloud believes the pace of innovation in cloud products and services is likely to continue to accelerate. Customers are increasingly basing their purchases of cloud offerings on their needs for new and upgraded features that are expected to represent a significant proportion of future market growth. The future success of OVHcloud depends on its ability to continue to innovate in response to these demands (which means continuing to invest in technologies, services and partnerships) and increasing customer adoption of its cloud offerings.

In addition, competition is intensifying in the markets in which OVHcloud operates. Many of OVHcloud's competitors are international cloud companies, including the so-called "hyperscalers" (Amazon Web Services, Google Cloud Platform and Microsoft Azure), as well as other established cloud providers such as IBM Cloud and, in Asia, Alibaba Cloud. In Europe, OVHcloud also competes against cloud specialists such as Hetzner, Leaseweb and iomart, and other emerging cloud providers. As OVHcloud expands its offering of software platforms, the Group will also compete to a greater degree with other companies in these markets, such as Salesforce, Oracle, IBM and SAP. New competitors are likely to continue to enter the market as it evolves.

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

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

Management of the risk

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

OVHcloud actively monitors market developments and customer practices. The Group is looking to expand into new market segments by broadening its offering in line with customer needs, for example in artificial intelligence, quantum computing, cold storage and healthcare data storage.

In order to continue to offer new solutions and maintain its positioning, OVHcloud has an open development strategy. For example, the Group can use open source software and acquire new technological bricks by integrating companies such as ForePaaS and gridscale, acquired in 2022 and 2023 respectively. OVHcloud also has internal teams to develop its product roadmap and the Group can forge partnerships with recognised players in their fields if it considers that the products are the standards expected by its customers. During the 2023 financial year, OVHcloud invested €138.5 million in research and development, as detailed in Note 4.10 of Chapter 5 of this Universal Registration Document. OVHcloud also has differentiating factors such as an integrated industrial production tool and dedicated research and development teams that enable it to quickly adapt its manufacturing and supply needs to support product changes.

Risks related to the implications of climate change

Description of the risk

Due to its sector of activity and geographical scope, the Group could be exposed to climate change through various causes:

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

This risk is exacerbated by the acceleration of climate change. Large-scale or repetitive natural disasters could lead to exceptional situations of disruption of the external physical infrastructures and means of communication on which OVHcloud depends to carry out its business, and cause damage to the Group's infrastructures. OVHcloud may thus temporarily be unable to carry out its services according to the conditions defined by its contracts, potentially leading to the payment of financial compensation or additional operating charges. For example, the multiplication of heat wave events could increase the operating cost of the Group's cooling systems.

Climate change could also lead to shortages of raw materials, making them more expensive.

Climate change is also creating an increasingly complex regulatory environment in terms of environmental standards and social and environmental reporting.

These risks are described in more detail in Chapter 3 on non-financial performance.

Management of the risk

OVHcloud has strengthened its CSR teams, both in the Strategy Department and in the operational departments, in order to manage climate change risks.

OVHcloud continually invests in its research and development for environmental innovations (reduction of energy consumption or reduction of the need for natural resources such as water), enabling it to achieve industry-leading power usage effectiveness ratings and has committed to increasing renewable energy use.

Risks related to natural disasters are taken into account when working on business continuity plans. Site audits and insurance systems are also in place to manage this type of risk.

OVHcloud incorporates the following elements into its operations, through the "hyper-resilience" programme (see risks related to an incident on OVHcloud's physical infrastructures):

- deployment of a risk management process:
  - identification and assessment of the exposure of sites to natural disasters,
  - duplication of production and operating resources through the redundancy of equipment, facilities and services,
  - acquisition and development of new solutions focused on business continuity,
  - implementation of corrective and preventive actions, monitored by the Executive Committee;
- diversification of energy supplies, including low-carbon energy.

Finally, OVHcloud complies with its environmental reporting obligations, as detailed in Chapter 3.

2.1.2.2 Risks related to OVHcloud’s business

Risks related to Supply Chain

Description of the risk

OVHcloud could be exposed to the failure of a key supplier or to difficulties in sourcing key components. OVHcloud's servers use components from major manufacturers, in a global market that is experiencing shortages and delays, although this risk has decreased compared to 2022.

The Group could experience disruptions in its supply chains, for example related to a resurgence of COVID-19, geopolitical tensions, or climate change, which would impact server production and datacenter operations. Despite regular, high-level contacts, the size of OVHcloud on the global market limits its ability to sign comprehensive delivery agreements.

OVHcloud's supply risks also relate to the Group's ability to access the best-performing software solutions on the market, which are at least equivalent to those of its main competitors, particularly the hyperscalers. OVHcloud solutions rely on third-party software. If there are vulnerabilities in this underlying software, or if the software ceases to be available for OVHcloud, the Group could see its customers turn to competing offerings.

Management of the risk

Thanks to its vertically integrated model, OVHcloud can control the entire value chain. OVHcloud builds up safety stocks (which were reduced in 2023 to reflect the reduced supply tensions), in order to be able to withstand temporary disruptions, and has a well-organised purchasing organisation.

Thanks to its model, OVHcloud can also plan and anticipate certain orders, guaranteeing the Company flexibility. Lastly, the purchasing teams continue to develop commercial relationships with OVHcloud’s suppliers in order to negotiate supply contracts at the global level.

In addition, OVHcloud has a recycling policy based on a logistics chain and can reuse some components and equipment. OVHcloud recovers the components from equipment considered to be at the end of its life, conducts tests on them and then reuses those that it believes could be used on another product range, generally with less demanding performance criteria.

OVHcloud also analyses the financial health of its main suppliers and the risk of economic dependence in order to prevent any potential imbalances. Finally, the Group regularly analyses contractual risks with its main partner providers in order to anticipate situations that could jeopardise the continuation of its customer offering.

Risks related to an incident on OVHcloud’s physical infrastructures

Description of the risk

Like any industrial activity, the production and operation of datacenters generates risks related to physical infrastructures. For example, OVHcloud is exposed to electrical, fire and building safety risks, which can have an impact on the service provided to customers and on operating costs.

OVHcloud's strategy is to repurpose existing industrial buildings in the area for its activities. This strategy enables it to both control construction costs and reduce its environmental footprint. Depending on the age of these buildings, the industry of the former occupant and the industries of neighbouring facilities, certain of OVHcloud’s centres and facilities may have existing structural and environmental defects that may present safety and compliance risks or require OVHcloud to spend significant amounts on remedying the situation.

OVHcloud is required to obtain operating permits from competent local governmental authorities in order to commence operations. This administrative process requires significant ongoing oversight, which can lead to additional prevention and protection requests on top of the initially applicable legislation. To date, the Group has not been subject to any administrative sanctions resulting in the shutdown of its datacenters.

OVHcloud's datacenters could also be affected by destructive natural events that impact the Group's business (see climate change risk).

OVHcloud relies on access to sufficient and reliable electricity, water, internet, telecommunications and fibre optic networks to successfully operate its business. In addition, OVHcloud’s proprietary watercooling system for its servers requires it to have access to substantial volumes of water at its datacenters. Any service outage could result in OVHcloud not being able to provide customers with its cloud offerings at adequate performance levels, or at all. In addition, in the context of an energy shortage, OVHcloud is exposed to a risk of electricity shedding in certain countries that could lead to a temporary service outage. Any service outage could result in OVHcloud not being able to provide customers with its cloud offerings at adequate performance levels, or at all.

Lastly, OVHcloud has been, and may be in the future, subject to disputes in relation to the state of its facilities or nuisances (such as noise and heat) generated by such facilities, resulting in additional costs.

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

Management of the risk

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

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

Following the Strasbourg fire, OVHcloud implemented a “hyper resilience” plan in order, inter alia, to strengthen security standards in its datacenters based on market standards, beyond the regulatory standards and insurers’ recommendations.

The Group has developed operating and safety procedures for all its sites, and is developing mechanisms for evaluating these rules. For example, the datacenters have 24/7 physical security, a highly regulated and controlled access policy, and dedicated anti-intrusion systems.

The Group also draws up business continuity plans in order to maintain operations. For example, OVHcloud has put in place several redundancy measures that can be activated in the event of power outages, such as multiple electricity delivery points in its datacenters or on-site generators. Thanks in particular to its watercooling model, OVHcloud is constantly trying to reduce its electricity and water consumption. In the same way, since watercooling is carried out in a closed circuit, OVHcloud consumes much less water for the operation of its datacenters than a traditional datacenter cooled by an air conditioning system. The sites also use redundant cooling systems.

Finally, OVHcloud takes its sites' surroundings into account by developing relationships with local authorities, neighbouring populations and security forces. In 2023, OVHcloud closed its Paris datacenter and migrated its services to another site, in order to minimise the risk of disputes with neighbouring populations and improve the security of its operations.

Risks related to the quality of service level provided to customers

Description of the risk

OVHcloud continually works to offer a wide range of services, the best customer experience and the highest quality customer support.

OVHcloud typically commits to its customers in its contracts that its platform will maintain a minimum level of availability. For example, OVHcloud undertakes to maintain a service level of 99.9% availability for the Premier offerings in the Hosted Private Cloud segment. In its Public Cloud offerings, OVHcloud commits to maximum recovery times in case of outages. If these outages are caused by a problem outside of OVHcloud's control, it could be difficult for OVHcloud to meet its SLA commitments. Although OVHcloud considers that it has put in place adequate safeguard measures depending on the services subscribed, these may prove insufficient to prevent a service outage.

Additionally, OVHcloud may face costs associated with repairing such service disruption or retaining customers. All of the above consequences could have a negative impact on OVHcloud's business, financial position and operating results.

Management of the risk

OVHcloud continually improves the quality of services provided to its customers and puts customer satisfaction at the heart of its policy. This strategy has proven successful, with OVHcloud's net retention rate reaching 110% in 2023.

OVHcloud evaluates the experience provided to its customers through satisfaction surveys.

In addition, OVHcloud continually steps up its quality processes and systematically carries out analyses following any significant incidents it encounters, as part of its continuous improvement process.

In order to be able to intervene as quickly as possible in the event of a breakdown or in response to customer requests, OVHcloud has organised its technical support to be available 24 hours a day, seven days a week.

In the datacenters, operational teams are formed and trained to carry out continuous server installation and maintenance. The 'Control Tower' and 'NOC (Network Operating Centre)' teams provide centralised monitoring of the services offered and coordinate the handling of incidents. Finally, the Group has also structured its continuity and crisis management plans so as to be able to mobilise critical resources internally.

2.1.2.3 Human resources risks

Risks related to the recruitment, integration, development and retention of human resources

Description of the risk

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

At 31 August 2023, OVH employed almost 2,900 people, and could be faced with the departure of key people for its organisation, or a shortage of cutting-edge technical skills to respond to market developments.

If OVHcloud's company culture changes or is perceived negatively, or if OVHcloud is unable to develop its employer brand or internal talent, the Group could experience difficulties attracting, integrating and retaining personnel. OVHcloud may not be able to achieve its commercial targets, and its business, revenue and financial results may suffer.

Management of the risk

OVHcloud, through its positioning as a European cloud leader and defender of European sovereignty and its growth profile, offers a unique value proposition for many recruits. In addition, the Group benefits from a broadening pool of potential new talent thanks to its continuous international development.

In order to limit recruitment difficulties, OVHcloud has a strong employer brand, which is developing in France and internationally, and an internal recruitment agency that can source candidates with the right skills at the right time.

OVHcloud has set up an onboarding process that creates links between new recruits from their very first days at OVHcloud and helps ensure their buy-in for OVHcloud's company culture.

OVHcloud is particularly vigilant about adapting working conditions, employee loyalty and the training offered. Human resources processes have been developed to support people within the Company, with monitoring of employee engagement, career development and continuous training programmes. OVHcloud has introduced measures to drive employee loyalty, including measures to improve working conditions and retain key people.

For the skills most at risk, a mapping of human resources tensions has been drawn up, in order to closely monitor the development of key people.

Safety risks related to physical and mental health

Description of the risk

OVHcloud is exposed to risks related to the safety of employees at its industrial facilities and offices. Risks faced by the Group include:

- physical risks that could lead to work-related accidents in its offices or at its operational sites;
- mental health risks, for example as a result of an excessive workload or a particularly stressful situation.

Management of the risk

The Group has created a “Quality, Environmental, Health and Safety” (QEHS) team dedicated to these topics. As well as offering personal protective equipment in its datacenters and stepping up its guidelines and internal controls, the Group is carrying out a workstation risk assessment at the majority of its sites, with the aim of setting up safe working standards for its employees.

This assessment also takes mental health risks into account, and the Company has implemented several measures such as psychosocial audits, mental health risk mapping and an alert tool. Employee surveys are carried out regularly in order to act on any weaknesses that may be identified.

2.1.2.4 Financial risks

Risks related to liquidity

Description of the risk

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

Management of the risk

Following its successful IPO in October 2021, with a capital increase of €350 million, and the signature in September 2021 of a new unsecured senior loan agreement for a total principal amount of €920 million, OVHcloud has strengthened its financial structure. In November 2022, the Group further improved its liquidity by obtaining a €200 million loan from the European Investment Bank (EIB). At 31 August 2023, the amount of available cash, as well as the amounts available under the Revolving Credit Facility and the EIB loan totalled €519 million.

Thus, following these transactions and at the end of the 2023 financial year, OVHcloud’s net debt leverage reached 2.0x its adjusted EBITDA. This level remains lower than the Group’s target of maintaining a gearing ratio of less than 3x adjusted EBITDA and is well below the existing covenants attached to the Group's loan agreements.

Risks related to inflation, foreign exchange rates and interest rates

Description of the risk

OVHcloud's profitability could be affected by a number of external factors, including inflation and changes in exchange and interest rates.

In an inflationary economic context, OVHcloud could suffer direct negative effects on its financial profile and decreasing margins. OVHcloud is particularly exposed to further increases in electricity and component costs. The Group may not be able to pass significant price increases on to its customers to cover the widespread increase in its cost base.

OVHcloud’s financial statements are presented in euros, while a portion of its income, expenses, assets and liabilities are denominated in other currencies, exposing OVHcloud’s operating results and financial position to foreign exchange risk. In the 2023 financial year, approximately 23% of OVHcloud’s revenue was generated in currencies other than the euro, primarily in Canadian and US dollars, and to a lesser extent in pounds sterling and Polish zloty. In addition, a significant portion of OVHcloud’s capital expenditure (mainly for server components) is incurred in US dollars. Unfavourable movements in exchange rates would nonetheless adversely impact OVHcloud's operating results. For example, without a hedging mechanism, an adverse change of 10% in exchange rates would have a negative impact of approximately €21 million on OVHcloud’s revenue.

Lastly, the Group has taken out loans bearing interest at variable rates, which exposes OVHcloud to the risk of a deterioration in its operating results if the interest rate increases and OVHcloud is not able to successfully hedge its exposure.

Management of the risk

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

In addition, at 31 August 2023, over 75% of the Group's debt was hedged at fixed rates in order to limit the risks associated with changes in interest rates.

In order to protect against the risk of inflation, the Group continues to improve its purchasing policy and logistics strategy in order to offset potential increases, for example by seeking to diversify its supplies (see section on supply chain risks). OVHcloud also has an active strategy of hedging its electricity costs.

In 2023, the Group applied gradual and moderate price increases, in line with cloud industry-wide rises.

Risks related to fraud

Description of the risk

OVHcloud could be the victim of external or internal fraud that could have a negative impact on the Company’s financial results, the quality of its services or its reputation. This potential fraud could be a wilful act, inappropriate use of the Group’s assets or non-compliance with laws or regulations, by an employee, business contact or customer.

Management of the risk

OVHcloud is implementing internal control procedures, which are reviewed by external auditors. Validation circuits have been set up to control and monitor transactions that may present risks (outgoing payments, credit notes, expense claims, etc.). A team is also responsible for monitoring and anticipating potential customer payment fraud.

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

Risks related to tax management

Description of the risk

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

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

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

Management of the risk

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

Tax policy

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

In line with its values and ethical principles, as well as its requirements in terms of social responsibility, the Group:

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

OVHcloud does not engage in any transactions with the aim of evading the payment of tax. The Group is in the process of compiling all of these actions and provisions into a formal tax policy.

2.1.2.5 Legal and compliance risks

Risks related to non-compliance with certain laws and regulations and their developments

Overview of regulations applicable to the Group

The Group's activities are subject to various regulations in the countries in which it operates. The Group is thus subject to legislation that applies to any company (trade rules, intellectual property rights, personal data protection, tax rules, etc.), but also to regulations that are more specific to its stature and activity (stock market law, Sapin II law, electronic communications, cybersecurity, liability of technical intermediaries, data sovereignty, obligations to cooperate with the authorities, etc.). Some of these regulations have an impact on the Group's strategic ambitions, particularly in terms of digital sovereignty.

These regulations may also be subject to change. In particular, significant restructuring and expansion of the regulatory framework has been under way for several years in the digital sector, in which the Group operates.

For example, the following is a non-exhaustive list of European and international texts whose provisions could have an impact on OVHcloud's operations:

- security and anti-terrorism regulations:
  - the 2016 European directive on measures for a high common level of security for networks and information systems across the European Union (the "**EU**") (directive (EU) 2016/1148), transposed into French law on 26 February 2018, and imposing cybersecurity protection requirements,
  - the European Digital Operational Resilience Act ("**DORA**") for the financial sector, which provides a framework for cloud outsourcing arrangements in the financial sector,
  - international economic sanctions imposed by the UN or the European Union, which may prohibit the Group from having any economic relationship with sanctioned persons;
- regulations in the field of electronic communications:
  - the draft **CSAM** (child sexual abuse material) regulation, which aims to better combat child abuse online and could give rise to new obligations for OVHcloud in this area, it being specified that OVHcloud is already subject to the 2004 French law on confidence in the digital economy,
  - the regulation on an internal market for digital services (commonly known as the "**Digital Services Act**" or DSA), adopted on 4 October 2022, which reinforces obligations in terms of how illegal or dangerous content is handled;
- regulations to improve competition in the digital sector:
  - the European regulation commonly known as the "**Digital Markets Act**" (DMA), which was adopted on 14 September 2022 and sets a binding framework in favour of European innovation, in particular through competition and interoperability rules for the major platforms considered to be "gatekeepers"; OVH is not currently a gatekeeper, but could be in the future,
  - the draft European data regulation ("**Data Act**"), which aims to strengthen the single data market by improving competition in the cloud market;
- data regulations:
  - the European regulation known as the "**Data Governance Act**" (DGA), which was adopted in July 2022 and provides a framework for the use of data held by public authorities. As such authorities are customers of OVHcloud, it may be indirectly impacted,
  - the European General Data Protection Regulation ("**GDPR**") of 27 April 2016, which governs the processing of personal data of EU residents. The GDPR affects both OVHcloud and its customers. In this context, transfers of personal data outside the EU, and in particular to the US, are particularly sensitive. After several years of such transfers being prohibited, on 10 July 2023 the European Commission adopted a new adequacy decision authorising personal data to flow freely from the EU to companies in the US; OVHcloud is closely monitoring this decision (which results from changes to US legislation following the European Court of Justice's 16 July 2020 ruling that the American Privacy Shield did not offer a sufficient level of protection, and affirms that the US offers a comparable level of personal data protection to the GDPR).

Description of the risk

The Group must identify and adapt to the rules that apply to it, in order to comply with them and continue to develop its business. It must also detect any non-compliance so that it can be rectified quickly.

The Group must also anticipate changes in these rules in order to adapt to them as effectively as possible.

Insufficient knowledge of local regulations, or a lack of methodology for monitoring changes in these regulations, would have a significant impact on the Group. It could jeopardise its ability to comply with the law, exposing it to operational and financial risks. It could also weaken its competitive position and damage its image.

In addition, certain non-European regulations with extraterritorial scope are likely to conflict with European legislation applicable to the Group, in particular personal data protection legislation. For example, the US **CLOUD Act**, which was signed into law in March 2018, allows US law enforcement to access information held or controlled by cloud service providers subject to US jurisdiction, even if that information is located outside the United States.

Management of the risk

OVHcloud's internal organisation allows it to stay abreast of applicable regulations and any changes thereto, and therefore to anticipate and mitigate the risks related to non-compliance. This organisation relies, in particular, on the Legal Department, the Data Protection Officer (DPO) and the teams in charge of legal compliance, who are supported where necessary by local experts and actively monitor legislation. The public affairs team also plays an important role, identifying legislative processes that could affect the Group at an early stage and endeavouring to make the Group's constraints known so that they are taken into account in these processes. In addition, the Group commissions external audits to ensure compliance.

OVHcloud also has internal procedures for checking the identity of its customers and suppliers, in order to avoid entering into business relationships with people subject to international sanctions.

OVHcloud also ensures that it remains beyond the reach of non-European regulations with extraterritorial scope that are likely to conflict with European legislation, particularly with regard to personal data protection. To this end, OVHcloud has adopted various procedures.

For example, data hosted by OVHcloud's European datacenters cannot be accessed by employees based outside the European Union or employed by its US subsidiary.

In addition, OVHcloud's customer agreements include contractual provisions stipulating that customers are responsible for the regulatory compliance of their data and their activity. OVHcloud has no need to access the data entrusted to it by its customers, except in the limited cases in which the law requires it to do so in order to combat illegal content.

However, OVHcloud cannot be certain that its procedures or contractual protections will be fully effective, with the result that it may inadvertently breach certain regulations or identify changes in legislation too late. Similarly, the Group cannot guarantee that new laws or regulations would not jeopardise its operations. Any such breach could give rise to monetary penalties that could have a significant impact on the Group's financial position. In addition, any actual or reported violation of regulations could impact OVHcloud's reputation.

Specific focus on data sovereignty

As a European cloud service provider and thanks to the organisation it has set up, OVHcloud considers that it can offer European customers the assurance that the data entrusted to it are not accessible by foreign authorities and in particular US law enforcement authorities. In particular, OVHcloud believes that data stored on its servers (other than those of its US subsidiary) may not be obtained by US authorities under the CLOUD Act, unlike data stored on servers directly or indirectly controlled by competitors that are subject to US jurisdiction. This guarantee enables customers to limit their data protection and privacy compliance risk.

Surveys conducted by OVHcloud have shown that data sovereignty is becoming more significant for its customers' decision-makers, but that it remains less of a priority than other factors such as performance and price. Moreover, Group competitors may structure their operations so as to be able to provide assurances regarding the protection of data, in which case OVHcloud's competitive advantage may be less significant than anticipated. For example, Microsoft and Orange have announced a new partnership, which aims to propose a data sovereign cloud solution that, if successful, could increase competitive pressure on OVHcloud.

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

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

Risks related to intellectual property

Description of the risk

To safeguard its business, OVHcloud must protect its technology and identity, in particular through trademarks, domain names, trade secrets, patents, copyrights, contractual restrictions and other intellectual property rights and confidentiality procedures. Despite OVHcloud's efforts to implement these protections, they may not sufficiently protect OVHcloud's business or provide it with a competitive advantage for a variety of reasons, including:

- the failure of OVHcloud to obtain patents and other intellectual property rights for important innovations or to maintain appropriate confidentiality and other protective measures to establish and maintain its trade secrets;
- uncertainty and changes in legal standards relating to the validity, enforceability and scope of protection of intellectual property rights;

- potential invalidation of OVHcloud’s intellectual property rights through administrative processes or litigation;
- third-party commercial strategies consisting of launching unfounded but very costly disputes;
- any inability by OVHcloud to detect infringement or other misappropriation of its intellectual property rights by third parties; and
- other practical, resource or business limitations on its ability to enforce its rights.

In addition, the laws of certain countries may not provide the same level of protection as the laws in France on corporate proprietary information and rights, such as intellectual property, trade secrets and know-how. OVHcloud could also be exposed to material risks of illicit use or theft or unauthorised reverse engineering of its data and other intellectual property. Moreover, if OVHcloud is unable to prevent the disclosure of its trade secrets to third parties, or if its competitors independently develop any of its trade secrets, the Group may not be able to establish or maintain a competitive advantage in the market, which could seriously harm its business.

Litigation may be necessary to enforce OVHcloud’s intellectual property or proprietary rights, protect its trade secrets or determine the validity and scope of proprietary rights claimed by others. Any litigation, whether or not resolved in OVHcloud’s favour, could result in significant expenses for OVHcloud, divert the efforts of its technical and management personnel and result in counter claims with respect to infringement of intellectual property rights by OVHcloud.

Management of the risk

OVHcloud's internal organisation enables it to mitigate the risks related to the protection of its intellectual property rights or the infringement of these rights.

In this context, it has a legal team dedicated to the protection of its intangible assets, which relies on specialised law firms around the world. In addition, OVHcloud has implemented an ambitious patent filing strategy at the Group level and in several territories, and holds 160 patent families at 31 August 2023. The Group uses service providers and tools to detect unauthorised use of its distinctive signs (brands, domain names) and its patents in several countries. In addition, OVHcloud bases most of its IT developments on open source licences in order to limit third-party claims, as described in Chapter 1, Section 1.5.6 of this Universal Registration Document.

Risks related to governance and related parties

Description of the risk

OVHcloud’s rapid and continuing growth, both in terms of revenue and geographical expansion, is making the management of the Group's operations and governance more complex. In this context, the Group may not have put in place the key elements of governance and control necessary for the management of its operations.

Management of the risk

OVHcloud has formalised its key elements of corporate governance (see Chapter 4 on corporate governance). It has also set up regular reviews of the key elements of its subsidiaries' governance, in parallel with the structuring of the Group's internal control system, which helps to harmonise practices and clarify the operational governance of its activities.

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

Certain executives and/or shareholders may hold interests in companies that are also OVHcloud's business partners and may therefore be considered related parties. In particular, OVHcloud has entered into various agreements with companies controlled by Octave Klaba, founder of the Group and current Chairman of its Board of Directors, and members of Octave Klaba's family who are direct or indirect shareholders of the Group. The Klaba family currently controls the Group.

OVHcloud obtains metal components for the manufacturing of its servers from AixMétal, in the areas of research and development (such as prototype launches), mass production (such as for the production of servers) and the manufacture of finished or semi-finished products for datacenters. AixMétal is controlled by members of the Klaba family. The premises of OVHcloud’s server manufacturing facility, datacenter and headquarters located in Roubaix, France, are owned by companies controlled by the Klaba family and leased to OVHcloud.

Although OVHcloud believes that all such arrangements have been negotiated on an arm’s length basis and use commercially reasonable terms, the Group has not obtained proposals for these arrangements from unrelated parties. In addition, OVHcloud’s operational flexibility to modify or implement changes with respect to the description or pricing of services provided by related parties may be limited: if an agreement with a related party is terminated, there could be disruptions upon transition, and there can be no assurance that OVHcloud will be able to obtain the same products at the same or a lower cost. In particular, if OVHcloud experiences difficulties with the metal components supplied by AixMétal, it could be difficult and take a long time to find an alternative supplier able to produce similar components under equivalent conditions. Such a situation could impact OVHcloud's ability to manufacture and deploy new servers as rapidly as it has done in the past, potentially affecting its ability to meet the needs of its customers.

In addition, OVHcloud is the main cloud service provider for Shadow, which is controlled by members of the Klaba family. The revenue from contracts signed with Shadow is significant for OVHcloud (representing approximately 2.38% of OVHcloud’s revenue in 2023), and as for all of its customers, OVHcloud cannot guarantee that this revenue will be generated on a permanent basis beyond the contractual commitments in force. Similarly, the capital expenditure generated by these contracts is significant, and their premature interruption would affect the expected return on investment.

Related party agreements are drawn up with the assistance of the Group's Legal, Finance and Purchasing Departments, which endeavour to ensure that the price, services and contractual terms covered by the agreements are comparable to prevailing market practices for equivalent business volumes.

OVHcloud assesses the notion of a routine transaction with regard to compliance with the corporate purpose of the company in question and the nature of the transaction. Repetition and/or habit constitute a presumption that the transaction is routine, but are not in themselves decisive. In this context, OVHcloud has drawn up a Charter on routine and regulated agreements in order to clarify the methodology applied internally to classify the various agreements entered into between OVHcloud and its related parties. This Charter details the procedure for regularly assessing routine agreements.

These agreements are therefore subject to the rules of approval provided for by the applicable French law, as well as to OVHcloud's internal rules of approval (approval by the Executive Committee and, where applicable, by the Board of Directors). Related-party agreements are also reviewed every six months by the Audit Committee.

However, it cannot be guaranteed that, individually or as a whole, these agreements have been entered into under conditions similar to those that OVHcloud could obtain from unrelated parties.

2.1.2.6 Risks related to information systems

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

Description of the risk

OVHcloud may be faced with internal or external service outages for various reasons, such as a malicious act, an infrastructure or application problem, an insufficient level of security or the loss of connection to the network.

Limitations in the performance of its infrastructure or network could therefore leave OVHcloud unable to operate its internal information system, resulting in a partial or total service outage for its customers. Business continuity and recovery plans may not be sufficient to ensure the expected level of service for customers and internal operations.

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

Management of the risk

OVHcloud has set up a regular review of its code and infrastructures by a team of IT auditors, which carries out access and penetration tests of its systems. The Group also follows rigorous processes for updating its applications in order to anticipate development risks.

The Group has put in place business continuity and recovery plans for its internal IT systems, incorporating redundancy for its critical systems. OVHcloud has a network redundancy system and performs regular backups. Cybersecurity measures are described in detail in the relevant risk section.

Although OVHcloud considers that it has implemented risk management measures, these may prove insufficient to prevent a service outage.

Risks related to cybersecurity

Description of the risk

As a digital company, OVHcloud is highly exposed to the risk of service outages caused by cyber attacks.

The occurrence of a large-scale cybersecurity incident could affect OVHcloud's internal systems or the operation of its servers and cause shutdowns or denials of service.

Because the techniques used to obtain unauthorised access to, or sabotage, IT systems change frequently, grow more complex over time and often are not recognised until launched against a target, OVHcloud may be unable to anticipate or implement adequate measures to prevent such techniques. In addition, OVHcloud might not immediately discover any security breach or loss of information.

Following such a discovery, OVHcloud might need to shut down systems and limit customer access to its services, which could adversely impact the Group’s revenue and operating costs.

OVHcloud could sustain significant damage to its brand and reputation if a cyber attack or other security incident were to allow unauthorised access to, or modification of, its customers’ data, other external data or its own data or IT systems, or if the services the Group provides to its customers were disrupted, or if OVHcloud’s servers were reported to have, or were perceived as having, security vulnerabilities.

Beyond its internal operations, OVHcloud has no direct control over its customers' cybersecurity and could be indirectly impacted by an attack on one of its customers.

OVHcloud uses software licensed from third parties to operate its servers and protect its IT systems. Although OVH analyses the level of cybersecurity offered by these third-party software packages, the Group does not fully control the mechanisms used to maintain the security of these third-party software packages. If security systems provided by a third party were to fail to adequately protect OVHcloud’s systems or the data or systems of its customers, OVHcloud could suffer cyber attacks that would impact its revenue and business reputation, as discussed above. In addition, if a different customer of a third-party security solution provider were to experience a cybersecurity incident, even if it is unrelated to OVHcloud’s operations, the confidence of OVHcloud’s customers could be adversely affected.

Management of the risk

OVHcloud has implemented several measures to limit cybersecurity risks, mapping its IT risks and managing them as part of the cybersecurity department’s continuous improvement process.

OVHcloud has defined a cybersecurity strategy and developed a set of tools and policies to ensure the highest possible level of protection and detection. OVHcloud's architecture and processes are designed to limit exposure in terms of systems.

This has resulted in several certifications, such as ISO 27001, SOC 1, SOC 2 and PCI DSS. In addition, the Group is in regular contact with the French national cybersecurity agency (ANSSI) in order to anticipate new attacks or improve its existing processes. OVHcloud also carries out regular cyber attack simulation campaigns and awareness campaigns for its employees and executives. The results of these tests are detailed in Chapter 3 of this Universal Registration Document.

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

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

Risks related to data protection, loss or theft

Description of the risk

Many data protection and privacy regulations impose stringent requirements on OVHcloud's customers, who must ensure the protection of their own customers' data, including data stored on OVHcloud's servers, as well as the protection of OVHcloud's data.

In the event of an incident involving the loss or theft of data, OVHcloud could see its reputation and revenue severely impacted.

Moreover, ever more stringent regulations are being proposed that could have a significant impact on the technology companies that represent a significant portion of OVHcloud's customer base (see risk related to regulations and their developments). New regulations could have an impact on OVHcloud's operations and expenses.

Management of the risk

OVHcloud continually monitors data protection issues (see risks linked to regulations and their developments).

OVHcloud has implemented internal governance to ensure that data protection issues are systematically taken into account in its projects.

The Group has classified its data by level of risk in order to determine the measures necessary to limit the loss or theft of this data. IT access management processes are used to limit access to data based on authorisations.

Cybersecurity risk mitigation measures, described in the section on cybersecurity risk, help to reduce risks related to data loss, in particular through the availability of monitoring tools, or, for example, cybersecurity tests carried out internally and by external service providers.

2.2 INSURANCE AND RISK COVERAGE

2.2.1 Insurance policy and organisation

The Group's Legal Department negotiates all insurance contracts centrally for the entire Group, excluding subsidiaries in the United States, which determine their own insurance policy and take out their own insurance policies.

Insurance policies are either taken out by the Group, on its own behalf and on behalf of its subsidiaries, or directly by its subsidiaries, through brokers mandated to negotiate with the main insurance companies to set up or renew the most appropriate guarantees for risk coverage requirements.

Insurance companies are selected on the basis of criteria such as the amount of premiums, the scope of coverage offered, the ability to set up integrated programmes such as master policies, the duration of the commitment, their availability to insure the risks in question in light of all their other commitments in the segment and market in question, and the ability to offer qualitative support in order to better understand risk management.

The Group's insurance policy aims to:

- adapt its insurance coverage each year, when renewing its policies, according to developments in the risks related to the growth of its usual activities and its steady increase in capital. To do so, the Group uses an external firm to appraise the assets of its largest sites;
- pursue an active prevention and protection policy at its industrial sites, in particular through its HYR prevention plan, designed to protect them against accidental fire risks. The Group has most of its industrial sites audited annually by its brokers' and insurers' prevention engineers;
- communicate to the insurance and reinsurance market at the roadshows organised by the Group, on the information detailed in the HYR prevention plan;
- set up awareness-raising sessions on fire risk, with a technical and insurance-based approach, for a wide range of operational staff;
- develop risk prevention, such as exposure to natural and environmental disasters, in order to enhance existing insurance coverage.

All insurance contracts were renewed at 1 January 2023, with the exception of a few contracts with expiry dates later in the year.

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

The Group also has insurance policies taken out directly by the Group or through its subsidiaries, covering the liability of its executives, risks relating to all its offices, its car fleet, the use by its employees of their own vehicle for business trips, professional assignments, expatriate employees, construction work, installation of equipment or fittings in its datacenters or offices, the transportation of goods, rented accommodation made available to staff during occasional business trips to the head office, as well as the medical office of the doctor also working on behalf of OVHcloud.

Through its subsidiaries, the Group also has a number of insurance policies covering property damage, civil and employer liability and compensation for employees, offices and international datacenters.

2.2.2 Property and casualty damage

The Group has property damage insurance covering its sites, facilities and equipment, whether owned by the Company or entrusted to it.

Following the Strasbourg fire in March 2021, it proved extremely difficult to negotiate the insurance contract underwritten in France and numerous conditions were imposed upon its renewal on 1 September 2021, which continued to apply when the contract was extended at 1 September 2022 and 1 January 2023.

The ongoing implementation of the prevention plan drawn up by the Group for its datacenters and associated sites within the established timeframe, has allowed it to satisfy insurers' expectations regarding the level of prevention, and lift the specific contractual conditions that were imposed following the fire.

On 1 July 2023, the Group took out a new eighteen-month property damage and additional operating expenses insurance programme comprising two insurance policies known as “lines”, providing sufficient cover and insuring all the capital of the Group's datacenters located in France, Germany, Belgium and the United Kingdom.

The first-line policy was taken out with the same insurer, AXA France IARD, plus a second insurer, RSA Luxembourg SA, for a total of 64% of the risk share, with six co-insurers sharing the remaining 36%.

The second-line policy was taken out with Zurich as lead insurer with a total of 50% of the risk share and seven co-insurers sharing the remaining 50% of the risk.

In particular, this programme covers risks resulting from fire, lightning, explosion, electrical, water damage, theft and natural events, as well as direct material damage to insured property of accidental origin, including buildings, furniture, equipment and/or rental risks, miscellaneous costs and losses resulting from material damage to insured property, the financial consequences of civil liability and additional operating costs.

The total guarantee limit for the programme has been raised to €400 million per claim and the basic excess has been reduced to €3 million, with lower excesses adapted to sites with lower insured values.

2.2.3 Civil and cyber liability

This combined worldwide “information technology and communication civil liability and cyber enterprise risk management” programme, underwritten for all the Group's subsidiaries except those in the US, provides coverage for operating, product and professional civil liability, as well as the financial consequences related to cyber risks.

Coverage includes the financial consequences of the operational, product and professional liability.

This master programme is broken down into three insurance policies or “lines”, which provide the Company with sufficient guarantees in terms of “civil liability and cyber enterprise risk management” coverage, taken out with Chubb, CNA and Ergo, respectively. It was renewed with the same insurers on 1 January 2023 for a period of one year subject to automatic renewal.

The maximum amounts of compensation for the main risks under this programme are €25 million per insurance period for operating civil liability, €15 million per insurance period for professional civil liability and civil liability due to products, and €10 million per insurance period for losses due to cyber risk.

2.3 INTERNAL CONTROL SYSTEM

2.3.1 General internal control framework

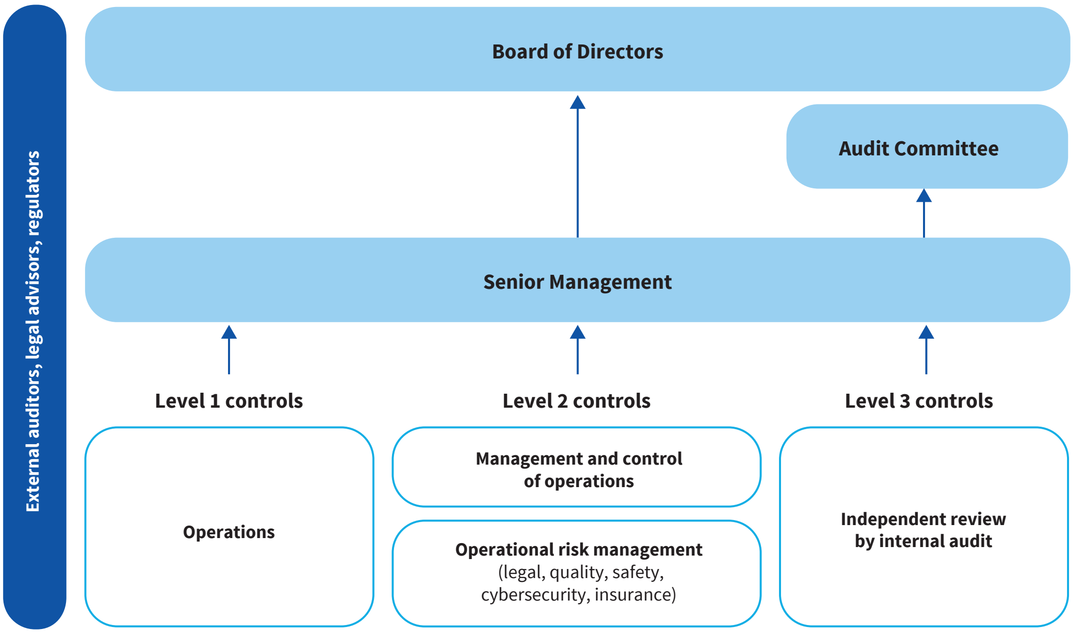
2.3.1.1 Definition and objectives of the internal control system

Based on the AMF reference framework, OVHcloud has set up an internal control system comprising a set of resources, policies, behaviours, procedures and appropriate actions designed to ensure:

- the application of instructions and guidelines set by management;
- the operation of internal processes to ensure the effectiveness and control of activities;
- the reliability of accounting and financial information;
- compliance with laws and regulations;
- the management of risks.

2.3.1.2 Internal control governance

A number of players are involved in the internal control system:



Board of Directors and Audit Committee

Delegated by the Board of Directors, the Audit Committee is responsible for monitoring the preparation of financial information and the effectiveness of internal control, risk management and internal audit systems.

The Audit Committee reports to the Board of Directors on these aspects.

See Chapter 4 – Corporate governance for a detailed description of the tasks of the Board of Directors and the Audit Committee.

Senior Management

Senior Management is responsible for deploying the internal control system and overseeing risk mapping. To achieve this, Senior Management relies on the support of the Finance Department and the Audit, Internal Control and Risk Department.

Level 1 controls

The first line of control is made up of operations that formalise and implement operational processes to ensure control of day-to-day operations and their internal control.

Level 2 controls

Internal control is an integral part of each operational department's mission. The management of the operational departments is responsible for checking that the Level 1 procedures and controls are being properly applied by carrying out Level 2 controls, for example via sampling and by implementing application controls and validation circuits. The Management Control function may also be responsible for carrying out Level 2 controls.

Lastly, the functional departments are responsible for defining the guidelines and controls to be applied by all the commercial and industrial entities and for managing the operational risks in their respective areas: for example, the Legal, Quality, Standards, Safety and Working Environment, Cybersecurity, Human Resources, Finance and Insurance Departments. These functional departments may also be called upon to verify that Level 1 rules have been applied correctly through Level 2 control campaigns.

With a view to strengthening its internal control and improving coordination, OVHcloud has set up an Audit, Internal Control and Risk Department, which reports to the Group's Finance Department. This department assists the operational and functional departments in setting up their Level 1 and 2 control systems. The Audit, Internal Control and Risk Department also carries out internal control campaigns based on the operational departments' self-assessment of whether controls have been applied correctly. The Audit Committee monitors the rollout of the internal control system.

Level 3 controls

The third line of control is the Audit, Internal Control and Risk Department. On the basis of an annual audit plan, approved by Senior Management and the Audit Committee, audits are carried out in a fully independent manner and are the subject of an audit report which identifies any risks and the action plans needed to mitigate them.

The findings of internal audits are reported to the operational departments, as well as to Senior Management and the Audit Committee for the main findings, in order to provide reasonable assurance on the effectiveness of the internal control and risk management system.

2.3.2 Internal control system and environment

2.3.2.1 Control environment

The aim of a control environment is to create a secure framework for OVHcloud, its employees and all its stakeholders. The internal control environment is based on a framework of values governing the behaviour and ethics of the Group's employees and third parties. In order to disseminate these values, the Group has implemented the following charters and code of conduct:

- code of ethics and anti-corruption governing the rules of behaviour of employees and also of partners/suppliers;
- a whistleblowing platform for reporting any behaviour contrary to the ethics framework and any serious situation or fact observed within the Company or at its partners/suppliers, in complete confidence and confidentiality;
- OVHcloud values shared by all employees, including the obligation to act responsibly and ethically. These founding values help to foster a respectful corporate culture;
- IT, communication and security charters including all rules and best practices in terms of the physical and logistics security of the Group's IT resources by users;
- stock market ethics charter, introduced in 2021, in accordance with AMF instructions, which defines the obligations of persons holding inside information.

In particular, the following departments contribute to internal control:

- the Group Legal Department, which advises and assists the operational departments and subsidiaries on material legal matters;
- the Group Tax Department, which advises and assists the operational departments and subsidiaries on material tax matters;
- the Group Financial Operations Department, which ensures the proper implementation of and compliance with reporting and preparation procedures for the consolidated financial statements;
- the Group Human Resources Department, which advises and ensures that internal practices comply with laws and regulations under employment law;
- the Group Operations Department, which carries out specific risk analyses and proposes action plans on security, safety and business continuity;
- the Audit, Internal Control and Risk Department, which sets the internal control framework and manages risk mapping.

Lastly, the Statutory Auditors are informed of the internal control system and the risks identified by the Group in the assessment.

2.3.2.2 Control frameworks

Ethics and compliance

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

Data protection

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

Information systems security

Information security is the subject of a programme and commitments developed within OVHcloud's information systems security policy (ISSP). The policy sets out principles for the application of information systems security, mainly:

- deployment of a large-scale, industrial approach to security;
- adaptation of safety systems to the different types of OVHcloud customers;
- provision of means and technologies to enable each customer to manage their own risks;
- ensuring support service information system security throughout all phases of its lifecycle;
- implementation of security management systems (ISMS) and privacy management systems (PIMS);
- safety management using a risk-based approach;
- demonstration of the level of security through certification, internal control and external audit;
- unified response to security incidents and personal data breaches;
- integration of security and privacy issues into product development; and
- safety assessment and implementation of a continuous improvement process.

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

Under the responsibility of the CISO, OVHcloud's security team is composed of three teams:

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

OVHcloud ensures that employees are aware of the challenges of IT security and, more specifically, of cybersecurity. To this end, the Group regularly conducts cyber attack simulation campaigns (phishing) designed on the basis of sophisticated scenarios and performs external audits.

Quality, health and environment

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

Collection of rules and controls

The Audit, Internal Control and Risk Department is compiling a collection of procedures as they are created. The aim is to make the operating rules for the main OVHcloud processes available to all employees.

A collection of Level 2 controls is being compiled with the aim of rolling out a self-assessment process for the operational departments and monitoring continuous improvement actions.

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

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

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

The accounting rules and methods and IFRS standards in force within the Group are presented in the notes to the consolidated financial statements in this document. At the end of each reporting period, the Audit Committee verifies with the Finance Department and the Statutory Auditors that these rules, methods and standards have been applied consistently from one year to the next.

Each half-year, after review by the Audit Committee, the Board of Directors adopts the half-year and annual financial statements, which the Statutory Auditors are then asked to review.

Information systems

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

OVHcloud is gradually rolling out SAP as the only information and management system for financial management and accounting data. Following the deployment in France and Canada, the Group continued to roll out SAP to its subsidiaries in 2023. The roll-out in other regions will continue during the 2024 financial year. The use of a single tool ensures consistency in the processing, comparison and control of accounting and financial information. In addition, OVHcloud uses ViaReport for consolidation data.

In order to strengthen the internal control of the Group's systems, the Organisation and Information Systems Department has strengthened the segregation of duties and improved access rights controls, particularly in critical systems such as SAP, through a formal annual review across the entire Group scope.

Financial communication

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

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

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

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

The Statutory Auditors

As part of their audit of the financial statements, the Statutory Auditors make comments. When they deem appropriate, the Statutory Auditors report to management, at the appropriate level of responsibility, on internal control weaknesses identified during the audit that they deem of sufficient importance to merit its attention. The Statutory Auditors report any material weaknesses in internal control to the bodies mentioned in Article L. 823-16 of the French Commercial Code, at the time they deem appropriate, in writing.

As part of their ongoing engagement, the Statutory Auditors audit the annual and half-year financial statements of consolidated entities. The Group's annual consolidated financial statements are prepared by the Financial Operations Department under the responsibility of the Group's Chief Financial Officer. The Group's Chief Executive Officer and Chief Financial Officer attest to the accuracy, reliability and fair presentation of the consolidated financial statements in a representation letter sent to the Statutory Auditors.


DREAM
INTO THE
CLOUD

3

NON-FINANCIAL PERFORMANCE STATEMENT /NFPS/ /AFR/

Business model

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

CSR approach

OVHcloud structured its CSR approach during the 2022 financial year. With nearly 2,900 employees and a global industrial and commercial footprint, the Group is fully aware of its responsibility in a world where data have a major impact on private, social and professional lives on an economic, geopolitical, ethical and environmental level. They impact relationships between people and their use reflects a vision of the world and the type of society in which everyone wants to live. Driven by its ambition, “Leading the data revolution for a responsible future”, OVHcloud’s mission is to build an open and trusted cloud, enabling businesses and society to make the most of the data revolution while minimising its environmental impacts.

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

▸ **Guaranteeing data sovereignty and freedom**

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

- defending data sovereignty, security and privacy;
- guaranteeing freedom of choice and reversibility;
- offering predictable and transparent pricing.

▸ **Pioneering the sustainable cloud**

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

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

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

At OVHcloud, everything starts with people. Men and women are the Company's best assets: it is their talent that ensures its success. “Working together” is one of the Group's fundamental values. This collective aspect is extended to its ecosystem, and in the desire to see the European cloud segment progress. This third pillar of commitment breaks down into three areas of action:

- attracting and developing skills in a collective adventure within a diverse and inclusive Company;
- collaborating and developing coalitions with stakeholders in the European cloud ecosystem;
- promoting local anchoring and societal commitment by working on digital inclusion.

CSR governance

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

Board of Directors
Chaired by Octave Klaba
Taking CSR issues into consideration when making decisions

Strategic and CSR Committee

Chaired by Octave Klaba

Preparing and facilitating the Board of Directors' decision-making process on strategic and CSR issues

Audit Committee

Chaired by Sophie Stabile

Monitoring CSR risks, systems and procedures to ensure compliance with regulations and best practices in business ethics

Appointments, Compensation and Governance Committee

Chaired by Bernard Gault

Monitoring the diversity and non-discrimination policy

Main CSR issues examined by the Board of Directors and its committees in FY2023

Review of CSR issues as part of the update of the Group risk map, including climate risk
Monitoring of the environmental strategy: formalisation of the Group's participation in the European Commission's Code of Conduct on Data Centre Energy Efficiency for its European datacenters, launch of the carbon calculator, key indicators and action plans
Implementation and monitoring of the Board of Directors' diversity policy. Monitoring of social indicators (including the results of employee surveys)
Review of the FY2023 employee shareholding plan and discussions regarding an FY2024 plan
Review of cybersecurity and how cybersecurity is organised within the Group, the place of cybersecurity in Group policy, the mapping of cyber risks and cyber risk action and training plans
Review of the Group's compliance system and the work of the Compliance Department

Executive Committee

Reviewing and validating the CSR strategy, the main initiatives and any updates

Strategy and CSR Department

Developing and coordinating the CSR policy with the operational departments

CSR Steering Committee

Overseeing CSR commitments

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

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

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

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

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

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

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

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

Open and regular exchanges with stakeholders

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

Stakeholders	Means of promoting dialogue
Suppliers	OVHcloud works to establish a partnership of trust with its suppliers. ▶ The OVHcloud purchasing teams are in daily contact with all supplier partners to discuss the performance, prices, quality of their products, delivery times as well as the carbon footprint of their products or services. ▶ Every quarter, a multidisciplinary team of product, supply, quality and purchasing team representatives meets with strategic suppliers to carry out operational monitoring. ▶ Every year, OVHcloud examines the Top 25 suppliers based on seven criteria (Security, Technology, Quality, Responsiveness, Delivery, Costs, Environment). An action plan is then jointly drafted with each supplier to improve overall performance. At the same time, in order to reward the best performing supplier, every year, OVHcloud organises an awards ceremony based on one or more of the seven criteria mentioned above. ▶ Meetings between members of the Executive Committee, OVHcloud's Chief Procurement Officer and management representatives of the main suppliers (both active and potential) in Asia and the United States are organised twice a year in order to share targets, roadmaps and develop partnerships with key suppliers. ▶ Key suppliers are invited to participate in the annual Summit (formerly Ecosystem Experience) event, an event dedicated to the Group’s customers and partners, offering them the opportunity to be fully involved in OVHcloud’s challenges.
Employees	▶ The social partners are at the heart of the dialogue at OVHcloud thanks to regular, constructive and transparent exchanges. ▶ In order to unite and engage employees more broadly, the Internal Communications and Human Resources Departments regularly organise events, based on the principle that every voice counts and must be heard. Whether on everyday issues or on the Company’s most strategic issues, employees are regularly consulted via: • engagement surveys twice a year; • workshops on key topics such as diversity & inclusion and management, in a consultative approach, open to dialogue for future decision-making; • a global programme to identify and prevent psychosocial risks; • a Company information-sharing platform accessible to all, where Company information is shared; • regular and interactive discussions with Senior Management (monthly videoconferencing, on-site visits at least once a year) to explain the Group’s projects and priorities. ▶ OVHcloud is committed to gender equality in the workplace: • Since 2019, OVHcloud has published a report on the gender pay gap in France.
Shareholders/ investors	▶ OVHcloud aims to establish long-term trusted relationships with its financial community. ▶ OVHcloud meets its reporting obligations to the financial community in compliance with best practices, in particular by issuing press releases for its revenue and results publications, in French and English, and by organising conference calls with its Chief Executive Officer and Chief Financial Officer. ▶ OVHcloud's management and the investor relations team participate in several conferences and roadshows throughout the year, to meet regularly with investors and shareholders. During the 2023 financial year, for example, they met with more than 350 institutional investors ▶ Dialogue with shareholders is also ensured during General Meetings. ▶ Lastly, as part of its Universal Registration Document, OVHcloud transparently shares its performance and management of non-financial risks.
Public authorities	▶ OVHcloud, proactively and when it is called upon, contributes to the debates of public authorities (administrations, regulatory authorities, parliamentarians, etc.) concerning its activities and the challenges within its segment (digital sovereignty, competitive dynamics of the market, the cloud's environmental footprint). The Group shares its vision and technical details of its activities with the aim of influencing public decision-making. The Group shares its positions/proposals directly with these players or in conjunction with representative associations and its ecosystem of partners. ▶ OVHcloud also organises visits to its infrastructures (datacenters, server production plants), either proactively or on request, to familiarise the public authorities and the players in its ecosystem with the operational reality of its activities.

Materiality analysis and CSR risk assessment

OVHcloud developed a Group risk map in 2020, which has been reviewed and updated twice: first in 2022 and again in 2023 (see Chapter 2 of this Universal Registration Document for a description of the Group's risk factors). In addition, the Group created its first materiality matrix in 2022, focusing on CSR issues.

Materiality analysis

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

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

Identification of issues

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

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

Stakeholder interviews

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

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

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

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

A total of 231 people were consulted, including:

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

Methodological biases

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

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

Consolidation of results and formalisation of the matrix

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

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

STRONG ALIGNMENT BETWEEN MANAGEMENT AND STAKEHOLDERS

24 issues classified under 3 categories:

- **Environment**
- **Business conduct**
- **Employment**

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

Main lessons

- Overall, internal and external stakeholders are aligned on the most material issues, particularly those related to the Group's core business, a sign of a good understanding between OVHcloud and its ecosystem. These are issues relating to data sovereignty, low-carbon trajectory, efficient energy management, cybersecurity and data protection, environmental labelling and carbon transparency, and securing strategic supplies.
- Three major issues stand out in particular, consistent with the Group's vision and strategic directions:
  - data sovereignty;
  - low-carbon trajectory;
  - efficient energy management.
- Important issues are also aligned on more generic but fundamental issues for the Company's operation such as a responsible supply chain, eco-design, business ethics, responsible water management, attraction and retention of talent, reliability and customer trust, health, safety at work and employee well-being, diversity and inclusion, innovation and R&D for Green IT.
- Regarding deviations (which remain limited), we note that management places particular importance on the attraction of talent and customer trust, whereas stakeholders have strong expectations concerning continuity of service – in terms of cybersecurity and resilience to climate change – and environmental labelling.
- OVHcloud is clearly recognised for issues relating to the differentiation of its offering, linked to its value proposition: price transparency, eco-design, a responsible approach to resource management and, above all, data sovereignty. Nevertheless, expectations are very high regarding these issues, which rank among the most material.
- When asked about the issues on which OVHcloud needs to progress, stakeholders were generally less vocal than management. The most frequently mentioned issues were cybersecurity and data protection, environmental labelling, diversity and inclusion, talent attraction and retention and contribution to the digital transition and digital accessibility.
- Interactions with the Group's various stakeholders during the 2023 financial year confirm the main conclusions drawn from the analysis carried out in 2022.

CSR risk assessment

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

Description of the risk and impact	Priority level	Risk evolution	Risk management measures	Performance indicators
ENVIRONMENT				
Risk Inability to adapt to climate change (including natural disasters) and to limit its environmental impacts. **Impacts for OVHcloud** - Business disruption. - Loss or unavailability of key assets. - Loss of customer and shareholder trust. - Reputation.	Tier 2	↗	• Dedicated CSR teams (within the Strategy and CSR Department and the operational departments). • Ongoing investment in developing environmentally friendly innovations (see Section 3.2.1). • Taking risks related to natural disasters into account when working on business continuity plans. • Identification and ongoing assessment of exposure to physical and transitional risks associated with climate change within the TCFD framework. • Site audits and insurance systems (see Section 2.2.1). • Measures deployed as part of the "hyper resilience" plan (see Section 2.1.2.2 – Risks related to OVHcloud's business/Risks related to an incident on OVHcloud's physical infrastructures).	Environmental roadmap. PUE (Power Usage Effectiveness) WUE (Water Usage Effectiveness) CUE (Carbon Usage Effectiveness) REF (Renewable Energy Factor) Reused components ratio.

Description of the risk and impact	Priority level	Risk evolution	Risk management measures	Performance indicators
Risk Inability to meet the greenhouse gas emissions reduction targets of the Net Zero 2030 roadmap (including energy management). **Impacts for OVHcloud** - Mistrust of stakeholders (employees, customers, investors, shareholders, etc.). - Financial cost. - Reputation.	Tier 1	→	Detailed environmental roadmap with well-identified initiatives: • energy management; • eco-design of servers; • carbon offsetting projects; • sustainable supply chain; • freight; • renewable energies; • waste management.	CUE. PUE. REF. Waste landfill diversion rate.
Risk Difficulty with water management. **Impacts for OVHcloud** - Disruption of activity in some datacenters. - Financial cost.	Tier 1	↗	• Water-cooling technology developed more than 20 years ago and deployed at Group level, enabling optimal management of water resources. • Continuous innovation process: development of a new generation of liquid cooling technology, Hybrid Immersion Liquid Cooling. • Implementing measures to limit water consumption, such as deploying cooling pads and overhauling cooling systems. • See also Section 2.1.2.2 - Risks related to OVHcloud's business/Risks related to an incident on OVHcloud's physical infrastructures.	WUE.
Risk Difficulty in managing the life cycle and circularity of products, including the waste generated. **Impacts for OVHcloud** - Waste of resources. - Reputation.	Tier 1	→	• Vertically integrated industrial model enabling control at all stages of the value chain. • Reverse supply chain characterised by the reconditioning of servers. • Standardised and uniform waste management process.	Reused components ratio. Waste landfill diversion rate.
BUSINESS CONDUCT				
Risk Non-compliance with current regulations and best practices in terms of business ethics (including anti-corruption measures). **Impacts for OVHcloud** - Reputation. - Mistrust of stakeholders. - Legal impact. - Penalties or fines.	Tier 2	→	• Corruption and influence peddling risk mapping, enabling precise identification of the Group's exposure to these risks. • Code of ethics and zero tolerance policy, and related training. • Procedures and mechanisms covering risks, such as the gifts and invitations policy and the procedure for preventing and managing conflicts of interest. • Whistleblowing platform available for employees and external stakeholders: ROGER.	Anti-corruption training validation rate.

Description of the risk and impact	Priority level	Risk evolution	Risk management measures	Performance indicators
Risk Inability to manage the scarcity of resources and secure strategic supplies. **Impacts for OVHcloud** - Increase in costs of materials. - Supply disruptions impacting production capacity.	Tier 1	↗	• Vertically integrated model allowing control of the entire value chain. • OVHcloud builds up safety stocks in order to be able to withstand temporary disruptions. • Purchasing teams engaged in an ongoing dialogue with suppliers to negotiate supply contracts at a global level. • Recycling policy based on a logistics chain allowing the reuse of components and equipment. OVHcloud recovers components from equipment considered to be at their end of life, tests them and then reuses the components that could be used in new equipment. • See also Section 2.1.2.2 - Risks related to OVHcloud's business/Supply chain risks.	Reused components ratio.
Risk Difficulty in setting up a responsible supply chain (particularly in terms of human rights and fundamental freedoms and the environment). **Impacts for OVHcloud** - Reputation. - Mistrust of stakeholders.	Tier 1	→	• Responsible purchasing approach reflected in the supplier code of conduct. • CSR risk mapping and assessment of the 41 most exposed purchasing categories. • Anti-corruption clauses included in contracts. • Include CSR criteria in calls for tenders. • Raising awareness among purchasing teams of the CSR issues linked to their role (training provided by an external service provider). • Mobilising the ecosystem to broaden understanding of the Group's carbon footprint.	Signature rate for the supplier code of conduct.

Risk
Difficulty in establishing a clear governance structure for investors.
Impacts for OVHcloud
- Mistrust of minority shareholders.
- Lack of attractiveness for investors.
	Tier 2	↘	• Relationship of trust developed with the financial community.
			• Open and regular dialogue between OVHcloud management and the investor relations team with the financial community. During the 2023 financial year:
			  ◦ more than 350 institutional investors met;
			  ◦ perception survey among the main shareholders.
			• A Universal Registration Document (URD) that transparently shares information relating to its governance.
				Section 2.1.2.5 of the URD: Legal and compliance risks/ Risks related to governance and related parties.
				Chapter 4 of the URD: Corporate governance.
				Monitoring investor perception.

Risk Cybersecurity, risks related to data protection. **Impacts for OVHcloud** - Mistrust of stakeholders. - Legal impact. - Penalties or fines.	Tier 1	→	• Obtaining certifications such as ISO 27001, SEC 1, SEC 2 or PCI DSS. • Regular contact with the French National Cybersecurity Agency (*Agence Nationale de la Sécurité des Systèmes d'Information* – ANSSI) to anticipate new attacks or improve existing processes. • Regularly updated IT risk mapping. • Cyber attack simulation campaigns for employees. • Cyber insurance policy (see Section 2.2.3). • See also Section 2.1.2.6 - Risks related to information systems.	Success rate of cyber attack simulation campaigns.

Description of the risk and impact	Priority level	Risk evolution	Risk management measures	Performance indicators
SOCIAL/SOCIETAL				
Risk Difficulties in recruiting, developing and/or integrating human capital. **Impacts for OVHcloud** - Unexpected loss of staff or key skills (management team members, managers, project managers, sales network, etc.). - Financial cost.	Tier 1	→	• Strong corporate culture supported by shared values and based on the belief that everything begins with people. • Unique employer brand based on five differentiating pillars. • Ongoing investment in talent and skills development. • Systematic induction week for new hires. • Efficient organisation of the recruitment function. • See also Section 2.1.2.3 - Human resources risks/ Risks related to the recruitment, integration, development and retention of human resources.	Loyalty rate(1). Engagement score. Employee training rate.
Risk Inability to provide a working environment that ensures the health, safety and well-being of employees. **Impacts for OVHcloud** - Employee disengagement. - Impairment of the employer brand. - Financial cost.	Tier 2	→	• Culture of health and safety at work based on a health and safety policy involving each employee and on regular awareness-raising initiatives such as World Safety Week. • Investment in prevention measures with a dedicated medical centre and a range of services available to employees (medical teleconsultation with Angel in France and Dialogue in Canada), initiatives to promote regular sporting activities, etc.). • Commitment to parenthood (company crèche, parenthood kit, etc.). • See also Section 2.1.2.3 - Human resources risks/ Safety risks related to physical and mental health.	Frequency rate (with lost time) FR1. Frequency rate (with or without lost time) FR2.
Risk Difficulty in establishing and promoting an inclusive work environment. **Impacts for OVHcloud** - Impairment of the employer brand. - Lack of attractiveness for new talent. - Employee disengagement.	Tier 1	→	• Internal charter available on the intranet. • Commitment to increasing the number of women in the workforce. • Initiatives to promote access to employment for people with disabilities. • Events to raise internal team awareness of diversity and inclusion issues.	% of women in management. % of women in top management (Executive Committee).

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

(1) This indicator measures the rate of employees still present within the Group one year after their arrival.

Summary of performance indicators

Performance indicators	FY2021	FY2022	FY2023
ENVIRONMENT			
PUE (Power Usage Effectiveness)	1.1-1.3	1.28	1.29 (1.26 on a constant scope basis)
WUE (Water Usage Effectiveness) (L/kWh IT)	0.17-0.20	0.26	0.30 (0.28 on a constant scope basis)
CUE (Carbon Usage Effectiveness) (tCO_2e/MWh IT)	0.15-0.18	0.20	0.18
REF (Renewable Energy Factor)	78%	77%	91%
Reused components ratio	34%	25%	36%
BUSINESS CONDUCT			
Success rate of cyber attack simulation campaigns	89%	89%	89%
Signature rate for the supplier code of conduct	-	65%	69%
Anti-corruption training validation rate	-	-	59%
SOCIAL/SOCIETAL			
Loyalty rate(1)	77%	79%	79%
Engagement score	7.3	7.5	7.2
Employee training rate	66%	73%	68%
% of women in management	18%	20%	23%
% of women in top management (Executive Committee)	18%	25%	36%
Frequency rate (with lost time) FR1	4.20	5.39	4.73
Frequency rate (with or without lost time) FR2	9.18	8.68(2)	8.55

(1) Rate of employees still present within the Group one year after their arrival.

(2) Revised to include a declaration of accident without subsequent lost time.

3.1 GUARANTEEING DATA SOVEREIGNTY AND FREEDOM

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

3.1.1 Defending data sovereignty, security and privacy

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

3.1.1.1 Highest level of data protection

An absolute priority: ensuring security in the cloud

OVHcloud implements security measures at all its datacenters and processes to protect its customers worldwide.

Cybersecurity

OVHcloud considers cybersecurity to be a pillar of its development strategy. The Group's ability to protect its customers' data and processing workloads is a key factor in the trust they place in the Group. The Information Systems Security Policy (ISSP [1]) provides the cybersecurity reference framework for OVHcloud. It describes the context in which it was set up and its three basic principles:

- *deployment of a large-scale, industrial approach to security.* Security is an integral part of the product development cycle. The security team is constantly involved in deciding what security measures to adopt to prevent and mitigate risks. This approach is based on standardised security measures, architectures that are secure from the outset, and formal, tried-and-tested, highly automated processes. The standardised security measures are supplemented by additional measures in consideration of the specific features of each project. Lastly, OVHcloud operates a permanent threat analysis system based on the continuous system monitoring, enabling it to systematically adapt its operational practices to immediate risks and to respond effectively to security incidents;
- *positioning of OVHcloud as a trusted player within the ecosystem.* As a global cloud provider, OVHcloud has a major responsibility in the fight against security threats. The Group deploys large-scale protection tools and automates the protection of its customers' systems against these threats. OVHcloud's security team and technical experts maintain strong operational relationships with security expert communities, authorities, software publishers and hardware manufacturers. This enables the Group to anticipate new threats and vulnerabilities, and mitigate the related risks. In addition, OVHcloud shares its innovations and knowledge with the security community and promotes responsible disclosure. Lastly, the Group's security systems are regularly assessed by trusted third parties on the basis of recognised audit standards;
- *operating a trusted cloud for all.* OVHcloud offers its solutions to all types of customer across all industries: start-ups, SMEs, large companies, public authorities and multinational companies. Every OVHcloud customer has its own approach to security, depending on its business sector and/or sovereignty requirements. OVHcloud ensures the security of the services provided and the underlying infrastructure, and offers its customers a high level of transparency regarding the accompanying security measures. OVHcloud is also committed to personal data protection, as a controller for its customers' data and as a personal data processor in cases where its customers are themselves data controllers. The information systems security policy supports this commitment by defining, implementing and improving security measures to protect hosted personal data.

1) https://help.ovhcloud.com/csm/en-gb-account-issp?id=kb_article_view&sysparm_article=KB0030089

Security management is organised based on internationally recognised standards that highlight these principles. The Group has obtained numerous national (SecNumCloud by ANSSI, Agid, ENS, C5) [1] and international (ISO 27001, ISO 27701, PCI DSS, SOC 2 type 2) certifications and certifications specific to certain segments (HDS, HIPAA and HITECH for health, EBA and ACPR PSEE for financial services), which meet the highest French, European and international data protection standards.

In addition, OVHcloud has internal procedures for information systems security and constantly raises its employees' awareness of the risk of computer attacks, in particular by carrying out cyber attack simulations. The Group organises up to three campaigns per week, built from sophisticated scenarios inspired by real cases, tested on randomly targeted populations. Several indicators are observed, including the percentage of employees tested, the reporting rate and the compromise rate (percentage of employees on whom the phishing worked) and conversely, the success rate of simulation campaigns. It is the latter indicator that constitutes the benchmark performance indicator. In 2023, the success rate of cyber attack simulation campaigns was 89%, which is stable compared to the previous two years, despite simulation campaigns having become more sophisticated.

Physical protection of sites

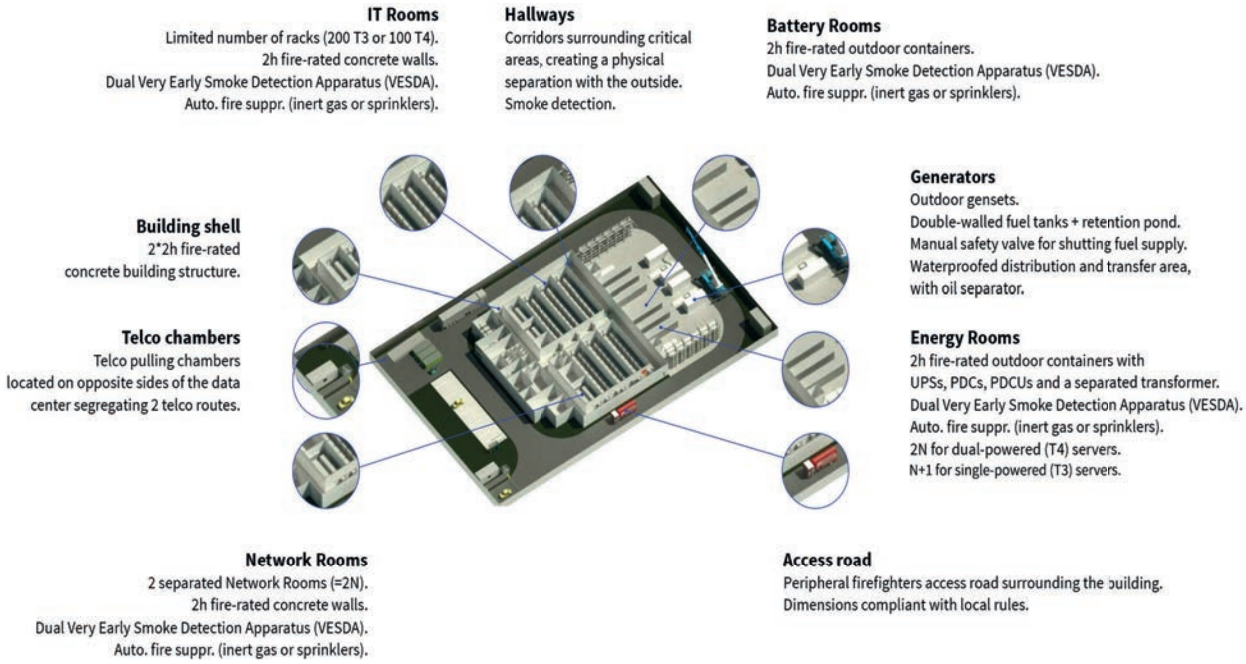
As the cloud relies on physical infrastructures, data security also involves securing OVHcloud's sites, with particular attention paid to its datacenters, which house the servers on which the data are stored or transferred. These sites are particularly important to ensure the continuity of customers'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

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

On the night of 9 to 10 March 2021, a fire broke out in one of the four OVHcloud datacenters in Strasbourg, France. The incident is detailed in Chapter 2 – Risk factors and internal control of this Universal Registration Document. The forensic appraisers' investigation was extended until 30 August 2024 and is still ongoing to date.

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

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



Press release: https://corporate.ovhcloud.com/en-gb/newsroom/news/SBG5-opening/

In accordance with its commitments, the Group has launched a new datacenter dedicated to raw data backups (snapshots) and remotely situated from service operating sites. Initially deployed for French customers, the Group plans to roll out this service more generally in order to extend it to all its solutions and locations.

1) *ANSSI, the French National Cybersecurity Agency; AgID, Agency for Digital Italy; ENS, the Spanish National Security Framework; C5, Cloud Computing Compliance Critera Catalogue.*

Personal data protection and data sovereignty

OVHcloud processes a very large amount of personal data every day, both on behalf of its customers, through its Cloud products and services, and on its own behalf.

OVHcloud's top priorities are data security, the transparent and proportionate use of the Group's customer information, and the protection of customer data from foreign laws with extraterritorial application.

OVHcloud has adopted a personal data processing policy that complies with the strictest regulations and applies to all its entities and employees. The policy guarantees customers that their data are secure and ensures compliance with the GDPR and all applicable national legislation, such as the UK Data Protection Act, the Australian Data Protection Act and Quebec's Law 25. It is implemented under the supervision of the Data Protection Officer (DPO), whose role is described in Chapter 2 of this Universal Registration Document.

Main features of OVHcloud's personal data processing policy

▸ **Data governance**

The following data protection committees and workshops are held on a regular basis to ensure compliance with applicable laws and to monitor any measures these laws may require:

- **Strategic Data Committee**, which is attended by members of the Group's Executive Committee and whose purpose is to define and ensure the implementation of a coherent data processing strategy within OVHcloud (monthly meetings);
- **Internal Project Review Committee**, whose purpose is to review project relevance and compliance with the principle of privacy by design by taking into account technical, IT security and personal data processing requirements (21 meetings during the 2023 financial year);
- **ad hoc committees** to manage projects involving new tools or services for customers;
- **monthly monitoring committees** between the DPO and key data protection players, such as the Chief Information Systems Officer (CISO), Customer Service staff and representatives of the Information Systems Department.

▸ **Team training and awareness-raising**

Group employees are given mandatory training in data protection as soon as they join OVHcloud, regardless of the Group subsidiary for which they work.

The training takes place in two stages: (i) during induction week, attended by all new employees, including members of the Executive Committee, and (ii) through the compulsory e-learning programme accessible via the Group's e-learning platform.

▸ **Compliance documentation and procedures**

OVHcloud documents compliance through its data processing records and impact assessments.

To facilitate the management of this documentation, OVHcloud has invested in a data governance tool that centralises all key data protection information.

In addition, OVHcloud has a set of procedures designed to ensure compliance with data protection principles. These include:

- a policy for handling requests to exercise rights (see below);
- a personal data storage policy;
- a policy for managing security incidents (data breaches);
- a policy for managing data retrieval requests;
- a policy for managing authorisations to travel with OVHcloud equipment outside the European Union (see below).

▸ **Rights of data subjects**

OVHcloud has made an online form available on its website to enable data subjects to exercise their rights. The form ensures that requests are traceable and receive a response within the appropriate time frame.

Requests are handled by a dedicated five-person team within the Group customer service division, who respond to such requests on a daily basis.

▸ **Data breaches**

Data security is central to OVHcloud's business. The Group has put in place a series of measures designed to prevent data breaches (see above).

In addition, the DPO's and CISO's teams work closely together to ensure that IT incidents are properly addressed and to prevent any personal data breaches.

OVHcloud also keeps records of data incidents and breaches in accordance with the GDPR and local legislation such as Quebec's Law 25.

▸ **Protection against foreign interference**

OVHcloud implements technical and organisational measures to protect data hosted by its European customers within the European Union against interference from non-European authorities. From a technical perspective, neither the infrastructure hosting this data nor any personal data relating to customers can be accessed by OVHcloud entities or third-party partners located in third countries that do not guarantee the same level of data protection as the European Union.

For this reason, the Group's US entities are not involved in the services provided to OVHcloud's European customers and do not have the technical ability to access the data these customers host in OVHcloud's European datacenters. As a result, the US entities have no control over the data stored in these datacenters and cannot comply with data requests from the US authorities.

Only entities located within the European Union or in countries whose level of protection has been the subject of an adequacy decision by the European Commission, in particular Canada, may, under the terms of service in force, take part in the provision of services to OVHcloud's European customers and perform technical work on the infrastructure hosting these customers' data.

Data sovereignty and technological sovereignty

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

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

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

3.1.1.2 Ethical data processing

Ethical data processing has always been at the heart of OVHcloud's business model. It involves processing users' data in such a way as to guarantee privacy, and is demonstrated through four commitments:

1. **Never use the user data processed as part of the provision of services hosted on OVHcloud infrastructure** for commercial purposes in accordance with the obligations set out in the Data Processing Agreement [1].
2. **Protect user data against extraterritorial laws:** OVHcloud's information systems, legal entities and internal policies are implemented in compliance with the laws of the country in which the customer data are hosted. OVHcloud provides high-level protection against the extraterritorial application of third country laws and, in particular, has set up a cross-functional sovereignty working group to address this issue. OVHcloud has two separate legal entities for the European Union (OVH Groupe SA) and the United States (OVH US LLC) and has set up separate information systems in order to avoid extraterritorial application laws on customer data hosted in the European Economic Area.
3. **Respect existing data ethics recommendations:** OVHcloud currently complies with the recommendations of the DAMA (Data Management Association) and regularly updates its internal policy on the subject.
4. **Offer its customers tools to build responsible and ethical artificial intelligence (AI):** OVHcloud favours technologies that guarantee interoperability in AI (e.g., open source) to reduce bias in AI and the Group also works to ensure the traceability of AI models. This approach is part of a commitment to making AI a reliable, objective and ethical tool. To this end, OVHcloud currently offers a range of tools, such as AI Notebooks, AI deploy and AI training, and is working to develop others.

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

- the **Data Governance Committee** brings together data managers who implement processes and practices guaranteeing federated governance;
- the **Data Coordination Committee** guarantees strict control of the quality of the data and its consistency by reinforcing ISO 27001 and ISO 27701 standards;
- the **Sovereignty working group** brings together various OVHcloud players to protect customer data from international players.

3.1.1.3 Campaigning for a European cloud

OVHcloud defends a European open cloud model, which guarantees the protection of the data of citizens and organisations and which ensures Europe's digital sovereignty, a key component of the continent's strategic independence. To this end, OVHcloud shares its vision and proposals with political and institutional participants in public decision-making, either directly with these players or in conjunction with representative associations, through its ecosystem of partners or as part of public events.

OVHcloud advocacy

OVHcloud intends to fully assume its role as the European cloud leader. Spearheading initiatives on a French, European and international scale, the Group is proactively campaigning for the development of an ecosystem of European cloud providers capable of meeting the needs of users.

Digital sovereignty and a level playing field in the European cloud market are fundamental to guaranteeing freedom of choice for cloud service users. OVHcloud works on several fronts to raise awareness of the issues surrounding data processing – and the importance for organisations of controlling their most sensitive data – and cloud interoperability, for example. Its initiatives include participation in trade fairs, round tables, debates, keynotes and discussions with representatives of national, European and international institutions, as well as the organisation of ad hoc events.

The Group also spreads its vision through responses to public consultations, contributions to white papers and the publication of brochures, infographics, opinion pieces and other documents. For example, during the 2023 financial year, OVHcloud responded to 12 public consultations, including one by the French National Health Agency (*Agence Nationale de Santé* – ANS) – which saw the Group make proposals on changes to the health data hosting framework, published on the public consultation website – and another by the UK Office of Communications [2] on the competitive situation in the cloud market. It also co-signed an opinion piece [3] calling for a level playing field in the cloud market, as part of debates in France on the bill to secure and regulate the digital environment.

1) *https://storage.gra.cloud.ovh.net/v1/AUTH_325716a587c64897acbef9a4a4726e38/contracts/7ce0301-OVH_Data_Protection_Agreement-FR-6.2.pdf*
2) *https://www.ofcom.org.uk/__data/assets/pdf_file/0025/244825/call-for-inputs-cloud-market-study.pdf*
3) *https://www.latribune.fr/opinions/tribunes/cloud-il-faut-proteger-nos-entreprises-de-la-concurrence-deloyale-967500.html*

OVHcloud's actions within its ecosystem

The European cloud model championed by the Group implies a European vision of personal data protection, and consequently a commitment at the level of the ecosystem, on both a European and a national scale.

- **Creation of the Trusted Tech Strategic Sector Committee** [1]

In October 2022, the Chief Executive Officer of OVHcloud was tasked by the French government with structuring and consolidating the French trusted tech sector, in which the cloud plays a central role.

- **Founding member of Gaia-X**

OVHcloud participated in the creation of Gaia-X [2], a European initiative launched in 2020 whose objective is to build a federated, open, secure and transparent digital ecosystem. It aims to enable users to benefit from cloud services that meet their needs, both technically and legally, and offer them appropriate guarantees, in particular in terms of data protection, interoperability, security or immunity to extraterritorial laws. As part of Gaia-X, OVHcloud is promoting the introduction of a label for cloud services guaranteeing users an appropriate level of data protection. In 2023, OVHcloud was re-elected to Gaia-X's Board of Directors.

- **Founding member of the European Alliance for Industrial Data, Edge and Cloud**

OVHcloud is also a founding member of the European Alliance for Industrial Data, Edge and Cloud [3], an initiative launched by the European Commission, which mobilises over 50 European industrial players to strengthen Europe’s ability to develop its own cloud and edge technology, taking into account the challenges of sovereignty and sustainable development. During the 2023 financial year, OVHcloud took part in the Alliance's first and second general meetings. Within this framework, OVHcloud contributed to the development of the industrial roadmap [4] of the Edge-Cloud working group, which aims to identify investment priorities to strengthen the competitiveness of the European ecosystem.

Building on all these commitments, the Group, alongside its ecosystem, supports legislative projects and initiatives that are able to support European digital sovereignty and the establishment of a level playing field for the European cloud market, such as the Digital Markets Act (DMA), the Data Act and the development of a European cybersecurity scheme for the certification of cloud services, known as EUCS. The Group also backs ongoing investigations worldwide into restrictive practices in the cloud market, as recently identified by the French Competition Authority and many other countries including the Netherlands, Japan and South Korea.

3.1.2 Guaranteeing freedom of choice and reversibility

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

3.1.2.1 Reversibility and interoperability

OVHcloud offers its customers the option of deploying their technologies and services anywhere, without technological lock-in and without egress fees for the repatriation of data that could hinder the customers' freedom to cancel a service. OVHcloud offers its customers complete reversibility and flexibility, allowing them to take advantage of the services that best meet their needs. Reversibility is one of OVHcloud’s Cloud S.M.A.R.T. commitments (see Section 3.1.2.3 of this Universal Registration Document), and follows principles such as offering an open and standard environment, where customers have extensive control over their systems and data, and detailed documentation to facilitate inbound and outbound migration.

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

3.1.2.2 Working for open source

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

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

OVHcloud is a member of the Open Invention Network (OIN [5]) in order to group Linux patents with other technological players. The aim is to protect the open source operating system against any legal action. OVHcloud grants licenses on its patents, free of charge, in the same way as each of the other members. By sharing all of its software patents, OVHcloud further defends open source values and the protection of a common heritage.

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

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

1) https://numeriquedeconfiance.fr/
2) https://gaia-x.eu/
3) https://digital-strategy.ec.europa.eu/en/policies/cloud-alliance
4) https://digital-strategy.ec.europa.eu/en/news/european-alliance-industrial-data-edge-and-cloud-presents-its-first-deliverables
5) https://openinventionnetwork.com/

3.1.2.3 Innovation & co-construction

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

This collaborative approach to innovation materialised through several partnerships:

- OVHcloud, Davidson consulting, Inria (*Institut national de recherche en sciences et technologies du numérique*) and Orange joined forces for the "DISTILLER" research programme (recommenDer servIce for SusTaInabLe cloud nativE softwaRe) to reduce the environmental impact of cloud applications. This project aims to answer questions such as how can a new, sustainable and energy efficient cloud native software be developed? Which programming languages, libraries, frameworks and cloud infrastructures should be taken into consideration for each project?
- HFactory and OVHcloud leveraged their partnership to advance Data Science and AI skilling.
- OVHcloud partnered with Speechbrain and Mila to accelerate research in neural speech processing;
- OVHcloud partnered with Atos in the field of quantum computing to make Atos' quantum emulator available "as a service" through OVHcloud offers.

In 2020, the Group also developed a startup programme with Inria. Named the Inria Startup Studio, it helps future entrepreneurs create their startup, with a goal of supporting 100 startup projects every year as from 2023. The programme offers both funding and support, which is ramped up until the project is launched.

During the 2023 financial year, OVHcloud also showed its support for the emerging quantum computing ecosystem with:

- the purchase of its first quantum machine, the MosaiQ computer designed by French company Quandela, to support its research and development efforts in the field of quantum computing. The Group's goal is to provide its research and development department with the tools needed to experiment with a Quantum Processing Unit (QPU) based machine for various use cases;
- the provision of a new emulator, the C12 Callisto, the third quantum emulator accessible via a notebook with MyQLM and Quandela Perceval to facilitate quantum computing;
- the inauguration of the first Maison du Quantique in France on 20 October 2023, in collaboration with key players in the French quantum ecosystem and Le Lab Quantique.

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

OVHcloud is convinced that the cloud must be a free space and must be made widely accessible without compromising service quality. Offering a service with the best price-performance ratio and predictable prices has been at the heart of the Group's value proposition since its inception.

3.1.3.1 Best price/performance ratio

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

In the inflationary context of 2022, the Group announced price increases. As in the past, price increases have remained targeted and controlled, with OVHcloud ensuring that it maintains its commitment to offering its customers one of the best price/performance ratios in the industry.

3.1.3.2 Price predictability and transparency

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

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

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

3.2 PIONEERING THE SUSTAINABLE CLOUD

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

OVHcloud's environmental commitments

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

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

*** On a constant scope basis, i.e., on the basis of the geographical scope of the 2022 financial year, the year in which the CSR approach was structured.*

OVHcloud's environmental action is structured around three pillars:

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

Environmental performance indicators and key figures

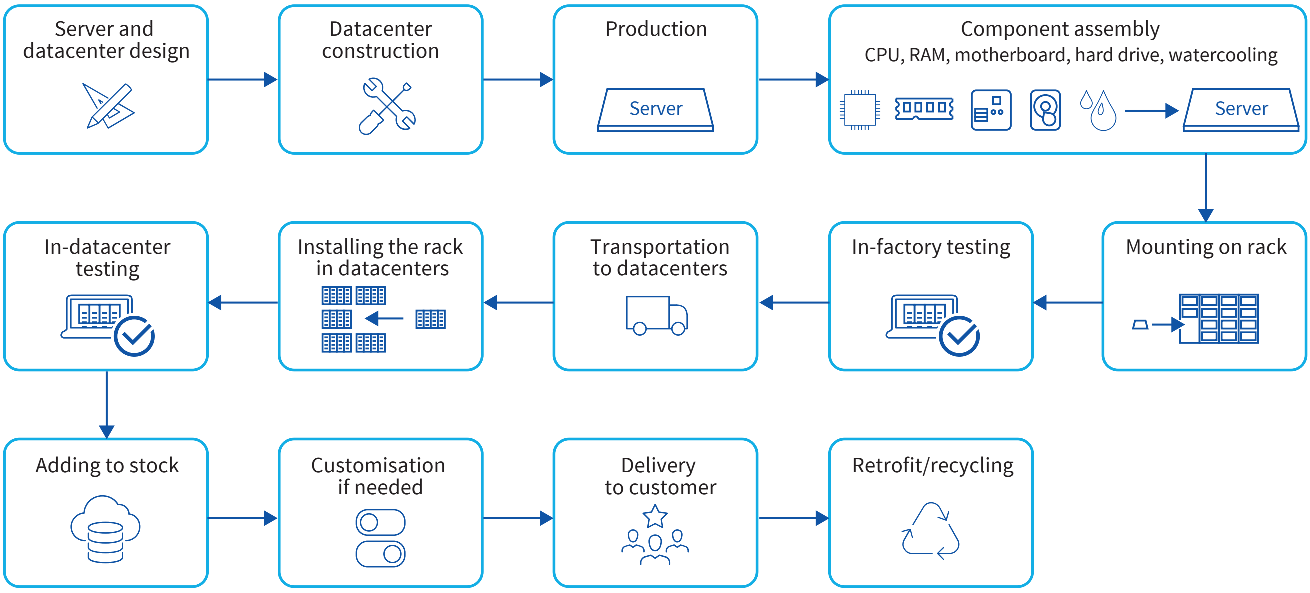
Performance indicators	FY2021	FY2022	FY2023
Carbon emissions (GHG protocol) *(tCO_2e)*	nd	154	131
PUE (Power Usage Effectiveness)	1.1-1.3	1.28	1.29 (1.26 on a constant scope basis)
WUE (Water Usage Effectiveness) *(L/kWh IT)*	0.17-0.20	0.26	0.30 (0.28 on a constant scope basis)
CUE (Carbon Usage Effectiveness) *(tCO_2e/MWh IT)*	0.15-0.18	0.20	0.18
REF (Renewable Energy Factor)	78%	77%	91%
Reused components ratio	34%	25%	36%
Waste landfill diversion rate	nd	nd	80%
Quantity of waste produced *(t)*	nd	nd	572

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

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

3.2.1.1 Adopting a circular approach thanks to a single integrated model

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



OVHcloud's integrated industrial model

A complete process to optimise the lifespan of a component

In line with the optimisation and management of its server lifecycle, OVHcloud set up a reverse supply chain in 2009, which optimises the lifespan of its servers.

- ***Design***. OVHcloud designs and manufactures its own servers at its two sites in Croix (France) and Beauharnois (Canada). Servers are designed to be entirely dismantled. They are equipped with dedicated components, selected to be easily reused, recycled and repaired.
- ***Reuse***. The Group manages to extend the lifespan of its infrastructures, servers and components by reusing them. 100% of servers are disassembled after use and their components are rigorously tested to give them a second life, either in a circuit or through external recycling and recovery. The use of refurbished components in the Group's servers extends their lifespan to an average of almost five years (and up to nine years). This enables some of the carbon emissions from their manufacture to be avoided. In 2023, the **reused components ratio was 36%**, compared with 25% in 2022, reflecting both the sales momentum of a range of servers using recycled components and a tighter stock management policy.

This circular approach extends to the choice and location of datacenters, by opting for the redevelopment of a former brownfield site rather than the construction of new buildings. At 31 August 2023, 25 of the 37 datacenters were housed in refurbished buildings. Equipped with OVHcloud's own infrastructure, these sites are also designed to have a longer than average lifespan.

A standardised and uniform waste management process

In line with the target of zero waste to landfill from production centres, OVHcloud continued its efforts to unify and standardise its waste accounting methodology during the 2023 financial year. This methodology, which is now applied at 90% of the Group's sites, is used to define the types of waste (cardboard, plastic, wood, WEEE, CIW, etc.) and their destination (recycling, energy recovery, landfill) completely and accurately.

In 2023, 572 metric tonnes of waste was produced, 20% of which was sent to landfill. In order to significantly reduce this proportion, OVHcloud is taking action in several areas:

- aligning sorting across all Group sites with best practices, in particular by introducing sorting options at all sites;
- local initiatives close to where the Group operates, such as the partnership with the startup Umains, which seeks to give a second life to unsold and defective inventories, to recycle its foam packaging;
- additional research into recycling channels, particularly regarding WEEE, with a view to extracting precious metals and rare earths;
- downstream, strengthening the commitment with recycling operators to ensure that waste is recycled or at least recovered as energy.

OVHcloud also encourages its suppliers, through its supplier code of conduct, to reduce their waste and implement more recycling and reuse.

The integrated industrial model, a factor of autonomy and resilience

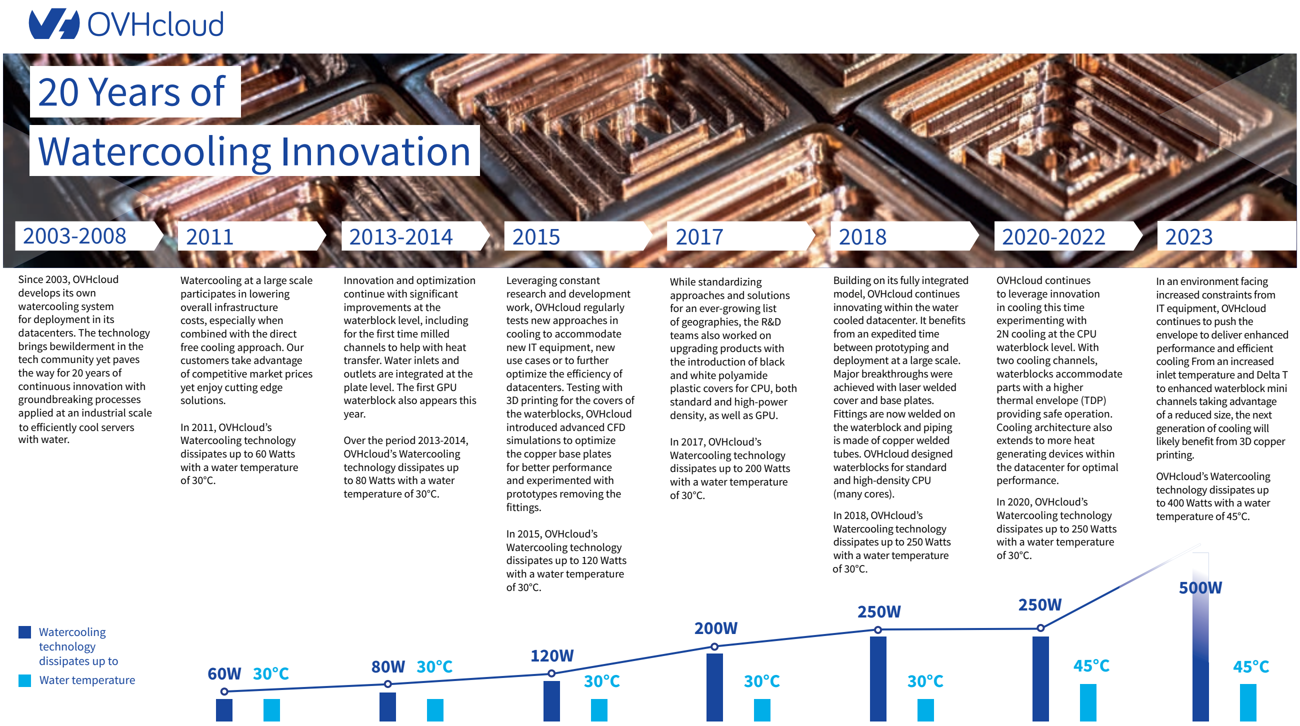
Crises such as the COVID-19 pandemic and the Russia-Ukraine conflict have highlighted the vulnerabilities of supply chains and dependencies in terms of access to resources. Faced with these external factors, OVHcloud's integrated industrial model is an asset. It allows optimal control of its supply chain, thus reinforcing its autonomy and resilience capacity, while offering its customers incomparable guarantees in terms of service continuity. The Group is able to choose and check all of its components, thereby guaranteeing quality down to the smallest components, while achieving economies of scale. The circular approach provides agility in server design and the possibility of adjusting to supply tensions, by adapting product classifications according to the availability of components from suppliers, but also internally (reuse of refurbished components).

3.2.1.2 Innovating with a view to achieving resource efficiency

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

Continuous innovation for cutting-edge environmental performances

OVHcloud is a pioneer in optimising datacenter water consumption. In 2023, the Group celebrated 20 years of innovation in its datacenters thanks to its proprietary watercooling technology for cooling servers with water. OVHcloud uses this technology on a large scale, eliminating the need for air conditioning in server rooms, with significant benefits in terms of costs and reduced environmental impacts. Direct watercooling removes heat from the most energy intensive components, such as processors (CPU, CGU), and the air (which is then cooled inside the rack using water through a heat exchanger) removes heat from other components. The heated water is then cooled using dry cooling towers. OVHcloud stands out with its closed circuit system that reduces the leakage of fluid, and by the use of dry coolers and the absence of air conditioning in the server rooms. In addition to being very efficient in terms of water and energy consumption, OVHcloud's watercooling technology has relatively low maintenance costs.



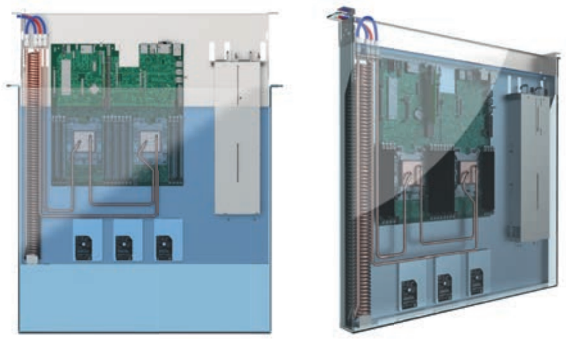
During the 2023 financial year, OVHcloud reached a new milestone in terms of innovation with the presentation of a new generation of liquid cooling technology, Hybrid Immersion Liquid Cooling. As its name suggests, it is a hybrid solution, combining the best of watercooling and immersion cooling (complete immersion of the server in a dielectric fluid) technology. It consists of a water cooling system directly on the chip and a single-phase passive natural immersion cooling system:

- Watercooling: cooling of a heat sink through water blocks placed on the processors (CPU, GPU) with the same solution used in all OVHcloud servers and a proprietary serpentine convection coil connected to a pumping substation (PSS) and a dry cooler to evacuate heat outside the DC;
- Immersion Cooling: the fluid is contained in a tank and cools all IT equipment in the server, not just the processors; the fluid replaces the air circulating in OVHcloud servers, thus enhancing the efficiency of any component not cooled by OVHcloud watercooling systems.

This hybrid design, for which 16 patent applications have been filed, differs from pure Immersion Cooling solutions and offers several advantages in terms of energy consumption and efficiency:

- the new passive rack design, with no pumps or fans, resulting in zero cooling electrical consumption at rack level;
- the ability to operate high-power racks with a datacenter inlet temperature of up to 45°C, allowing for different cooling loads for different climatic conditions;
- minimal power consumption by the cooling infrastructure at DC level, even less than for water-cooled servers;
- greater capacity to recapture fatal heat, opening up heat recovery opportunities.

All in all, this technology should improve the Group's energy efficiency indicators.



Constant focus on water conservation

Since developing its unique server watercooling technology, OVHcloud has taken particular care to preserve this natural resource:

- the circuits that collect the heat emitted by IT equipment are closed loops;
- the physico-chemical state of the circulating water (pH, hardness, purity, absence of micro-organisms) is maintained over time by measurement systems and, where necessary, occasional treatment;
- the heat collected is transported outside the buildings to be dissipated into the ambient air via "dry" water/air exchangers.

When outside temperatures are high (>27°C), the air temperature needs to be lowered to ensure that heat is properly transferred. The system used is an open water misting circuit with heat exchangers. This process causes water droplets to evaporate naturally, lowering the temperature of the air circulating through the heat exchangers. The performance of water use is measured using a standardised indicator, WUE (see below).

Despite consuming moderate amounts of water, OVHcloud is aware of the issue of water stress and is continuing its development efforts to limit consumption. It has two main areas of focus:

- the installation of ***cooling pads*** with water recycling tanks on dry heat exchangers to reuse unevaporated water mist and therefore limit water consumption. This system, which has now been fully installed at the SBG5 (Strasbourg) datacenter and partially at the GRA3 (Gravelines) and SBG3 (Strasbourg) datacenters, is currently being deployed at the Group's new facilities;
- the ***overhaul of cooling systems (5th generation)*** with an increase in the temperature of the water loops and a reduction in the air flow rate through the exchangers in order to reduce the operating ranges of the misting system and also the volume of water required. This system is currently in production for initial deployment at the end of 2023.

The new SBG5 datacenter in Strasbourg

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

Transparency and certification of energy and environmental performance indicators

As a designer and operator of datacenters, the Group considers energy as one of its main items of expenditure and environmental impact. OVHcloud has made energy performance a priority. This commitment is materialised through an energy management system, compliant with the ISO 50001 standard, which aims to optimise energy management in datacenters. In 2021, OVHcloud obtained ISO 50001 certification for its datacenters in France, which was confirmed following audits carried out during the 2023 financial year. OVHcloud aims to extend the energy management system and certification to all its European datacenters over the next few financial years.

To measure its energy and environmental performance, OVHcloud monitors four indicators:

- **PUE** (Power Usage Effectiveness), which measures the energy efficiency of the Group's datacenters: it is the ratio between the total electricity used and the electricity used to power the servers;
- **WUE** (Water Usage Effectiveness), which measures the efficiency of water use: it is the ratio between the water consumption of cooling systems in litres and the electricity consumption in kWh of services;
- **CUE** (Carbon Usage Effectiveness), which measures the carbon intensity of the datacenters, taking into account the characteristics of the energy source: this is the ratio between greenhouse gas emissions from scopes 1 and 2 and the electricity used to power servers;
- **REF** (Renewable Energy Factor), which measures the proportion of renewable energy consumed by the datacenters compared to their total consumption.

For the purposes of transparency and trust with regard to its published indicators, OVHcloud undertook a process to have the measurement of these indicators certified in 2023. This process was completed on 18 October 2023 and resulted in the issue of a compliance certificate [1] by an independent third party, which is available on the Group's website. Furthermore, in order to improve quality and accuracy, a substantial effort was made in FY2023 to increase the measurement coverage rate of energy performance indicators. This involved setting up systems to measure energy consumption in OVHcloud datacenters not yet covered, including the historical datacenters in Roubaix (RBX1, RBX2, RBX3, RBX4), the datacenters in North America, Vint Hill and Hillsboro in the United States and Beauharnois (BHS8) in Canada. These efforts have enabled the Group to increase its energy consumption coverage rate from 59% in 2022 to 88% in 2023, exceeding its target of 80%.

1) https://corporate.ovhcloud.com/sites/default/files/2023-11/ovh_attestation_kpi_environnemental_2023.pdf

Indicator	FY22 coverage rate	FY22 value	FY23 coverage rate	FY23 value	FY23 value on a constant scope basis
PUE	59%	1.28	88%	1.29	1.26
WUE *(L/kWh)*	59%	0.26	88%	0.30	0.28
CUE *(kgCO_2e/kWh)*	59%	0.20	88%	0.18	nd
REF *(%)*	100%	77%	100%	91%	nd

- PUE for the 2023 financial year is 1.29, reflecting the addition of OVHcloud's historical datacenters to the scope of measurement. On a constant scope basis, the PUE improved to 1.26 from 1.28 in 2022.
- WUE for the 2023 financial year is 0.30 L/kWh IT, reflecting the greater use of evaporative cooling as a result of climatic conditions prevailing during the summer, as well as the extension of the scope of coverage to include the Beauharnois site (Canada). On a constant scope basis, the WUE is 0.28 L/kWh IT, compared with 0.26 L/kWh IT in the 2022 financial year. It should be noted that the WUE, currently measured as category 1 according to ISO 30134-9, overestimates reality. This is because the upstream water consumption measurement is not deducted from the quantity of water returned to the natural environment. As a result, OVHcloud's water consumption used in the WUE measurement corresponds to total water withdrawals, which is greater than the volume actually used for the cooling systems. It should also be noted that during the 2023 financial year, OVHcloud installed meters on its cooling installations giving it greater control over the granularity of measurements.
- CUE reached 0.18 in 2023, an improvement on the 2022 level, thanks to a slower increase in scope 2 induced emissions than that of the IT load.
- REF rose by 14 points to 91%, reflecting the inclusion of hydroelectric power, which OVHcloud uses exclusively in Quebec, following the issue of a renewable energy certificate (REC) in 2023.

In an ongoing effort to improve transparency, OVHcloud is now making the full results for each site available for each of these indicators.

Site	Country	PUE	WUE *(L/kWh)*	CUE *(kgCO_2e/kWh)*	REF
Roubaix	France	1.35	0.30	0.09	100%
Gravelines	France	1.22	0.13	0.08	100%
Strasbourg	France	1.25	0.57	0.08	100%
Beauharnois (BHS8 only)	Canada	1.24	1.00	0.04	100%
Erith	United Kingdom	1.25	0.20	0.25	100%
Limburg	Germany	1.31	0.27	0.49	100%
Warsaw	Poland	1.32	0.36	0.83	100%
Vint Hill	United States	1.37	0.04	0.40	0%
Hillsboro	United States	1.46	0.93	0.21	0%

3.2.2 Contributing to global Net Zero by 2030

The Group is committed on a collective scale to contributing to global Net Zero by 2030.

3.2.2.1 Environmental strategy

OVHcloud is putting carbon neutrality at the heart of its ambitions, by focusing on three main priorities:

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

1) All emissions are accounted for in the carbon footprint as induced emissions.

2) These emissions avoided upstream and downstream of the value chain are monitored in the form of avoided emissions.

3) These emissions are monitored in the form of negative emissions.

To confirm these ambitions, in 2023, OVHcloud formalised its participation in the European Commission's Code of Conduct on Data Centre Energy Efficiency for all its European datacenters (Gravelines, Strasbourg, Roubaix, Limburg, Erith, Warsaw) and will continue these efforts to cover all its sites. The Code of Conduct is an initiative by the European Commission in response to the increase in energy consumption in datacenters and the need to reduce the impact on the environment, the economy and energy security. Its aim is to efficiently reduce energy consumption, without hindering the critical role played by datacenters. The Code lists more than 100 best practices that cloud service providers commit to respecting. It is updated and published annually. In accordance with the Taxonomy Regulation, the implementation of these practices was audited by an independent third party, who issued a certificate of compliance on 13 October 2023 (see Section 3.4 of this Universal Registration Document for further details on the Taxonomy).

3.2.2.2 Carbon footprint

In order to precisely define its targets and their progress, OVHcloud has been carrying out its carbon footprint assessment on scopes 1, 2 and 3 since 2017. This enables the Group to manage its climate strategy. During the 2023 financial year, OVHcloud changed its methodology for measuring its CO_2 emissions to adopt the GHG Protocol.

The main changes are as follows:

- direct emissions are now only recorded for premises operated by OVHcloud;
- indirect emissions linked to energy activities – emissions occurring upstream of the energy production life cycle, such as emissions linked to the transmission and the distribution of energy ("Transmission & Distribution"), or to mining, extraction, refining and construction ("Well to Tank") – are now included in scope 3;
- indirect emissions linked to energy consumption at sites that are not billed directly are now included in scope 3;
- emissions linked to the manufacture of IT servers are no longer accounted for based on installed units depreciated over five years, but on the basis of the annual flow of computer components purchased.

In addition, certain items not previously taken into account are now included, in particular:

- emissions resulting from the life cycle of the physical network (backbone);
- emissions from network equipment in datacenters.

A pivot calculation was carried out, updating the 2022 footprint to include the above-mentioned changes.

Carbon footprint, *in ktCO$_2$e*	FY2019	FY2020	FY2021	FY2022	FY2023
Emissions calculated using the Bilan Carbone methodology	107	130	142	164	-
Emissions calculated using the GHG Protocol methodology	-	-	-	154	131

Changes in the structure of emissions are detailed in the table below.

Financial year, *in ktCO$_2$e*	Scope 1	Scope 2	Scope 3	Total
FY2022 – Bilan Carbone methodology	2	72	90	164
FY2022 – GHG Protocol methodology	1	49	104	154
FY2023 – GHG Protocol methodology	1	59	71	131

The change in scope 2 between 2022 and 2023 according to the GHG Protocol is due to:

- an increase in electricity consumption driven by growth in the number of servers in datacenters;
- changes in the emission factors of the national/regional electricity mix (increase in France and Germany, stagnation in Quebec, decrease elsewhere).

The change in scope 3 between 2022 and 2023 according to the GHG protocol is due to:

- the reduction in purchases of new IT components in 2023;
- the reduction in air cargo in 2023;
- the inclusion of emissions resulting from the life cycle of the physical network (backbone);
- the increase in the proportion of remote working or soft mobility within the company;
- the increase in upstream emissions linked to the supply of electricity.

FULL 2023 CARBON FOOTPRINT

GHG category no.	GHG category name	Proportion (%)
1.1	Direct emissions from stationary combustion sources	0.4%
1.2	Direct emissions from mobile combustion sources	0.1%
1.3	Direct emissions from physical or chemical processes	0.0%
1.4	Direct fugitive emissions	0.3%
	Scope 1	**0.8%**
2.1	Indirect emissions from electricity consumption	44.7%
2.2	Indirect emissions linked to the consumption of steam, heat or cooling	0.0%
	Scope 2	**44.7%**
3.1	Purchased goods and services	0.7%
3.2	Capital goods	26.4%
3.3	Fuel and energy-related activities	10.3%
3.4	Upstream transportation and distribution	2.0%
3.5	Waste generated in operations	0.4%
3.6	Business travel	0.9%
3.7	Employee commuting	1.6%
3.8	Upstream leased assets	12.3%
3.9	Downstream transportation and distribution	0.0% (included with 3.4)
3.10	Processing of sold products	0.0%
3.11	Use of sold products	0.0%
3.12	End-of-life treatment of sold products	0.0%
3.13	Downstream leased assets	0.0%
3.14	Franchises	0.0%
3.15	Investments	0.0%
3.16	Other indirect emissions	0.0%
	Scope 3	**54.5%**

3.2.2.3 Environmental roadmap

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

To achieve this, a number of actions have been implemented or are under consideration.

- Scope 1
  - Reducing the quantity of refrigerants installed, expressed in GWP (global warming potential), by installing more watercooling systems in addition to those in the server rooms (energy rooms, network equipment) or by using more environmentally friendly HFC (hydrofluorocarbon) fluids.
  - Recovering wasted heat which will eliminate the need for a fossil fuel boiler to heat the offices of the Limburg datacenter.
  - Gradually replacing domestic heating oil (derived from fossil fuels) with HVO (hydrotreated vegetable oil) derived from biomass residues.
- Scope 2
  - Implementing a programme to reduce energy consumption (through more efficient cooling systems, the elimination of waste and rationalisation of virtualised infrastructures), leading to full-year energy savings of 5.2 GWh in 2023.
  - Implementing the Energy Performance Plan with the French Regional Department for the Environment, Planning and Housing (*Direction Régionale de l'Environnement, de l'Aménagement et du Logement* – DREAL) at the Gravelines site.
  - Increasing the proportion of renewable energies in the Group's energy purchases.

OVHcloud is also continuing to innovate in the integrated design of its servers and associated cooling systems. Consequently, cooling systems that are more efficient in terms of energy and water consumption are now being deployed (4^{th} generation watercooling), while the 5^{th} generation is in preparation.

The second time horizon of the Group's Net Zero trajectory is in 2030, the year in which OVHcloud undertakes to contribute to global Net Zero on all three scopes, and on scope 3 in particular as scope 3 represents the majority of its carbon footprint (55% in the 2023 financial year).

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

As a result, the rationalised choice of modes of transport led to a significant reduction in the Company's carbon footprint in 2023.

The other scope 3 items are also impacted: circularity applied to buildings, with the reuse of existing buildings (see above) rather than the construction of new datacenters, Green IT initiatives and work on employee mobility. In terms of Green IT, a number of actions were taken during the 2023 financial year, including improving calls for tender with the systematic inclusion of environmental criteria to select IT suppliers, the introduction of a Cleaning Day to extend the lifespan of computers by six months, and actions to raise employee awareness (Green IT week).

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

One of the areas of work that will significantly improve this indicator in the coming years is the optimisation of OVHcloud's energy mix. The Group relies, among other things, on Corporate Power Purchase Agreements (CPPA). At the end of 2021, OVHcloud and EDF Renouvelables signed their first renewable power purchase agreement covering the supply, for a minimum of 15 years, of the electricity production of a future French solar power plant to be built, owned and operated by EDF Renouvelables. A second ten-year CPPA was signed in Germany in 2023 providing for the supply of solar energy from 2025. The Group still aims to cover 100% of its energy needs in Germany and Poland with renewable energies.

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

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

OVHcloud has drawn up a roadmap to formalise its environmental strategy targets, which is summarised in the tables below:

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

Energy management	Reduce energy consumption	• Disconnect unused servers in datacenters • Disconnect unused equipment from the electrical supply chain
	Optimise energy efficiency	• Optimise the performance of electrical systems by introducing more efficient elements (transformers, inverters and bus ducts)
	Optimise cooling systems	• Increase the controlled ambient temperature in electrical rooms, battery rooms and network rooms
		• Carry out innovation projects on patented cooling systems (new heat exchangers, new horizontal bays and associated watercooling module, immersive cooling in a dielectric liquid)
	Implement the Energy Performance Plan with the Regional Environment, Development and Housing Department (DREAL) at the Gravelines site	
Server eco-design	Optimise server performance with the introduction of more efficient power supplies	
Carbon offsetting projects in collaboration with Terraterre: implementation of low carbon projects as defined under Decree no. 2018-1043 and French government order of 28 November 2018 in the agricultural sector. The agreement applies to projects on eight farms in France to achieve a 1,848 tCO_2eq. reduction.		

Contributing to global Net Zero across all scopes by 2030

Circular economy	• Optimise the lifespan of a component without compromising on performance • Renovate existing buildings to build new datacenters • Recycle packaging (foams, for example) • Monitor products sold to brokers to ensure an environmentally friendly second life
Sustainable supply chain	• Encourage suppliers to improve the carbon footprint of components (supplier code of conduct commitment): measure the carbon footprint of components • Encourage suppliers to improve the carbon footprint of packaging: participate in packaging reduction projects
Freight	• Optimise logistics through partial loads • Select truck suppliers based on GHG emissions • Limit Croix-Canada flights through supply chain optimisation • Take the carbon impact into account in the arbitration of emergency air cargo
Green IT	• Include environmental criteria in calls for tenders • Extend the lifespan of equipment • Implement environmentally friendly software management
Sustainability at work	• Limit flights for business travel when rail travel is possible • Encourage soft mobility (cycling, public transport), car-pooling and eventually electric/hybrid vehicles

100% low-carbon energy by 2025

Renewable energies	• Cover the energy consumption of Germany and Poland with CPPAs[1], then extend to other countries

(1) Corporate Power Purchase Agreements.

Zero waste to landfill by 2025*

Circular economy	• Contribute to eco-system projects: reuse, upcycling, CEDaCI (Circular Economy for the Data Centre Industry)[1] • Implement the principle of zero waste internally: track all waste on site to ensure zero waste to landfill
Sustainable supply chain	• Ensure compliance with the contractual commitment by partners of zero waste to landfill

** On a constant geographical scope basis for waste from OVHcloud processes, i.e., on the basis of the geographical scope of the 2022 financial year, the year in which the CSR approach was structured.*

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

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

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

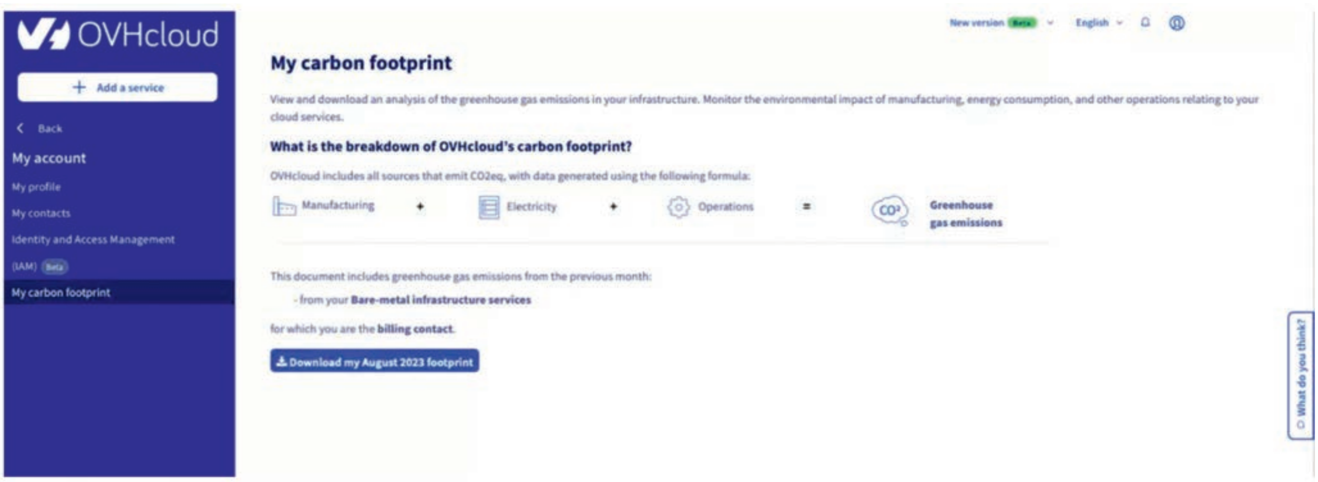
3.2.3.1 Environmental labelling, a lever for transforming uses

Environmental labelling is a powerful tool for users to understand the impact of the products and services they consume. OVHcloud has developed a "carbon calculator" to give customers a better understanding of their cloud infrastructure's carbon footprint and help them with their environmental transition and consumption choices. This tool is the result of a rigorous design process that involved eight months of developing a reliable, robust and exhaustive methodology, as well as six months of IT development. The methodology, which was audited and certified by an independent consulting firm specialising in sustainable IT, is based on the principles of Life Cycle Analysis (LCA), reference databases for environmental impact factors, such as the ADEME Base IMPACTS® 3.0, and the first recommendations of ADEME's Product Category Rules for digital services. To enhance the reliability of its solutions' environmental labelling, OVHcloud has worked in collaboration with its main suppliers (see Section 3.2.2.3 of this Universal Registration Document) to improve its knowledge about the carbon footprint of their activities. The Group now has more precise data on the supply of access to energy and a significant proportion of its components.

OVHcloud launched the first version of its carbon calculator in July 2023 for the Bare Metal range, which estimated the carbon impact of more than 300,000 servers. It will be made available to Hosted Private Cloud customers in the first quarter of 2024 and for all Public Cloud products in the second half of 2024. Barely three months after it was made available to customers, OVHcloud's carbon calculator was awarded the Green Trophy at The Big Green forum, an event dedicated to CSR held in Deauville in 2023. The award recognises the technical sophistication of the calculator's methodology and its comprehensiveness. OVHcloud is the first company to provide such comprehensive environmental information to its customers.

Accessible to customers directly from their OVHcloud space, the tool integrates the estimated power consumption of servers based on the monitoring of OVHcloud datacenters. It then maps them to their carbon emissions equivalent, taking into account cooling and network systems as well as transport, manufacturing, end-of-life and waste management, to provide a complete picture of the current carbon footprint. The results for cloud usage, which each user can download, are broken down into three emission categories:

- the manufacturing phase: upstream greenhouse gas emissions linked to the purchase and assembly of components;
- the use phase: electricity-related emissions;
- ancillary emissions: other indirect emissions such as freight and the impact of employees – known as "operations".



OVHcloud's approach could have a two-fold ripple effect by establishing best practices in the supply chain.

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

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

- participated in a round table discussion on industrial innovation for a sustainable cloud at Cloud Expo Paris (France) in November 2022;
- actively participated in the GreenTech Forum (France) in December 2022 through workshops and round tables such as "How can you automate the measurement of your organisation's environmental footprint? (Priorities, inventory, tools, method)";
- hosted a webinar, "Be sustainable without destroying your bottom line!" (UK), in March 2023;
- organised a wide-reaching communication and awareness campaign to mark the 20th anniversary of its watercooling technology in spring 2023;
- contributed, alongside French datacenter operators, to the development of a decarbonisation roadmap for the sector in France. OVHcloud will continue this work to confirm operators' commitment to reducing the cloud's environmental footprint;
- took part in the France Datacenter Connect event to highlight the challenges facing datacenter operators, present the Group's business model and discuss best practice with other operators (Equinix, Data4, etc.).

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

- a four-year research partnership started in 2021 with Inria to improve how the environmental impact of the Group's infrastructures are assessed (research thesis conducted in the OVHcloud experimental datacenter, with the aim of modifying the hPUE and vPUE) and suggesting best practices for end users to reduce their environmental footprint;
- a co-development project with Davidson Consulting, Inria and Orange of the DISTILLER research programme, launched in March 2022 and aimed at reducing the environmental impact of cloud applications. At the end of this three-year project, the DISTILLER recommendation system will be able to provide all the indications necessary for the design, production and configuration of more sustainable cloud applications to Product Owners, engineers and developers, while taking all the constraints specific to this type of project into account (performance, flexibility, confidentiality). To achieve this ambitious target, DISTILLER plans to study cloud-native applications and their configuration in order to extract all the existing variations to analytically set out, based on the measurements in production, a sustainability indicator on which the recommendations system for sustainable software components will be based;
- contribution as "Cloud Provider" representative to the NZI4IT (Net Zero Initiative for IT) dimension of the Net Zero Initiative project developed by Carbone 4, which seeks to estimate the emissions avoided in the digital sector.

OVHcloud also demonstrates its commitment through its involvement in a number of trade associations bringing together other cloud providers. This is the case in France with its involvement in France Datacenter and Numeum, in Germany with Bitkom, in the UK with TechUK and at the European level via the Climate Neutral Data Centre Pact, of which the Group is a signatory and founding member (2021).

In keeping with this collective action, OVHcloud is also working alongside public authorities around the world to share its expertise on ways to reduce the environmental footprint of datacenters. In particular, the Group responds to requests from regulatory authorities and those involved in drawing up public policies to explain its model at meetings and site visits. These actions fall within the framework of regulations currently being drawn up, such as the revision of the EU Energy Efficiency Directive.

3.3 COLLECTIVELY ADVANCING THE CLOUD FOR THE BENEFIT OF SOCIETY

At OVHcloud, everything starts with people. Men and women are the Company's best assets: it is their talent that ensures its success. “Working together” is one of the Group's fundamental values. This collective aspect is extended to its ecosystem, and in the desire to see the European cloud segment progress. Aware of its impact and its responsibility, OVHcloud intends to make digital technology a driver for socio-economic development.

3.3.1 Collectively attracting and developing talent within a diverse and inclusive company

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

At 31 August	2021	2022	2023
Total headcount	**2,435**	**2,791**	**2,880**
BREAKDOWN OF HEADCOUNT BY GEOGRAPHICAL AREA			
France	1,682	1,959	2,021
Europe (other than France), Middle East and Africa	325	344	359
North America	350	402	407
Asia Pacific	78	86	93
BREAKDOWN OF HEADCOUNT BY TYPE OF EMPLOYMENT CONTRACT			
Permanent contracts	2,377	2,727	2,829
Fixed-term contracts	58	64	51
Percentage of employees with permanent contracts	97.6%	97.7%	98.2%
BREAKDOWN OF HEADCOUNT[(2)] BY SOCIO-PROFESSIONAL CATEGORY			
Engineers and managers	1,046	1,304	1,396
Technicians	254	255	240
Workers	382	400	385
Total	1,682	1,959	2,021
EMPLOYMENT			
Number of terminations of permanent contracts	314	474	376
Number of voluntary departures (including resignations)	253	380	288
Number of hires	561	661	523
Voluntary departure rate	11.0%	14.6%	10.2%
Loyalty rate	77%	79%	79%
Engagement score	7.3	7.5	7.2

(1) Headcount excluding temporary staff and trainees.

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

During the 2023 financial year, competition for talent continued despite a less favourable macroeconomic environment. In this context, attracting and developing new skills remains a strategic priority for OVHcloud. The Group recruited 523 people, resulting in a net increase in headcount of over 3% in the 2023 financial year and over 18% in the last two financial years.

In addition to recruitment, talent retention is a second key issue in order to capitalise on knowledge and enable the overall skills development of the teams. The benchmark performance indicator for monitoring talent retention is the **loyalty rate**, which measures the rate of employees present in the Group one year after their arrival. This rate was maintained at 79% in 2023, close to the Group's target of 80%.

The Group also monitors the rate of voluntary departures, which measures staff turnover. In 2023, the staff turnover rate was 10%, in line with OVHcloud's objective of maintaining a voluntary departure rate of 15% or less, and an improvement of 4 points compared with 2022. In addition, the average length of service for voluntary departures stabilised at 3.6 years in the 2023 financial year.

Lastly, OVHcloud regularly measures the level of engagement of its employees based on the results of internal surveys conducted each year via a survey software (Peakon). The engagement scores for the 2023 financial year were 7.7 in the December survey and 7.2 in the June survey, representing an average of 7.45 for the year as a whole. The participation rates were 84% and 87%, respectively, further testifying to the level of employee implication. The employee **engagement score** is a key performance indicator that was included in the annual variable compensation of executive corporate officers (for 15%) and members of the Executive Committee (for 9%) in 2023.

3.3.1.1 Passion and commitment at the heart of the corporate culture

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

- **Trust**: trust commits OVHcloud to its ecosystem and enables its employees to express their talent.
- **Working together**: OVHcloud has a profound belief that individual success only serves collective success. The collective dimension is essential for exploring and building the cloud of tomorrow and to achieve this, each person is important and makes a contribution at their own level.
- **Passion**: the passion for technology and adventure is essential at OVHcloud, it promotes innovation and surpassing oneself.
- **Disruption**: OVHcloud is constantly seeking to simplify its processes and organisations in order to be more efficient and reduce costs. Thinking differently is encouraged by the Group to create ever more value for customers and the ecosystem.
- **Responsibility**: OVHcloud takes its responsibilities seriously. The Group is aware that each innovation can be positive or negative depending on how it is used.

3.3.1.2 Building a working environment conducive to talent development

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

An employer brand based on four pillars

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

1. **"At OVHcloud, everything starts with people"**: people are at the heart of the Group's DNA, which is why OVHcloud has developed services and benefits to improve the quality of life at work for all. From concierge services to company daycare, from contracted remote working to collaborative spaces, everything is done to ensure that everyone finds their place, at their own pace and in accordance with their values.
2. **"Innovate in total freedom"**: an OVHcloud expert is one who has acquired cutting-edge skills while maintaining the desire to explore, break new ground and innovate. OVHcloud recruits passionate and exciting people who want to do and share. Designing the cloud of tomorrow is a question of disruption. To this end, the Group needs everyone's input.
3. **"Growing and fulfilling"**: moving in step with technology and thinking outside the box is what characterises OVHcloud. Change position or profession, there is no ready-made trajectory at OVHcloud. The aim is to offer everyone the opportunity to take an interest in a new field, to extend their skills and think about their new expertise through the prism of their experience.
4. **"Building the world of tomorrow together"**: as a major cloud player, the Group believes we all have a role to play in the industrial transformation of the sector, and more broadly in the changes impacting our world. Providing an open, sustainable and people-centric cloud means working hand in hand for collective progress.

The new Career site, the first version of which was uploaded in 2022 with a new version planned for 2024, showcases and promotes the OVHcloud employer brand. During the 2023 financial year, the Group took part in around 40 employer brand events as well as school events and employment forums.

Continuous investment in skills development

Training – Key figures

	2021	2022	2023
Employee training rate	66%	73%	68%
Number of training hours per employee (*h/pers*)	25	27	28
PERCENTAGE PER TYPE OF TRAINING			
Technical	60%	54%	57%
EHS	4%	14%	13%
Management	11%	9%	12%
Language	13%	17%	14%
Other	12%	6%	3%

Aware of the importance of cultivating its human capital, OVHcloud trained 68% of its workforce in 2023. Although the training rate was down on the previous year, it remains close to the Group's structural objective of training at least 70% of its employees each year. More than 1,900 employees attended at least one training course in the 2023 financial year, a volume stable year on year.

The training initiatives rolled out in 2023 focused on business issues (support for sales, customer relations and marketing teams, strengthening of security skills to meet the company's operational challenges), whereas 2022 was marked by a large number of training sessions on product launches and the deployment of internal tools.

OVHcloud aims to be a learning organisation, promoting employee skills development. In keeping with this goal, the Group continues to invest in the following areas in particular, which are considered essential to achieving its strategic ambitions:

- **operational excellence**, to optimise execution efficiency by developing skills in project management methods, with a strong focus on agility. More than 300 employees have been trained in agility, from awareness of the Safe framework to the roles of product owner and scrum master;
- **management**, based on an ambitious programme aimed at all managers and tailored to their level of management experience. The aim is to train all new managers, 70% of middle managers and 100% of advanced managers in two years. This programme is accompanied by in-depth work on the OVHcloud leadership model;
- **business and technology skills**, through various programmes aimed (i) at sales teams, in order to serve OVHcloud's growth objectives and consolidate the customer-oriented culture, and (ii) at technical teams, with a view to developing OVHcloud solutions and strengthening employee expertise. Under this scheme, employees can have their skills certified. Product and technology courses accounted for 39% of all training received in FY2023;
- **language** courses, to support OVHcloud's international positioning. In FY2023, 15% of all training was in English.

To support its training policy and reinforce its role as a learning organisation, OVHcloud has made a major change to its Learning Management System (LMS) and now has a dedicated skills development solution to speed up the roll-out of training initiatives.

OVHcloud's ambition is also to strengthen its partners' expertise in its solutions through certification training courses available to members of the Partners programme, depending on their partnership level. More than 1,000 certifications were delivered in 2023.

In order to welcome new employees, OVHcloud has also introduced a systematic onboarding week during which they have the opportunity to discover the Group in all its dimensions. It obtained a satisfaction rate of 4.58/5. Using the onboarding tool, the Group has set up 19 different induction programmes based on the profile and location of the new joiner to ensure they have everything they need for a successful integration.

Workplace health, safety and well-being as a top priority

Workplace safety – Key figures

	2021	2022	2023
Number of accidents with lost time	27	23	21
Number of accidents without lost time	27	14(1)	17
Frequency rate (with lost time) FR1(2)	7.04	5.39	4.73
Frequency rate (with or without lost time) FR2(2)	14.09	8.68(1)	8.55

(1) Revised to include a declaration of accident without subsequent lost time.

(2) Number of work-related accidents per million hours worked.

Safety at work is a central priority for OVHcloud and is a key performance indicator of the CSR policy. During the 2023 financial year, the total number of accidents remained relatively stable, reflecting a continued decline in the number of accidents with lost time and an increase in the number of accidents without lost time, which nevertheless remained below the 2021 level. Based on a slight increase in the number of hours worked, the corresponding accident frequency rates, with and without lost time, show an improvement compared with 2022.

In order to promote the prevention of health and safety risks, the Group has defined a policy based on three key targets:

- minimising work-related accidents;
- complying with legal health, safety and environment (HSE) requirements and other requirements applicable in all countries;
- implementing all satisfactory measures to protect the health and physical integrity of the Group's employees, customers and local communities and protecting the environment.

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

- involving the entire management line in the commitment to its health, risk prevention and environment policy;
- empowering all employees to maintain a healthy and safe workplace;
- developing a culture of professionalism, discipline and respect for the rules among all employees;
- ensuring the deployment of the "Be Smart, Be Safe!" Health and Safety Programme.

OVHcloud has defined ten golden rules in terms of safety as part of its #StaySafe approach. The ten golden rules deal with:

- work permits;
- shared vigilance and cooperation;
- the working environment;
- fire prevention and evacuation;
- pedestrian traffic;
- movement of machines;
- personal and collective protective equipment;
- work at a height;
- energy and reporting;
- movements and postures.

The #StaySafe approach is a mindset to be adopted in order to identify and avoid dangers. It follows four steps:

- **S**urvey the work environment and identify hazards;
- **A**nalyse the consequences of hazards and anticipate the necessary individual and/or collective protection measures;
- **F**oster reliability by implementing prevention measures with the help of the health and safety department, contractors and managers;
- **E**xecute the work once all the safety conditions have been met.

During the 2023 financial year, in order to strengthen its safety culture, the Group continued its efforts to train technical teams. Training of on-site managers was finalised and the training module for all technicians was approved for roll out in 2024. One to three safety champions were also appointed at each site among volunteers, to liaise with the technical teams to improve the safety culture. Lastly, the Group organised internal awareness-raising events such as World Safety Week, which is held each year at all OVHcloud sites and to which all employees and permanent employees are invited. In 2023, World Safety Week took place from 2 to 12 May and focused on a number of topics, with workshops and conferences open to all employees:

- electrical risk;
- movements and postures risk;
- concurrent work risks;
- the risk of cuts;
- psychosocial risks;
- road-related risk.

OVHcloud is committed to employee **health**, with a focus on prevention:

- since 2016, the Roubaix site has had a dedicated medical centre with various health professionals (an osteopath, dietitian, physiotherapist, optician, etc.) available to employees;
- awareness-raising conferences led by health specialists and open to all employees are regularly organised on various subjects. For example, as part of Pink October, breast cancer prevention month, a breast and cervical cancer awareness conference was held;
- following on from the RPS programme resulting from the psychosocial risk survey carried out in 2019, OVHcloud launched a new RPS diagnostic programme which will take place over the first half of the 2024 financial year. Building on what was achieved during the previous campaign, the Group wants to go further by adopting a business approach to estimate the six psychosocial risks. The aim is twofold: to identify the psychosocial risks faced by employees and to define and roll out preventive measures to mitigate them. The first evaluation phase began in September 2023, based on the scientifically-approved online COpenhagen PsychoSOcial Questionnaire (COPSOQ) administered by an external expert. This was followed by workshops with employees to identify the jobs (grouped into work units) most at risk, and then with managers and relevant HR partners to define preventive measures to mitigate the risks.

The Group also implements different measures:

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

To promote quality of life at work, OVHcloud actively offers parenthood initiatives. The Group provides support to parents by helping them find crèches and leisure centres. In addition to the crèche located at the company's premises in Roubaix for the past decade, OVHcloud has entered into a nationwide partnership with Babilou. A portal providing parenthood support has also been set up for employees, offering experience-sharing, conferences and parenting services. Lastly, the Group held five parenting workshops for its employees in 2022, covering the following topics: managing emotions in children and teenagers, self-confidence, authoritative parenting and parenting styles, early childhood, stress and the mental load. During the 2023 financial year, four workshops were held on children (and adults) with special needs: high intellectual potential (HIP), sensory processing sensitivity, attention deficit disorder, autism spectrum disorder and learning difficulties.

A recognised human resources policy

The Group has received several awards in recognition of its efforts in recent years:

- the **Compensation & Benefits Trophy** awarded by the ORAS (1) club in December 2021 for the Group's employee well-being programme;
- **seventh place ranking among the best High-Tech** employers in France according to Capital magazine;
- the **gold prize** at the Human Capital Leaders' Victories on the quality of work life theme in May 2022;
- the **Wellbeing Leader Certificate** from the Polish Wellbeing Institute in 2021 and 2022, also in recognition of the Group's quality of life at work policy.

Further recognition received during the 2023 financial year included:

- for the third consecutive year, the **HappyIndex®Trainees & HappyIndex®Trainees Alternance 2022-2023 label**, which rewards companies that take care of their interns and apprentices;
- in France, a **Silver Victory** award from Human Capital Leaders' Victories in November 2022, in recognition of OVHcloud's C&B policy;
- in Germany, recognition as **Top Company** 2023 by Kununu for the second year running.

3.3.1.3 Providing a diverse and inclusive work environment

Diversity and inclusion – Performance indicators and key figures

	2021	2022	2023
BREAKDOWN OF HEADCOUNT BY GENDER			
Women	487	587	639
Men	1,948	2,204	2,240
Other	0	0	1
TOTAL	**2,435**	**2,791**	**2,880**
% of women in the total workforce	20%	21%	22%
% of women in management	18%	20%	23%
% of women on the Executive Committee	27%	25%	36%
BREAKDOWN OF HEADCOUNT* BY NATIONALITY			
French	-	68%	69%
American	-	6%	6%
Canadian	-	5%	5%
Polish	-	5%	4%
Other	-	16%	16%
BREAKDOWN OF HEADCOUNT* BY AGE GROUP			
Under 30	579	627	629
30 to 50	1,744	1,994	2,054
Over 50	112	170	197
TOTAL	**2,435**	**2,791**	**2,880**

** Headcount excluding temporary staff and trainees.*

Convinced that everyone has a role to play in facing the biggest societal challenges of our time, OVHcloud wishes to support its employees in their life journey, so that everyone can grow and develop in a caring environment. In the same spirit, the Group is committed to combating all forms of discrimination and harassment by applying a zero-tolerance policy. OVHcloud provides a working environment that values differences, allowing everyone to fully express their talents. In 2023, OVHcloud structured its diversity and inclusion policy around various major events covering subjects such as neurodiversity, multiculturalism in the workplace, stereotypes and prejudice, racism, sexism and ageism.

1) Observatoire Rémunérations et Avantages Sociaux *(Compensation and Benefits Centre).*

- **Diversity** and collective intelligence are key drivers for innovating and achieving excellence. Globalisation of the teams is one component. In 2023, more than 60 nationalities were represented within the Group. The proportion of women in teams, which is a major issue for tech businesses, is a key priority and a performance indicator for the Group's CSR policy. A gender equality action plan is drawn up and reviewed regularly with employee representatives in France. The plan addresses the issues of recruitment, professional development, compensation and work-life balance. In recent years, the proportion of women in the Group's workforce has steadily increased. In 2023, the proportion of women in the total workforce increased by one point to reach 22%. The proportion of women in management improved by three points to 23%. The rate also improved for the Executive Committee during the 2023 financial year, reaching 36%. Within OVHcloud, an independent group initiative called "Women at OVHcloud" was launched during the 2023 financial year, supplementing the Company's actions in this area. A first lever for action concerns the low proportion of female students in the digital sector (less than 20%). The group is working to promote scientific subjects among female secondary school students, complementing the Group's initiatives in higher education in the digital sector. The second lever aims to build an internal network to facilitate the exchange of information and best practices.
- Facilitating access to employment for people with **disabilities** is a second important area of initiatives to promote diversity and inclusion. Among the actions implemented, the Group called on ergonomists and occupational therapists to adapt and set up workstations for people with disabilities, allocated service employment vouchers worth €350 per year to workers with disabilities and published its job offers on the AGEFIPH website [(1)]. In 2023, OVHcloud strengthened its collaboration with the association "*Le Mouton à 5 pattes*" by rolling out support systems for managers and career paths for atypical employees. To measure its level of progress compared to the requirements of the RGAA digital accessibility decree [(2)], OVHcloud carried out audits on two commercial sites and two production sites.
- Several events to raise the awareness of internal teams on diversity and inclusion issues were organised during the year, Notably, June 2023 was an opportunity to raise awareness on topics such as the inclusion of LGBTQIA+ [(3)] people in collaboration with the Pride in London association and to remind all employees that OVHcloud guarantees the right to respect the sexual orientations and identities of its employees and equal access to the rights and benefits granted by the Company in the context of marital status and parenthood. Awareness-raising sessions on women's rights were also organised, including a tribute to sociologist Sandrine Meyfret in May 2023.

In 2022, in collaboration with Gloria, a company specialising in the challenges of diversity and inclusion in the workplace, OVHcloud carried out an audit of its communication and practices, including recruitment, in order to detect any bias or discriminatory practices. This approach was accompanied by training on diversity in general, with a focus on unconscious bias for recruiters. In 2023, the Group opened this programme to all employees.

3.3.1.4 Maintaining quality social dialogue over time

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

In France, employee representation is organised within an economic and social unit (*unité économique et sociale*). The current Social and Economic Committee (SEC) members were elected in 2019. As their term of office is due to expire, professional elections will be held at the end of the 2023 calendar year. In addition, three union section representatives were appointed in 2023.

A Corporate Advisory Commission has also been set up in Tunisia. Professional elections will be held when the terms of office of the current members expire in April 2024. With regard to employee representation on management bodies, two directors representing employees were appointed to the Board of Directors in 2022.

3.3.1.5 Involving employees in the Company's results

Employee shareholding

For OVHcloud, "working together" also means involving employees as much as possible in Company's results. On the occasion of its IPO on Euronext Paris on 15 October 2021, the Group set up its first collective employee shareholding plan, open to more than 2,000 employees in France and abroad. 97.8% of eligible employees at that date became shareholders of OVHcloud (77.6% having invested voluntarily). In 2021, the Group was awarded the FAS Grand Prize [(4)], which showcases companies that develop the best practices in employee share ownership.

In 2022, the Group allowed all its employees to invest all or part of their share of the proceeds of the incentive plan in OVHcloud shares (via the FCPE mutual fund or directly depending on the country) and to benefit from a matching contribution from the Group, without increasing its capital. In all, 70% of eligible employees decided to take up this option (over 81% in France and over 41% internationally).

In 2023, 0.65% of the share capital was held by employees through the FCPE mutual fund.

Profit-sharing agreements

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

1) *French agency promoting the employment of disabled people (*Association de gestion du fonds pour l'insertion professionnelle des personnes handicapées*).*
2) *To facilitate the implementation of digital accessibility, in 2009, the French Digital Interministerial Department (*Direction interministérielle du Numérique – *DINUM) published the General Accessibility Improvement Framework (RGAA), created to implement Article 47 of the Disability Act of 2005 and its implementing decree updated in 2019. It is regularly subject to new versions and updates to adapt to changes on the Internet and changes in standards and regulations.*
3) *Lesbian, gay, bi, trans, queer, intersex, asexual, and all others.*
4) *French Federation of Employee Shareholder Associations (*Fédération française des associations d'actionnaires salariés et anciens salariés – *FAS).*

Global incentive plan

An incentive agreement was signed with the Social and Economic Committee in 2022, applicable until 2024. It concerns all employees at the global level with at least three months of seniority. The performance indicators used to calculate the share of profits attributable to eligible employees include, as in the previous plan, indicators relating to adjusted EBITDA and revenue growth, to which two CSR criteria are added: energy efficiency (via PUE or power usage effectiveness) and employee retention.

An amendment to this agreement was signed in 2023, making the indicators independent of each other and adjusting the allocation key used to differentiate between beneficiaries. Under the plan, profit is distributed on a pro rata basis according to the share of the country's payroll in the Group total; at the country level, profit is now distributed exclusively on a pro rata basis according to each employee's effective presence during the financial year.

Employee savings plans and similar plans

In France, the social and economic unit provides:

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

3.3.2 Collaborating and joining forces with stakeholders in the European cloud ecosystem

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

3.3.2.1 Developing an ecosystem of partners sharing the same values

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

The OVHcloud ecosystem is structured around three main programmes: the partner programme, the open trusted cloud programme and the startup programme.

- The **partner programme** brings together more than 1,300 partners across 72 countries. These partners are specialists who combine their expertise with OVHcloud infrastructure to create high value-added solutions and services for their own customers. The aim of the programme is to make tools and content available to these partners, enabling them to ramp up their OVHcloud technology skills while forging a special mutual relationship. Through this programme, OVHcloud has awarded more than 1,300 certifications to its partners, helping to boost their value proposition to end customers and accelerate their growth.
- **OVHcloud's ISV** (Independent Software Vendors) programme, known as open trusted cloud, brings together an ecosystem of software publishers to co-construct a software, SaaS and PaaS offering to meet the innovation, sustainability and sovereignty needs of tomorrow's industry. With a new value proposition, based on a collaborative approach and the three pillars of innovation, sustainability and sovereignty, the number of programme members has doubled in a year. The programme currently has 130 members in 13 countries, who offer their solutions on OVHcloud's open, reversible and reliable cloud.
- The **startup programme** brings together just over 1,000 active startups and scale ups, nearly two-thirds of which are international. Since May 2022, OVHcloud has offered mentoring support, available worldwide as part of this programme. OVHcloud employees therefore provide startups with their expertise and experience to help them develop their business. When entrepreneurs create a business, they focus on the essentials to ensure a successful startup and do not always have the time, the means or the skills to develop other aspects that may help them stand out from other businesses. The aim of the startup programme is to offer startups a choice of mentors who cover the different areas they would like to work on for their development: marketing, communication, social networks along with business strategies, artificial intelligence, server infrastructure, CSR, human resources and many other areas. Each startup receives six hours of personalised support on the chosen topic from their mentor over three months.

3.3.2.2 Collaborating with suppliers in a responsible purchasing approach

The supply chain and, more specifically, the purchasing department play an essential role in OVHcloud's CSR policy, which ensures that it is part of a responsible approach.

Risk mapping and supplier assessment

As part of the implementation of its CSR strategy, OVHcloud undertook a CSR risk mapping process related to purchases and a CSR assessment of a sample of targeted suppliers with an external service provider. This analysis was carried out on 41 purchasing categories identified as being the most exposed. The assessment is based on 13 criteria, including human rights and social conditions, health and safety at work, environmental approach, fair practices and business ethics. Based on this mapping, launched in 2021, OVHcloud identified strategic suppliers for which a responsible purchasing approach should be requested.

During the 2023 financial year, the Purchasing Department introduced an assessment process that includes CSR criteria in calls for tenders. Through this approach, areas for improvement can be identified upfront, and where appropriate, specific action plans can be drawn up in collaboration with the chosen supplier. Furthermore, the purchasing teams were informed about the CSR issues linked to their role by an external service provider, thereby enhancing their dialogue with suppliers on this subject.

In order to encourage best practices in its value chain, OVHcloud assesses its strategic suppliers each year based on seven criteria (safety, technology, quality, responsiveness, delivery, costs and the environment) and rewards the most deserving suppliers. For the 2023 financial year, 24 key suppliers were assessed and five of them were rewarded.

Suppliers committed to a responsible approach by applying the principles of the Supplier Code of Conduct

The Group has drawn up a Supplier Code of Conduct, whereby suppliers undertake to adopt a responsible and comprehensive approach to compliance issues. The code is based on the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization conventions. It covers the following topics:

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

OVHcloud asks new and referenced suppliers to sign the Code of Conduct. Other suppliers are encouraged to sign it and comply with its terms.

At 31 August 2023, OVHcloud had 2,394 active suppliers, 69% of which had signed the Supplier Code of Conduct [1], an improvement of nearly 4 percentage points compared with the 2022 financial year. In absolute terms, this represents 1,640 certified suppliers compared with 1,600 the previous year, an increase of almost 3%. This progress is the result of an active awareness-raising campaign conducted by OVHcloud among suppliers who had not yet signed the Code of Conduct, with a particular focus on strategic and potentially high-risk suppliers.

Mobilising the ecosystem to broaden understanding of the Group's carbon footprint

In 2023, OVHcloud decided to further mobilise its ecosystem and enhance the understanding of its activities' carbon footprint. To do this, the Purchasing Department, in collaboration with the Environment Department, organised regular meetings with suppliers to discuss the respective CSR ambitions of OVHcloud and its suppliers, particularly their environmental roadmap. This enabled OVHcloud to gather information from 22 hardware and hardware components suppliers about their CSR strategy and improve its knowledge about their activities' carbon footprint over the entire product life cycle. On this basis, OVHcloud can include data in the carbon calculator for its customers (see Section 3.2.3.1 of this Universal Registration Document).

Favouring local suppliers

Lastly, OVHcloud's responsible purchasing approach is reflected in its preference for local suppliers whenever possible. In particular, the Group can work with suppliers participating in the startup programme if the service they offer is relevant to its needs. This is the case for Moffi, for example, whose office reservation tool has been rolled out Group-wide.

3.3.2.3 Ethics and business conduct

A prerequisite: strict compliance with laws and regulations

Operating in a buoyant market that is open to the world, OVHcloud is constantly vigilant and makes a point of conducting its business in strict compliance with all applicable laws and regulations. As OVHcloud is a French group, it refers primarily – but not exclusively – to French compliance legislation. This represents a major advantage, due to the maturity and comprehensiveness of French ethics and compliance legislation.

Management bodies strongly committed to the Group's Compliance Programme

As the cornerstone of the Group's Compliance Programme, OVHcloud's management bodies have demonstrated their commitment to a Compliance Programme that lives up to the Group's ambitions and the requirements of its internal and external stakeholders, in particular by strengthening the team dedicated to the Programme.

The Group is also committed to using the best performing techniques and mechanisms to manage risk. It is also progressively installing tools and technologies that will enable it to monitor the fight against unethical behaviour more effectively. These tools contribute to several Compliance Programme pillars, particularly in terms of preventing and combating corruption and influence peddling, as well as in the context of complying with international sanctions. They are also tools that enable the Programme to be implemented on an operational, day-to-day basis.

Diagnosis and prevention mechanisms tailored to risks

The Group has determined its compliance priorities on the basis of the legal provisions that govern it, while taking into account its own specific characteristics and the risks inherent in its business environment.

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

By mapping the risk of corruption and influence peddling, the Group has obtained a precise overview of the risks to which it is exposed, and been able to determine actions and measures to mitigate and manage these risks, which form part of the Group's action plan.

Both Senior Management and the Group's Board of Directors and Audit Committee pay particular attention to compliance matters.

On an operational level, the compliance function, which covers ethics and compliance, is carried out by an in-house team under the responsibility of the Legal Officer in charge of Ethics and Compliance. Fortnightly reviews are organised with a member of the Group Executive Committee.

Firm principles: Group-wide code of ethics and zero-tolerance policy

The Group's compliance policy is set out in its code of ethics. It covers the main topics of the Compliance Programme and practices to guide internal stakeholders. In particular, it affirms the zero-tolerance principle as regards any form of corruption or influence peddling.

The Group strives to ensure that the ecosystem in which it operates complies with the same standards that it applies to itself. It is with this in mind that each supplier is asked to sign the supplier code of conduct (see above for more details). In addition to suppliers, the code is intended to apply to other Group stakeholders, such as partners, intermediaries and beneficiaries.

Procedures and mechanisms covering the Group's real and operational risks

As part of its compliance policy, the Group strives to formalise its compliance mechanisms and best practices by adopting or strengthening its internal procedures.

An empowering gifts and invitations policy

The Group has updated its policy on gifts and invitations in order to tighten control over one of the main risks of corruption and influence peddling. It will see the introduction of a monitoring and control system that is closer to employees, while strengthening the active role of management. This approach will make it possible to extend the principles of the compliance policy beyond the ethics and compliance team, by closely involving all employees.

A procedure for preventing and managing conflicts of interest

With its position as European cloud leader, the Group operates in a sector with a great deal of interaction and solid growth prospects in a large number of sectors. This situation can lead to conflicts of interest. As a result, the Group has introduced a procedure for reporting situations of conflict or non-conflict of interest. It was drawn up as part of a new policy that will apply to all internal stakeholders. Particular attention has been paid to certain categories of people who are considered to be more exposed to risks due to the nature of their duties and functions.

Ethics and compliance training and awareness-raising in our ecosystem

Employee training and awareness-raising

The training taken by all Group employees (regardless of position or level of responsibility), along with the Ethics Charter, represent the first two points of contact that employees have with the Compliance Programme. The Group presents a compulsory e-learning module during the onboarding weeks for new employees. They then have six months to follow and validate the module by completing the questionnaire. It must be followed every three years.

The topics covered by the training include the main points of the Compliance Programme, such as the fight against corruption, fraud, influence peddling, international sanctions and compliance with competition law. The module is designed to take an upbeat, engaging approach to learning and is available in English and French.

The **validation rate** was **59% in the 2023 financial year**, with a slightly higher participation rate. This rate is rising steadily. For example, it stood at 63% at the time of publication of the annual results on 24 October 2023.

Awareness-raising among external stakeholders: suppliers and partners

The Group also strives to raise awareness among its external stakeholders: suppliers, intermediaries and partners. The preferred method is the compulsory signing of the Supplier Code of Conduct, as well as the inclusion of compliance clauses in contracts with third parties. The compliance teams can also be contacted during the negotiation phases to inform potential new suppliers, partners and intermediaries, all over the world, about the Group's compliance requirements.

A whistleblowing system accessible to all for reporting breaches of the code of ethics

OVHcloud has set up a whistleblowing platform called "ROGER", an acronym for "Respect OVHcloud Guidelines & Ethical Rules", which allows users to report any fact or behaviour deemed illegal, unethical and/or dangerous.

From its inception, the Group's whistleblowing platform was designed to be open, respectful of confidentiality and accessible to both internal stakeholders (OVHcloud employees, external and temporary staff) and external stakeholders (suppliers, service providers, etc.).

All whistleblowing reports are forwarded to contact persons designated by the management body, who strictly respect whistleblower confidentiality. To protect the latter, incidents can be reported anonymously.

Furthermore, the system puts whistleblowers in touch with contact persons with different profiles, who are physically present at four of the Group's sites in France and internationally. The whistleblowing platform is available in the three languages most commonly spoken at OVHcloud: French, English and Polish.

Developing and maintaining ethical and responsible relationships with third parties

The Group has set up a system for assessing the integrity of its third parties in order to:

- comply with the legal provisions of the Sapin II Act of 9 December 2016;
- take into account the lessons learned from the corruption and influence peddling risk map that has been drawn up;
- avoid the risk of incurring international sanctions;
- avoid entering into relationships with third parties that do not adhere to the Group's standards.

These assessments are undertaken by OVHcloud to ensure the integrity of its third parties and that no regulations prohibit it from entering into relationships with them. They are carried out according to the risks that a relationship could represent, depending on the characteristics of each third party and on the basis of objective criteria such as the business sector, the countries involved, financial considerations, etc. The Group carries out its assessments at regular intervals that vary according to the degree of risk represented by each third party, so as to be able to incorporate any changes in their profile. In addition, the Group systematically asks its third parties to inform it of any changes that may occur within their organisation (change of beneficial owner, criminal conviction, change in compliance policy, etc.).

Compliance Programme monitoring, evaluation and updates

The compliance teams continually adapt the Compliance Programme to reflect the Group's reality, in particular via updates. For example, during the 2023 financial year, the e-learning module was changed to make key compliance functions in the organisation more easily identifiable.

Compliance with the rules of professional conduct, transparency and business ethics

Beyond corruption and influence peddling, the Group's compliance teams ensure that the general rules governing professional conduct, transparency and business ethics are followed.

- Particular attention has been paid in recent years to compliance with obligations relating to international sanctions, embargoes and export control regulations. The Group has therefore developed control mechanisms and rules while communicating best practices internally to prevent or identify any situation that might contravene the regulations that govern OVHcloud.
- Respect for human rights is the foundation of OVHcloud's ethics policy and is highlighted in the documents sent to internal and external stakeholders. Third-party assessment procedures are also undertaken with this in mind, in order to prevent and avoid any behaviour or practice that would be contrary to fundamental rights.
- The Group comes into contact with public decision-makers and officials of different ranks for various reasons. It strives to be as transparent as possible in its dealings with public authorities, particularly in France and Europe, and complies with all laws and regulations on interest representation.

3.3.3 Promoting local presence and societal commitment

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

3.3.3.1 Promoting digital inclusion

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

- accessibility of tech to women;
- professional inclusion of disadvantaged people.

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

Operating in two segments (industry and digital) in which men are over-represented, OVHcloud works on a daily basis to promote the representation of women. For example, the Group works in schools to promote careers in tech among young women. It also supports associations such as Force Femmes to facilitate access to employment for women in this segment and to enable women in priority neighbourhoods to learn digital skills. The Group has also partnered with 50inTech [(1)], an online community connecting female talent with companies and promoting female-led entrepreneurship. 50inTech showcases OVHcloud as an inclusive company for women because of its gender score, supports the Group in its approach to attract female talent and promotes OVHcloud's women employees.

The Group also works on professional integration through digital technology, in particular through training and integration initiatives for people who have difficulty finding employment, through skills sponsorship. Alongside the association APF France handicap and the *Maraudes Numériques* programme, which combines video games and support for the skills needed in today's job market, OVHcloud trains interns through *Plombiers du numérique* (digital plumbers) [(2)], a project for the professional integration of unskilled young people. OVHcloud welcomed the first cohort to its Roubaix datacenter in 2020.

The Group also works with Rocket School, a free school that recruits on the basis of personality (without qualification requirements), has been training in commerce and digital marketing since 2018, and has had an office in Lille since 2021. As part of this partnership, OVHcloud welcomes work-study students who may be hired in the long term. During the 2023 financial year, OVHcloud welcomed two work-study students from Rocket School, one of whom was recruited.

Lastly, on the issue of the integration of people with disabilities, OVHcloud collaborates with associations, including APF France handicap, *Mouton à 5 pattes*, which works for the professional integration of young people with autism and Compethance, an adapted digital services company.

3.3.3.2 Local presence and socio-economic impact

Created in Roubaix in 1999, OVHcloud quickly grew internationally and has developed a global footprint with 37 datacenters currently spread over four continents. Geographical expansion is one of the central pillars of the Group's growth strategy.

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

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

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

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

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

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

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

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

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

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

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

General context

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

The section below presents, as a non-financial parent company, the share of the Group's revenue (turnover), capital expenditure (capex) and operating expenses (opex) for the 2023 financial year, associated with economic activities eligible for the Taxonomy and linked to the first two environmental targets (mitigation of climate change and adaptation to climate change), in accordance with Article 8 of the Taxonomy Regulation and Article 10 (2) of the Delegated Act supplementing Article 8 of the Taxonomy Regulation.

Summary of European Taxonomy indicators

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

The eligible shares of the three financial indicators required by the text – revenue, capex and opex – are presented below on the basis of consolidated IFRS data for the financial year ended 31 August 2023.

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

At 31 August 2023.	**Total** *(in millions of euros)*	**Proportion of economic activities eligible for the Taxonomy** *(as a %)*	**Proportion of economic activities not eligible for the Taxonomy** *(as a %)*	**Proportion of economic activities aligned with the Taxonomy** *(as a %)*
Revenue	897.3	**88.0**	12.0	**64.0**
Capital expenditure (capex)	467.0	**99.0**	1.0	**40.0**
Operating expenses (opex)	118.0	**88.0**	12.0	**49.0**

Determination of OVHcloud's economic activities eligible for the European Taxonomy

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

The Group's eligible economic activities have been analysed on the basis of OVHcloud's service offerings (as detailed in Chapter 1 of this Universal Registration Document) and have been assigned to the following economic activities, in accordance with Annexes I and II of the Delegated Act relating to the climate aspect of the Taxonomy.

The table below indicates for which environmental target the activities are considered eligible:

TABLE 2 – ECONOMIC ACTIVITIES ELIGIBLE FOR THE TAXONOMY

Eligible economic activity (section, name)	Description	Climate change mitigation	Climate change adaptation
8.1 Data processing, hosting and related activities	Storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through datacenters, including edge computing.	✓	

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

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

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

Determination of OVHcloud's economic activities aligned with the European Taxonomy

Unlike eligibility, which is solely based on the description of the activities, alignment takes into account the substantial contribution criteria, the "do no significant harm" principle and the minimum safeguards.

With regard to Activity 8.1 – Data processing, hosting and related activities, the Group has analysed its alignment with objective 1 – climate change mitigation.

Substantial contribution criteria

The Group has analysed the three cumulative substantial contribution criteria for Activity 8.1 – Data processing, hosting and related activities with respect to the mitigation objective as follows:

Substantial contribution criterion for Activity 8.1	OVHcloud analysis
1. The activity has implemented all relevant practices listed as "expected practices" in the most recent version of the European Code of Conduct on Data Centre Energy Efficiency. The implementation of those practices is verified by an independent third party and audited at least every three years.	• OVHcloud has commissioned an independent third party to audit its practices in accordance with the Assessment Framework for datacenters in the Context of Activity 8.1 in the Taxonomy Climate Delegated Act published in 2023 by the European Commission. • These audits covered six European sites representing 74% of the servers delivered by the Group (hereinafter referred to as "alignable datacenters"). In carrying out its audit, the independent third party did not identify any divergences from the Code of Conduct best practices. • As the Code of Conduct is in the process of being implemented in the other datacenters (mainly outside France and Europe), they have not been reviewed by an independent third party and are considered to be non-aligned.
2. Where an expected practice is not considered relevant due to physical, logistical, planning or other constraints, an explanation of why the expected practice is not applicable or practical is provided. Alternative best practices from the European Code of Conduct on Data Centre Energy Efficiency or other equivalent sources may be identified as direct replacements if they result in similar energy savings.	• The practices deemed not relevant were reviewed by the independent third party, whose work also covered the justification for practices not relevant to OVHcloud.
3. The global warming potential (GWP) of refrigerants used in the datacenter cooling system does not exceed 675.	• OVHcloud cools most of its servers using its proprietary watercooling technology. The GWP of water is 0. • The Group also uses refrigerant cooling systems to a limited extent. • Only the proportion relating to watercooling is considered to be aligned. • The Group calculated an allocation key by dividing the energy consumption of its IT watercooling systems by total IT energy consumption.

Do no significant harm ("DNSH")

In order to validate the alignment of its datacenters with Activity 8.1 of the climate change mitigation objective, OVHcloud then ensured compliance with the DNSH criteria for all its datacenters meeting the substantial contribution criteria (see details above):

Target	OVHcloud analysis
DNSH 2 Climate change adaptation	• OVHcloud has carried out an analysis of the physical climate risks for each of its sites that includes datacenters meeting the substantial contribution criteria as detailed in the previous section. • Water stress and heavy rainfall at certain sites are the only significant climate risks that emerged. The Group has ensured that adaptation measures are already in place or that adaptation plans covering these climate risks have been implemented at the sites concerned.
DNSH 3 Sustainable use and protection of water and marine resources	• OVHcloud has been innovating industrially for 20 years with a view to achieving resource efficiency. The Group places the optimisation of water management at the heart of its strategy, taking particular care to preserve this natural resource. • Its water management plan is presented in Section 3.2.1.2 – Innovating with a view to achieving resource efficiency. • The Group pays constant attention to water preservation both in terms of consumption (as shown by the low level of WUE) and integrity. The physico-chemical state of the water used for its activities (pH, hardness, purity, absence of micro-organisms) is maintained over time and has no material impact on the receiving environment (soil, groundwater) or on downstream water treatment facilities.
DNSH 4 Transition to the circular economy	• OVHcloud designs and manufactures its own servers at its two sites in Croix (France) and Beauharnois (Canada). They are designed to be entirely dismantled and are equipped with dedicated components, selected to be easily reused, recycled and repaired. • The Group thus manages to extend the lifespan of its infrastructures, servers and components by reusing them. 100% of servers are disassembled after use and their components are rigorously tested to give them a second life, either in a circuit or through external recycling and recovery. • For more information, see Section 3.2.1.1 – Adopting a circular approach thanks to a single integrated model. • In addition, the Group requires its suppliers to comply with REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) and RoHS (Restriction of Hazardous Substances Directive) regulations by adhering to the Group's supplier charter[1].

(1) https://corporate.ovhcloud.com/sites/default/files/2021-03/Suppliers%20code%20of%20conduct%20OVHcloud.pdf

Minimum safeguards applicable to all the Group's Taxonomy-eligible activities

Finally, OVHcloud has ensured that the minimum safeguards have been met. The Group has a set of policies and processes in place to ensure that it meets the Taxonomy requirements in the areas of:

- Human rights and labour law (see Section 3.3.1 – Collectively attracting and developing talent within a diverse and inclusive company, Section 3.3.2.2 – Collaborating with suppliers in a responsible purchasing approach, and Section 3.3.2.3 – Ethics and business conduct)
- Competition (see Section 3.3.2.3 – Ethics and business conduct)
- Corruption (see Section 3.3.2.2 – Collaborating with suppliers in a responsible purchasing approach, and Section 3.3.2.3 – Ethics and business conduct)
- Tax (see Section 2.1.2.4 – Financial risks and Section 3.3.3.2 – Local presence and socio-economic impact)

The Group has put in place procedures for identifying, analysing, monitoring, evaluating and updating all the pillars.

The Group asks its suppliers to sign the supplier code of conduct, which provides that human rights, and in particular the principles set out in the Universal Declaration of Human Rights, must be respected. The Group continues to analyse human rights across its entire value chain.

OVHcloud complies with the provisions of the Sapin II Act of 9 December 2016.

Lastly, the Group has not been convicted for material breaches of any of the various aspects of the minimum safeguards.

Methodology for evaluating European Taxonomy indicators

The scope considered for the estimation of the three indicators is the Group consolidated scope as defined in Note 5.5. to the 2023 consolidated financial statements presented in Chapter 5 of this Universal Registration Document.

Eligible and aligned revenue

The proportion of economic activities eligible for the Taxonomy in OVHcloud's consolidated revenue was obtained by dividing the share of revenue generated by the sale of services associated with economic activities eligible for the Taxonomy (numerator) by the net revenue (denominator), in each case for the financial year from 1 September 2022 to 31 August 2023.

Denominator

The denominator of the revenue indicator is based on OVHcloud's consolidated revenue, in accordance with IAS 1.82 (a) (see Note 4.3. to the 2023 consolidated financial statements presented in Chapter 5 of this Universal Registration Document).

Numerator

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

The aligned revenue corresponds to the revenue generated by the datacenters that have been audited by the independent third party and certified as compliant with the Code of Conduct. On the basis of the revenue generated by these datacenters, the Group has applied the allocation key described in the previous section, "Substantial contribution criteria", in order to retain only the revenue generated by watercooled servers.

At 31 August 2023, the proportion of eligible and aligned revenue was 88% and 64%, respectively, as shown in the table below:

				Substantial contribution criteria					
Economic activities	Code(s)	Absolute revenue	Proportion of revenue	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems
		EUR	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
8.1. Data processing, hosting and related activities	8.1	575	64%	100%					
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**575**	**64%**	**0**	**0**	**0**	**0**	**0**	**0**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
8.1. Data processing, hosting and related activities	8.1	217	24%						
Revenue of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**217**	**24%**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL REVENUE OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2) (A)		792	88%	0	0	0	0	0	0
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Revenue of Taxonomy-non-eligible activities (B)		105	12%						
TOTAL (A + B)		897	100%						

DNSH criteria										
Climate change mitigation	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy-aligned proportion of revenue, Year N**	**Taxonomy-aligned proportion of revenue, Year N-1**	**Category (enabling activity)**	**Category (transitional activity)**
YES/NO	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	%	%	*E*	*T*
	Yes	Yes	Yes			Yes	64%			T
							64%			
							64%			

Eligible capital expenditure (capex)

The capex indicator is calculated by dividing capex eligible for the Taxonomy (numerator) by total capex (denominator).

Denominator

Total capex (the denominator) includes acquisitions of property, plant and equipment and intangible assets during the financial year, before depreciation/amortisation and before any remeasurement, including remeasurements resulting from revaluations and impairments excluding changes in fair value. It includes acquisitions of property, plant and equipment (IAS 16), intangible assets (IAS 38), right-of-use assets (IFRS 16) and investment properties (IAS 40), as well as additions resulting from business combinations (see Notes 4.10, 4.11 and 4.23 to the 2023 consolidated financial statements presented in Chapter 5 of this Universal Registration Document).

Numerator

The numerator consists solely of capex related to assets or processes essential to the performance of the economic activities eligible for the Taxonomy [("category a")], which represent almost all of the capex for the financial year.

As capex is not currently monitored by service offering in the Group's reports, a detailed analysis by type of asset was carried out and led to the following capex being considered essential for the execution of eligible economic activities:

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

In order to determine the aligned portion of this eligible capex, the Group has used an allocation key based on the portion of eligible revenue that is Taxonomy-aligned. This allocation key has only been used for eligible capex relating to infrastructures ('hardware') and their operation (fibre, network, IP addresses, components, maintenance), as these investments are correlated with the Group's revenue trends.

As the other eligible capex is not directly correlated with revenue, and as it is impossible to link them precisely to the datacenters that have validated the alignment criteria, the Group considered that this eligible capex was not aligned.

At 31 August 2023, the proportions of eligible and aligned capex stood at 99% and 40%, respectively, as shown in the table below:

				Substantial contribution criteria					
Economic activities	**Code(s)**	**Absolute capex**	**Proportion of capex**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**
		EUR	*%*	*%*	*%*	*%*	*%*	*%*	*%*
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
8.1. Data processing, hosting and related activities	8.1	186	40%	100%					
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**186**	**40%**	**0**	**0**	**0**	**0**	**0**	**0**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
8.1. Data processing, hosting and related activities	8.1	275	59%						
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**275**	**59%**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPEX OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2) (A)		**461**	**99%**	**0**	**0**	**0**	**0**	**0**	**0**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Capex of Taxonomy-non-eligible activities (B)		**7**	**1%**						
TOTAL (A + B)		**468**	**100%**						

DNSH criteria										
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of capex, Year N	Taxonomy-aligned proportion of capex, Year N-1	Category (enabling activity)	Category (transitional activity)
YES/NO	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	%	%	*E*	*T*
	Yes	Yes	Yes			Yes	40%			T
							40%			
							40%			

Eligible operating expenses (opex)

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

Denominator

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

Thus, total opex as defined by the Taxonomy represents approximately 11% of the Group's total opex, compared with 8% the previous year, amounting to €101 million and corresponding to the sum of personnel expenses, operating expenses, depreciation and amortisation and other non-recurring operating expenses (see Notes 4.4, 4.5, 4.6 and 4.7 to the 2023 consolidated financial statements presented in Chapter 5 of this Universal Registration Document).

Numerator

As the Group's opex is monitored by segment but not on a granular level by service offering, allocation keys were used to identify the proportion of economic activities eligible for the Taxonomy in opex:

- Maintenance and repair costs as well as expenses related to non-capitalised leases were allocated on the basis of the eligible revenue share.
- R&D costs were allocated in proportion to the allocation of capitalised R&D costs.

In order to determine the aligned portion of eligible opex, the Group used an allocation key based on the ratio of aligned revenue to eligible revenue, given that R&D and maintenance and repair costs are mainly related to technologies used for datacenter operations.

At 31 August 2023, the proportions of eligible and aligned opex amounted to 88% and 49%, respectively, as shown in the table below:

				Substantial contribution criteria					
	Code(s)	Absolute opex	Proportion of opex	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems
Economic activities		*EUR*	*%*	*%*	*%*	*%*	*%*	*%*	*%*
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
8.1. Data processing, hosting and related activities	8.1	58	49%	100%					
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**58**	**49%**	**0**	**0**	**0**	**0**	**0**	**0**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
8.1 Data processing, hosting and related activities	8.1	46	39%						
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**46**	**39%**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL OPEX OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2) (A)		**104**	**88%**	**0**	**0**	**0**	**0**	**0**	**0**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Opex of Taxonomy non-eligible activities (B)		**14**	**12%**						
TOTAL (A + B)		**118**	**100%**						

DNSH criteria										
Climate change mitigation	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy-aligned proportion of opex, Year N**	**Taxonomy-aligned proportion of opex, Year N-1**	**Category (enabling activity)**	**Category (transitional activity)**
YES/NO	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	%	%	*E*	*T*
	Yes	Yes	Yes			Yes	49%			T
							49%			
							49%			

3.5 METHODOLOGY AND SCOPE OF NON-FINANCIAL PERFORMANCE INDICATORS

The non-financial performance statement for 2023, presented in this Universal Registration Document, endeavours to produce the most relevant non-financial information for the Group with regard to its business model, its activities, its major challenges from the materiality matrix and the Group's main risks.

Therefore, OVHcloud focused on the issues and risks identified as priorities and excluded the following topics from its scope of analysis:

- combating food waste;
- combating food insecurity;
- respect for animal welfare;
- respect for responsible, fair and sustainable food.

3.5.1 Scope

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

Category	Indicator
Environment	PUE (Power Usage Effectiveness)
	WUE (Water Usage Effectiveness)
	CUE (Carbon Usage Effectiveness)
	REF (Renewable Energy Factor)
	Reused components ratio
Business conduct	Success rate of cyber attack simulation campaigns
	Signature rate for the supplier code of conduct
	Anti-corruption training validation rate
Social and societal	Loyalty rate
	Engagement score
	Employee training rate
	% of women in management
	% of women in top management (Executive Committee)
	Frequency rate (with lost time) FR1
	Frequency rate (with or without lost time) FR2

Two indicators relating to the Business Conduct category were added for the 2023 financial year: signature rate for the supplier code of conduct and anti-corruption training validation rate.

Each indicator is described in this methodological note, specifying:

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

A summary table presenting the indicators and their values for the 2021, 2022 and 2023 financial years can be found in the introductory chapter of the non-financial performance statement in the "*Materiality analysis and CSR risk assessment*" section.

3.5.2 General organisation of reporting

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

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

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

During the 2023 financial year, OVHcloud changed its methodology for measuring its CO_2 emissions and measured its carbon footprint according to the GHG Protocol. The carbon footprint had previously been produced using the GHG assessment method as well as emission factors from ADEME (Bilan Carbone methodology). For the purposes of comparison, OVHcloud has updated its 2022 carbon footprint according to the GHG Protocol.

The entire process was coordinated by the Strategy and CSR Department, which also coordinated the drafting of the non-financial performance statement.

Reporting period

Unless otherwise stated, the information provided is always presented for the financial year ended on 31 August 2023. Comparable data, established on a like-for-like basis, are presented for previous periods, where possible, for comparison purposes.

Reporting scope

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

3.5.3 Methodological note for environmental indicators

Power Usage Effectiveness or PUE

Calculation of the indicator

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

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

- *PUE = EDC/EIT*

Where

EDC = total (annual) datacenter energy consumption, in kWh;

EIT = (annual) energy consumption of IT equipment, in kWh.

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

PUE is unitless.

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

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

- *OVHcloud PUE = ∑EDC(kWh)/∑EIT(kWh)*

Note

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

3

Production of the indicator

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

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

Coverage rate

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

The PUE coverage rate is given by the formula:

- *Coverage rate = EDCs PUE/EDCs*

Where

EDCs PUE = total (annual) energy consumption of the datacenters for which the PUE measurement is performed (using sensors), in kWh;

EDCs = total (annual) energy consumption of datacenters for which a PUE measurement is performed (using sensors) as well as for datacenters for which a PUE measurement is not performed, excluding shared datacenters, in kWh.

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

Note

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

Review and update of the indicator

PUE is calculated in an internal data aggregation platform. This indicator is updated annually. It is audited annually during the ISO 50001 certification audit of the energy management system. Following a certification process undertaken by OVHcloud, a certificate of compliance with ISO 30134-2 for the PUE measurement was issued by an independent third party on 18 October 2023.

The reporting scope covers all Group sites equipped with sensors. The following are excluded from the scope: (i) energy consumption of head offices and sites without datacenters, (ii) energy consumption of datacenters not equipped with sensors. For the 2023 financial year, the PUE measurement covered 88% of energy consumption, versus 59% in 2022. This is higher than the target of 80% set by the Group for 2023.

Water Usage Effectiveness or WUE

Calculation of the indicator

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

- water losses related to the closed circuit cooling system;
- water evaporation linked to the adiabatic cooling system;
- sanitary uses of datacenter offices.

This indicator, expressed in L/kWh IT, is measured according to ISO 30134-9, category 1. The amount of water consumed upstream is not deducted from the amount of water returned to the natural environment. OVHcloud's water consumption therefore corresponds to the total water withdrawn by the datacenters. The WUE is therefore an overestimation.

It is obtained using the following formula:

- *WUE = annual datacenter water consumption (L)/ EIT (kWh)*

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

- *WUE OVHcloud = ∑annual datacenter water consumption (kWh)/ ∑EIT(kWh)*

Note

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

Production of the indicator

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

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

Review and update of the indicator

This indicator is updated annually.

The reporting scope concerns all the Group's sites, including Beauharnois (BHS, Canada), where a water meter was installed in the 2022 financial year, allowing full measurement from the 2023 financial year. Following a certification process undertaken by OVHcloud, a certificate of compliance with ISO 30134-9 for the WUE measurement was issued by an independent third party on 18 October 2023.

For the 2023 financial year, the WUE measurement covered 88% of energy consumption.

Carbon Usage Effectiveness or CUE

Calculation of the indicator

Carbon Usage Effectiveness, or CUE, measures datacenter carbon intensity. It is a ratio of the scope 1 and 2 greenhouse gas emissions to the energy consumption of sites with datacenters, weighted by PUE. It is expressed in tCO_2e/MWh IT.

- *CUE = datacenter energy consumption GHG emissions (tCO_2e)/ annual datacenter energy consumption (MWh) * PUE*

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

- *CUE = ∑datacenter energy consumption GHG emissions (tCO_2e)/ ∑annual datacenter energy consumption (MWh) * PUE*

Production of the indicator

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

Annual datacenter electricity consumption is taken from Company accounting data.

Scope 1 greenhouse gas emissions are related to the consumption of generators and air conditioning and those in scope 2 are related to energy consumption and datacenter production. Since 2023, carbon emissions have been measured according to the GHG Protocol.

Review and update of the indicator

This indicator is updated annually. The reporting scope covers all Group sites with datacenters. Following a certification process undertaken by OVHcloud, a certificate of compliance with ISO 30134-8 for the CUE measurement was delivered by an independent third party on 18 October 2023.

For the 2023 financial year, the CUE measurement covered 88% of energy consumption.

Renewable Energy Factor or REF

Calculation of the indicator

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

This indicator is calculated as follows:

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

Annual datacenter energy consumption is obtained from all electricity bills for the financial year in question.

Annual datacenter renewable energy consumption is obtained by the purchase of renewable energies (Corporate PPA), by renewable energy certificates as well as by the electricity generated on the sites, during the financial year in question.

Production of the indicator

Annual energy and renewable energy consumption is compiled by the financial teams, then reviewed and analysed by the Environment Department, which calculates the indicator.

Review and update of the indicator

This indicator is updated annually and shared in the Group's environmental policy. Following a certification process undertaken by OVHcloud, a certificate of compliance with ISO 30134-3 for the REF measurement was issued by an independent third party on 18 October 2023.

Reused components ratio

Calculation of the indicator

The reused components ratio represents the proportion of used, refurbished components used by the Group for its server production. The indicator relates to the servers connected during the financial year in question (in use, available, to be connected, to be repaired) and is calculated by dividing the number of refurbished components present in the servers by the total number of components. It is expressed as a percentage. For example, a rate of 20% means that at least 20 out of 100 of the components used to manufacture servers are second-life components.

- *Reused components ratio = ∑(Second-life components used)/ ∑(Components used)*

Production of the indicator

As the servers are assembled in the Croix (Nord, France) and Beauharnois (Quebec, Canada) production centres, the Group has control over the assembly stages and its inventory. Refurbished components available on the market in particular are recognised.

The components concerned are the motherboards, drives (HDD/SSD), memories, CPUs, power supplies.

The vast majority of reconditioned components come from OVHcloud's Internal Production Department. A residual share of less than 5% is purchased on the reconditioned components market.

Review and update of the indicator

The scope concerned for the financial year concerns the Group's two production sites: Croix (France) and Beauharnois (Canada).

3.5.4 Methodological note for business conduct indicators

Success rate of cyber attack simulation campaigns

Calculation and production of the indicator

OVHcloud constantly raises awareness among its employees of the risk of IT attacks, in particular by carrying out simulated cyber attack campaigns (phishing campaigns). In addition to the Group's workforce, these campaigns target anyone with a company email address and include interns and service providers.

Three indicators are calculated: proportion of employees tested, proportion of employees who reported phishing, and proportion of employees on whom phishing was successful. The calculation is fully automated.

The "Success rate of cyber attack simulation campaigns" indicator is calculated as follows:

Success rate of cyber attack simulation campaigns = 100% - Number of employees on whom phishing was successful/Number of employees tested.

Review and update of the indicator

The data is available in real time, and the calculation is carried out over the financial year.

Signature rate for the supplier code of conduct

Calculation and production of the indicator

The indicator is calculated by dividing the number of active suppliers who have signed the supplier code of conduct by the total number of active suppliers.

An active supplier is a supplier who has had at least one order or invoice (data received) over the last 12 months.

Review and update of the indicator

This indicator is calculated annually.

Anti-corruption training validation rate

Calculation and production of the indicator

The indicator is calculated by dividing the number of employees who have received and passed anti-corruption training by the total number of employees, excluding those who were not eligible.

- The anti-corruption training initiative is one of the obligations set out in the Sapin II Act of 9 December 2016, which is based on the following three main pillars:
  - commitment of senior management to corruption-free performance of the organisation's tasks, competence or business;
  - using risk mapping to raise awareness of the entity's exposure to corruption risks;
  - management of the identified risks by means of effective measures and procedures to prevent and detect any behaviours or situations that violate the code of conduct or that could constitute corruption, and to impose the relevant sanctions.

  Training initiatives correspond to the third pillar concerning the prevention of corruption risks.
- This applies to:
  - all employees on permanent and fixed-term contracts and all Group entities, excluding entities incorporated under US law.

Note

- New hires follow the anti-corruption module during their onboarding week. A 3-hour session is planned for this purpose.

Review and update of the indicator

This indicator is calculated annually.

3.5.5 Methodological note for social and societal indicators

Loyalty rate

Calculation of the indicator

The indicator measures the percentage of employees still present in the Group one year after their arrival.

Only permanent employment contracts and permanent professional training contracts are included in the calculation of the indicator.

Engagement score

Calculation and production of the indicator

The indicator is calculated based on the results of an internal survey conducted via survey software (Peakon). Service providers, temporary workers and interns are not included in the measurement.

Employee training rate

Calculation of the indicator

The indicator is calculated by dividing the number of employees having participated in at least one training session in a financial year by the number of employees at the end of the period.

All training activities defined as an educational programme designed to achieve a professional objective are considered to be training activities.

As planned, a new training tool, Skillhub, was rolled out during the 2023 financial year, with the aim of simplifying access to training and ultimately to e-learning by directly integrating the e-learning training modules offered by the Group's training centre into the platform.

An employee whose training spans two periods will be counted as a person trained for each of those periods.

The scope covers all employees on permanent and fixed-term contracts in the Group's workforce (including the United States) during the year. External staff (temporary staff, consultants, service providers) as well as training given during the onboarding week for new hires, training not integrated into the LMS (Learning Management System) and e-learning are excluded from the calculation. E-learning courses will be included as from the 2024 financial year.

% of women in management

Calculation of the indicator

The proportion of women in management is calculated by comparing the number of women managers to the total number of employees holding managerial positions in the Group at the end of the period.

For this calculation, all employees are taken into account, regardless of the contract, country, activity rate, including internship, apprenticeship and professional training contracts. Temporary workers and service providers are excluded.

Note

- A manager is a person in charge of a team (with a hierarchical relationship).

% of women in top management (Executive Committee)

Calculation of the indicator

The proportion of women in top management is calculated by dividing the number of women Executive Committee members by the total number of Executive Committee members, at the end of the financial year.

Frequency rate (with lost time) FR1

Calculation of the indicator

The FR1 frequency rate is calculated by dividing the number of work-related accidents with lost time by the number of hours worked, multiplied by 1,000,000.

Theoretical hours are calculated taking into account the hours of the following profiles:

- OVH permanent/fixed-term employees;
- temporary employees;
- paid interns.

External service providers and unpaid interns are not included.

Theoretical hours are calculated as follows:

- *Theoretical hour = legal working time (contractual) - absences (holidays – illnesses – work-related accidents)*

Note

- Absences for training, travel and on-call duty are not considered as absences, but as working time.

Production of the indicator

Work-related accidents are reported by site managers or Hygiene, Health and Environment managers via a dedicated internal application.

Hours worked are theoretical hours. They are communicated monthly by the sites or calculated directly at the head office based on the monthly headcount and employment contracts. For the 2023 financial year, actual hours worked were used in Canada and the United States.

Frequency rate (with or without lost time) FR2

Calculation of the indicator

The FR2 frequency rate is calculated by dividing the total number of work-related accidents (with or without lost time) by the number of hours worked, multiplied by 1,000,000.

Theoretical hours are calculated taking into account the hours of the following profiles:

- OVH permanent/fixed-term employees;
- temporary employees;
- paid interns.

External service providers and unpaid interns are not included.

A theoretical hour is calculated as follows:

- *Theoretical hour = legal working time (contractual) - absences (holidays – illnesses – work-related accidents)*

Note

- Absences for training, travel and on-call duty are not considered as absences, but as working time.

Production of the indicator

Work-related accidents are reported by site managers or Hygiene, Health and Environment managers via a dedicated internal application.

Hours worked are theoretical hours. They are communicated monthly by the sites or calculated directly at the head office based on the monthly headcount and employment contracts. For the 2023 financial year, actual hours worked were used in Canada and the United States.

3.5.6 Procedures for checking NFPS data

OVHcloud has drawn up indicator sheets explaining how the data reported is calculated to ensure the continuity and consistency of information, as a level 1 control. Each reporting manager checks the data, or has it checked by an internal or external third party. This level 2 control is supplemented by a consistency review by the Strategy and CSR Department.

3.6 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended August 31st 2023

To the annual general meeting,

In our capacity as Statutory Auditor of your company. (hereinafter the “entity”) appointed as independent third party, and accredited by the French Accreditation Committee (COFRAC) under number 3-1884 [1], we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended 31st August 2023 (hereinafter, the "Information" and the "Statement" respectively), presented in the Group's management report pursuant to the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

Conclusion

Based on the procedures we performed as described under the "Nature and scope of procedures" paragraph and the evidence we obtained, nothing has come to our attention that causes us to believe that the Statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial performance statement

The absence of a commonly used and generally accepted reporting framework or of a significant body of established practices on which to draw to assess and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarized in the Statement and available on the entity’s website or on request from its headquarters.

Inherent limitations in preparing the Information

As stated in the Statement, the Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

1) Accreditation Cofrac Inspection, number 3-1884, scope available at www.cofrac.fr

Responsibility of the entity

Management of the entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information,
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators, and the information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy),
- preparing the Statement by applying the entity's "Guidelines" as referred above, and
- designing, implementing, and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Management Board.

Responsibility of the Statutory Auditor, appointed as independent third party

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code,
- The fairness of the historical information (observed or extrapolated) provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and measures relating to the main risks.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- the entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French Duty of care law, and provisions against corruption and tax evasion law),
- The fairness of information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy),
- the compliance of products and services with applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagements, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, "*Intervention du commissaire aux comptes - Intervention de l'OTI - Déclaration de performance extra-financière*", acting as the verification program, and with the international standard ISAE 3000 (revised) [(1)].

Our independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of five people between September and November 2023 and took a total of four weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted a dozen interviews with the people responsible for preparing the Statement.

1) *ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.*

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- We obtained an understanding of all the consolidated entities' activities, and the description of the main related risks,
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector,
- We verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code as well as information regarding compliance with human rights, anti-corruption and tax avoidance legislation, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code,
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the main risks,
- We verified that the Statement presents the business model and a description of main risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, products or services, as well as policies, measures and the outcomes thereof, including key performance indicators related to the main risks,
- We verified that the Statement includes a clear and motivated explanation of the reasons for the absence of policies implemented considering one or more of these risks required under Article R.225-105 I of the French Commercial Code,
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented,
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important (1). Our work was carried out at the consolidating entity’s headquarters.
- We verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code, within the limitations set out in the Statement,
- We obtained an understanding of internal control and risk management procedures the entity implemented, and assessed the data collection process aimed at ensuring the completeness and fairness of the Information,
- For the key performance indicators and other quantitative outcomes that we considered to be the most important (2), we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out at the entity’s headquarters and covers 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests,
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities' activities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes), a higher level of assurance would have required us to carry out more extensive procedures.

Paris la Défense, November 17th, 2023

KPMG S.A.

Jacques Pierre	Brice Javaux
Partner	*ESG Expert*

1) Plan for 'hyper-resilience'; Sensitivity analysis of sites to natural disasters; Investor perception study.

2) Power Usage Effectiveness, Water Usage Effectiveness, Carbon Usage Effectiveness, Renewable Energy Factor, Reused components ratio, Success rate of cyber attack simulation campaigns, Employee training rate, Loyalty rate, Engagement score, % of women in management, % of women in top management (Executive Committee), Accident frequency rate (with lost time) FR1, Accident frequency rate (with or without lost time) FR2, Anti-corruption training validation rate, Signature rate for the supplier code of conduct.


OVHcloud

4

CORPORATE GOVERNANCE

GOVERNANCE

Board of Directors key figures

53.36 Average age	**44.44%** Women directors	**56%** Independent members	**2 years** Average term of office	**1** Foreign national

Composition of the Board of Directors

at 31 August 2023

Independent Directors 5

Bernard Gault

Isabelle Tribotté

Diana Einterz

Corinne Fornara

Sophie Stabile

Michel Paulin
Chief Executive Officer

Octave Klaba
Chairman of the Board of Directors

2 Non-independent Directors

Miroslaw Klaba

Henryk Klaba

2 Non-voting members

Karim Saddi

Jean-Pierre Saad

2 Directors representing employees

Hugues Bodin

Pauline Wauquier

- *Member of the Audit Committee*
- *Member of the Appointments, Compensation and Governance Committee*
- *Member of the Strategy and CSR Committee*

The Committees

AUDIT COMMITTEE

3 members
66.66% independent members
100% attendance rate

The Audit Committee is responsible for monitoring questions related to the preparation and the control of accounting and financial information and for overseeing the efficiency of risk monitoring and operational internal control. Two-thirds of its members are independent directors.

- **Sophie Stabile** ☆
- **Corinne Fornara**
- **Miroslaw Klaba**

APPOINTMENTS, COMPENSATION AND GOVERNANCE COMMITTEE

6 members
50% independent members
76.66% attendance rate

The Appointments, Compensation and Governance Committee is tasked with helping the Board of Directors in the composition of the managing bodies of the Company and the Group and in the determination and regular evaluation of all the compensation and benefits of the Company's executive corporate officers. It is composed of a majority of independent directors.

- **Bernard Gault** ☆
- **Isabelle Tribotté**
- **Sophie Stabile**
- **Octave Klaba**
- **Henryk Klaba**
- **Hugues Bodin**

STRATEGY AND CSR COMMITTEE

5 members
40% independent members
100% attendance rate

The Strategy and CSR Committee is responsible for helping the Board of Directors in defining the Group's strategic objectives and ensuring that matters relating to social and environmental responsibility are taken into account. It is composed of five members with the presence of independent directors.

- **Octave Klaba** ☆
- **Isabelle Tribotté**
- **Diane Einterz**
- **Michel Paulin**
- **Miroslaw Klaba**

☆ Chairperson.

Mapping directors' skills

3 directors specialised in **FINANCE**

2 directors specialised in **R&D**

3 directors specialised in **INDUSTRY**

3 directors specialised in **CSR**

1 director with **INTERNATIONAL EXPERIENCE**

2 directors specialised in **DIGITAL**

INTRODUCTION: STATEMENT ON CORPORATE GOVERNANCE

Since the admission of the Company's shares to trading on the Euronext Paris regulated market in October 2021, the Company has referred to and complies with the Corporate Governance Code for Listed Companies drawn up by the *Association française des entreprises privées* (the "AFEP") and the *Mouvement des entreprises de France* (the "MEDEF") as updated in January 2020 (the "AFEP-MEDEF Code"), except for the recommendation in Article 11.3 for the reasons detailed below.

The AFEP-MEDEF Code with which the Company complies may be consulted online at *http://www.medef.com* or *http://www.afep.com*. The Company permanently maintains copies of the code for consultation by the members of its corporate bodies.

4.1 GOVERNANCE OVERVIEW

4.1.1 Composition of the Board of Directors

4.1.1.1 Summary presentation of the Board of Directors

Since the publication of the 2022 Universal Registration Document, there has been no change in the composition of the Board of Directors and its committees.

As of the date of this Universal Registration Document, the Company has a Board of Directors composed of eleven (11) members, a majority of whom are independent directors and two (2) non-voting members:

- four (4) directors appointed on the proposal of the Klaba family:
  - Octave Klaba (Chairman of the Board of Directors),
  - Miroslaw Klaba,
  - Henryk Klaba, and
  - Michel Paulin (Chief Executive Officer);
- five (5) independent directors:
  - Bernard Gault (lead director),
  - Isabelle Tribotté,
  - Corinne Fornara,
  - Diana Einterz, and
  - Sophie Stabile;
- two (2) directors representing employees:
  - Pauline Wauquier, and
  - Hugues Bodin;
- two (2) non-voting members:
  - Karim Saddi, and
  - Jean-Pierre Saad.

The table below shows the composition of the Board of Directors at the date of this Universal Registration Document:

SUMMARY PRESENTATION OF THE BOARD OF DIRECTORS

	Personal information					Position on the Board				
Name	**Age**	**Gen-der**	**Nationality**	**Number of shares**	**Number of current terms of office in listed companies**	**Independent director**	**Start of current term of office**	**Expiry of current term of office**	**Seniority on the Board**	**Commit-tee**[1]
Octave Klaba Chairman of the Board of Directors	48	M	French	57,974,148	N/A	No	14/10/2021	2026 AGM	2 years	ACG, SCSR
Michel Paulin Chief Executive Officer	63	M	French	801,572	N/A	No	14/10/2021	2026 AGM	2 years	SCSR
Miroslaw Klaba R&D Director	41	M	French	56,389,519	N/A	No	14/10/2021	2027 AGM	2 years	A, SCSR
Henryk Klaba R&D Director for Infrastructures	74	M	French	13,579,127	N/A	No	14/10/2021	2024 AGM	2 years	ACG
Bernard Gault Independent director and lead director	64	M	French	41,331	N/A	Yes	14/10/2021	2025 AGM	2 years	ACG
Diana Einterz Independent director	64	F	American	1,000	N/A	Yes	14/10/2021	2025 AGM	2 years	SCSR
Corinne Fornara Independent director	57	F	French	2,703	N/A	Yes	14/10/2021	2025 AGM	2 years	A
Isabelle Tribotté Independent director	53	F	French	2,750	1	Yes	14/10/2021	2027 AGM	2 years	ACG, SCSR
Sophie Stabile Independent director	53	F	French	1,000	1	Yes	14/10/2021	2024 AGM	2 years	A, ACG
Pauline Wauquier Director representing employees	32	F	French	0	N/A	No	05/04/2022	2026 AGM	2 years	N/A
Hugues Bodin Director representing employees	38	M	French	0	N/A	No	05/04/2022	2026 AGM	2 years	ACG
Karim Saddi Non-voting director	48	M	French	0	N/A	N/A	14/10/2021	2026 AGM	2 years	N/A
Jean-Pierre Saad Non-voting director	43	M	Belgian	0	N/A	N/A	14/10/2021	2026 AGM	2 years	N/A

(1) A: Audit Committee, ACG: Appointments, Compensation and Governance Committee, SCSR: Strategy and CSR Committee.

4.1.1.2 Detailed presentation of the members of the Board of Directors

Octave Klaba

CHAIRMAN OF THE BOARD OF DIRECTORS

NATIONALITY: French

DATE OF BIRTH: 23 January 1975

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ending 31 August 2025

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2023: 57,974,148 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 2, rue Kellermann, 59100 Roubaix, France

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): No

Passionate about computer science, he earned a Computer Science degree from ICAM Lille in 1999, and at the same time, created OVH for one simple reason: no provider was able to meet his expectations. Twenty years later, Octave Klaba is still working on growing his business.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

- Chairman of the Board of Directors of the Company

OUTSIDE THE GROUP:

- Chairman of Digital Scale SAS and YELLOW SOURCE SAS
- Manager of GREEN BRICK
- Chairman of DDIS
- Representative of Digital Scale SAS, itself Chairman of JEZBY VENTURES SAS
- Representative of Digital Scale SAS, representative of JEZBY VENTURES SAS, itself Chairperson of SAS MUSIC FOR FREEDOM
- Representative of Digital Scale SAS, representative of JEZBY VENTURES SAS, itself Chairperson of SAS Poweend
- Representative of Digital Scale SAS, representative of JEZBY VENTURES SAS, itself Chairperson of SAS Shadow
- Chairman of SYMPHONIUM SAS
- Chairman of Qwant SAS

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) HELD OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

- Chairman of MANOVH and MENOVH
- Vice-Chief Executive Officer of OVH SAS
- Chairman and director of OVH Holding US Inc.
- Chairman of Data Center Vint Hill LLC
- Chairman of Data Center West Coast LLC
- Chairman of OVH Data US LLC
- Chairman of OVH US LLC
- Chairman, Vice-Chairman and director of Holding OVH Canada Inc.
- Vice-Chairman and director of Hébergement OVH Inc.
- Vice-Chairman and director of OVH Infrastructures Canada Inc.
- Vice-Chairman and director of OVH Serveurs Inc.
- Vice-Chairman and director of Technologies OVH Inc.
- Director of OVH Limited

OUTSIDE THE GROUP:

N/A

Michel Paulin

CHIEF EXECUTIVE OFFICER OF OVH GROUPE

NATIONALITY: French

DATE OF BIRTH: 20 June 1960

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ending 31 August 2025

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2023: 801,572 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 2, rue Kellermann, 59100 Roubaix, France

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): No

Michel Paulin has spent most of his career in the IT, telecom and internet sectors. He was Chief Executive Officer of Neuf Cegetel, where he carried out the IPO of Méditel (now Orange Maroc) and SFR. His appointment in 2018 is part of a new phase in the development of OVHcloud. Michel Paulin oversees the implementation of the Smart Cloud strategic plan, aimed at consolidating OVHcloud's position as an alternative leader in the cloud sector. Michel Paulin graduated from École Polytechnique.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

- Chief Executive Officer of the Company
- Chairman of OVH SAS

OUTSIDE THE GROUP:

- Chairman of Erraza SAS
- Independent director of Opencell

WITHIN THE GROUP:

- Before the conversion of the Company into a public limited company (*société anonyme*), Michel Paulin was Chief Executive Officer of the Company in its form as a simplified joint stock company (*société par actions simplifiée*)

OUTSIDE THE GROUP:

N/A

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) HELD OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

N/A

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Miroslaw Klaba

DIRECTOR

R&D DIRECTOR

NATIONALITY: French

DATE OF BIRTH: 3 December 1981

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ending 31 August 2026

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2023: 57,389,519 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 2, rue Kellermann, 59100 Roubaix, France

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): No

Miroslaw Klaba is R&D Director of the Company. After earning an Engineering degree from ICAM Lille, he joined the OVHcloud family adventure in 2004, holding different positions on project development. As part of his mission, Miroslaw Klaba leads the teams encouraging transformation and participating in the maturity of businesses by providing tools and an information system to help increase effectiveness.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

- Chairman of Technologies OVH Inc.
- Chairman of Hébergement OVH Inc.
- Director of OVH Australia Pty Ltd
- Manager (*Geschäftsführer*) of OVH GmbH
- Manager of OVH Hosting (Morocco)
- Director of OVH Hosting Limited
- Director of OVH Hosting OY
- Director of OVH Limited
- Director of OVH Singapore Pte Ltd
- Chairman (*Prezes Zarządu*) of OVH Sp. z.o.o.
- Director of UAB OVH
- Director of OVHTECH R&D (India)
- Director of Altimat DC INDIA PRIVATE Limited
- Manager of OVH SARL (Senegal)
- Manager of OVH SARL (Tunisia)
- Manager of OVH Tunisie

OUTSIDE THE GROUP:

- Manager of Blue Space
- Chairman of Deep Code SAS, INNOLYS SAS and BLEU SOURCE SAS
- Representative of Deep Code, Chairperson of SNC FLY AWAY

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) HELD OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

- Before the conversion of the Company into a public limited company, Miroslaw Klaba was Vice-Chief Executive Officer of the Company in its form as a simplified joint stock company
- Chief Executive Officer of OVH SAS
- Prior to the sale of the entire share capital and voting rights of CENTRALE ÉOLIENNE DE ORTONCOURT and DDIS to Poweend, Miroslaw Klaba was Manager of CENTRALE ÉOLIENNE DE ORTONCOURT and Chairman of DDIS
- Prior to the sale of the entire share capital and voting rights of Shadow to Jezby Ventures, Miroslaw Klaba was Chairman of Shadow (formerly Hubic)
- Member of the Board of Managers of OVH US LLC
- Director of Data Center Sydney Pty Ltd.
- Director of Altimat Data Center Singapore Pte Ltd
- Manager (*Geschäftsführer*) of OVH BSG GmbH
- Manager (*Geschäftsführer*) of DCD Data Center Deutschland GmbH
- Director of Data Center Erith Ltd

OUTSIDE THE GROUP:

- Chief Executive Officer of MANOVH

Henryk Klaba

DIRECTOR

R&D DIRECTOR FOR INFRASTRUCTURES

NATIONALITY: French

DATE OF BIRTH: 12 February 1949

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ended 31 August 2023

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2023: 13,579,127 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 2, rue Kellermann, 59100 Roubaix, France

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): No

Henryk Klaba is an engineer, and graduate of the Polytechnic School in Warsaw. He settled in France after the fall of the Berlin Wall. He is currently an employee of the Company, as R&D Director for Infrastructures.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

- Chief Executive Officer (*Jednatel*) of OVH CZ, s.r.o. (Czech Republic)
- Sole director (*Administrator único*) of OVH Hispano S.L. (Spain)
- Manager of OVH SARL (Senegal)
- Manager of OVH SARL (Tunisia)
- Manager of OVH Tunisie
- Manager of OVH Hosting (Morocco)

OUTSIDE THE GROUP:

- Chairman of INVEST BLEU
- Manager of SCI IMMOSTONE, SCI IMMOBLES, SCI OVH, SOCIÉTÉ CIVILE IMMOBILIÈRE IMMOLYS

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) HELD OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

- Before the conversion of the Company into a public limited company, Henryk Klaba was Vice-Chief Executive Officer of the Company in its form as a simplified joint stock company
- Chairman of OVH SAS
- Vice-Chairman and director of OVH Holding US Inc.
- Vice-Chairman of Data Center Vint Hill LLC
- Vice-Chairman of Data Center West Coast LLC
- Vice-Chairman of OVH Data US LLC
- Chairman and director of Holding OVH Canada Inc.
- Chairman and director of Hébergement OVH Canada Inc.
- Chairman and director of OVH Infrastructures Canada Inc. 2
- Chairman and director of OVH Serveurs Inc.
- Chairman and director of Technologies OVH Inc.
- Director of Altimat Data Center Singapore Pte Ltd.
- Manager (*Geschäftsführer*) of DCD Data Center Deutschland GmbH
- Manager (*Geschäftsführer*) of OVH GmbH
- Director of OVH Hosting OY
- Director of OVH Hosting Limited
- Sole director of OVH Srl
- Director of OVH Hosting Sistemas Informaticos Unipessoal Lda
- Director of OVH UAB
- Director of Data Center Ozarow Sp. z o.o.
- Director of OVH Sp. z o.o.

OUTSIDE THE GROUP:

N/A

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Bernard Gault

INDEPENDENT DIRECTOR AND LEAD DIRECTOR

NATIONALITY: French

DATE OF BIRTH: 29 September 1958

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ending 31 August 2024

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2023: 41,331 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: Apt 301, 4 Pearson Square, London W1T 3 BH, United Kingdom

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): Yes

Bernard Gault is an investment banker and investor and is the founding partner of the investment firm Barville & Co., formed in 2016. He was Chairman and Chief Executive Officer of Elior Group, a world leader in contract catering. He is also a founding partner of Perella Weinberg Partners, a global financial services firm set up in 2006 offering financial advisory and asset management services. He began his career in 1982 at Compagnie Financière de Suez before joining Morgan Stanley in 1988 where he went on to serve as Managing Director of the bank's Paris office and head of its private equity fund for Europe, Morgan Stanley Capital Partners. He is an engineer from École Centrale Paris and holds a degree from Institut d'études politiques de Paris.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Manager of Barville & Co.
- Director of Peugeot Invest UK
- Member of the advisory board of Port Noir SA
- Chairman of Fondation Centrale Supélec
- Manager of Prime Vineyards Partners SA and its subsidiaries SCI de la Vigne aux Dames and SCEA de la Vigne aux Dames
- Manager of Domaines Partners SA

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) HELD OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

- Before the conversion of the Company into a public limited company, Bernard Gault was director of the Company in its form as a simplified joint stock company

OUTSIDE THE GROUP:

- Chairman and Chief Executive Officer of Elior Group*
- Director of Balmain SA
- Senior adviser of Perella Weinberg Partners
- Director of FFP UK
- Director and Chairman of the Compensation Committee of Elior Group
- Director of Fondation Centrale Supélec
- Director of the Fonds Saint Michel endowment fund

** Listed company.*

Diana Einterz

INDEPENDENT DIRECTOR

NATIONALITY: American

DATE OF BIRTH: 8 December 1958

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ending 31 August 2024

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2023: 1,000 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 75, 14th Street, Atlanta, GA 30309, United States

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): Yes

Until 31 July 2022, Diana Einterz was President, Americas at SITA. She began her career at AT&T Corporation and held several positions there until 2000. She joined Orange in 2000 where, from 2013 to 2017, she was Key Accounts Director (*Directrice des Grands Comptes*) at Orange Business Services. She graduated from McGill University with a degree in Computer Science.

Through her functions, in particular at AT&T Corporation, Orange Business Services and SITA (provider of information technology and communications services for air transport), Diana Einterz has global experience in customer engagement, cybersecurity and data privacy.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

N/A

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) HELD OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Key Accounts Director at Orange Business Services France (2013-2017)
- President, Americas at SITA (Geneva)

Corinne Fornara

INDEPENDENT DIRECTOR

NATIONALITY: French

DATE OF BIRTH: 20 August 1966

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ending 31 August 2024

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2023: 2,703 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 201, rue de Bercy, 75012 Paris, France

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): Yes

Since 2018, Corinne Fornara has been Chief Financial Officer of the AccorInvest group in charge of Finance, Internal Control, Risk Management and Data Management. She began her career at Deloitte as a Financial Auditor before joining the Kering group in 1993 as head of the consolidation department. In 1995, she joined the Atos group where she held various positions in the finance department. In 2000, she was appointed Chief Financial Officer of Atos Euronext, a subsidiary of Atos group and Euronext group, in charge of Finance, Legal Affairs and Risk Management and Secretary of the Supervisory Board. In 2009, she became Chief Financial Officer of NYSE (New York Stock Exchange) Euronext for Europe. In 2013, she was appointed Group Controller at Constellium and then served as interim Chief Financial Officer in 2016. Corinne Fornara was also a member of the Constellium Executive Committee. She graduated from ESCEM, Tours Business School and holds a DESCF degree in Accounting and Finance.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Chief Financial Officer of the AccorInvest Group
- Director of SHAC
- Manager of Berlin Checkpoint Charlie Holding
- Manager of Hig Lux Sàrl
- Manager of Accor Newday German Holdco Sàrl
- Member of the Supervisory Board of AHN
- Director of SONKK
- Director of RCH
- Director of CHB

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) HELD OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Chief Financial Officer/Group Controller of Constellium (July 2016 to May 2018)
- Offices held in Constellium Group companies
- Manager of Accor Newday Holdings Luxembourg Sàrl
- Member of the Supervisory Board of ACCORINVEST GERMANY GmbH

Isabelle Tribotté

INDEPENDENT DIRECTOR

NATIONALITY: French

DATE OF BIRTH: 18 December 1969

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ending 31 August 2026

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2023: 2,750 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: 1

BUSINESS ADDRESS: 1, rue Champ Lagarde, 75800 Versailles, France

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): Yes

Since 2022, Isabelle Tribotté has held the position of Chief Executive Officer of Signify France (formerly Philips Éclairage). She joined Schneider Electric in 2000 where she managed the international commercial operations of the medium voltage division from 2018 to 2021. She also held several management positions in the industrial automation department, where she managed the French subsidiary from 2012 to 2015. In 2015, she took over the management of Quality and Customer Experience. She began her career in 1992 at VELUX France before joining Parker Hannifin from 1995 to 1999. Isabelle Tribotté graduated from École Centrale de Nantes and ESCP Paris.

Isabelle Tribotté has extensive experience in environment-focused solutions through her current role as Chief Executive Officer of Signify (world leader in lighting systems and services) and her 21 years' experience at Schneider Electric where her responsibilities included power systems, industrial automation, customer experience and quality.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Independent director of FORSEE POWER
- Independent director of CROUZET
- Chief Executive Officer of Signify France*

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) HELD OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Advisory/consultant of BPI/CD Sud

** Listed company.*

Sophie Stabile

INDEPENDENT DIRECTOR

NATIONALITY: French

DATE OF BIRTH: 19 March 1970

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ended 31 August 2023

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2023: 1,000 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 4, rue de Presbourg, 75016 Paris, France

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): Yes

Sophie Stabile is the Chief Financial Officer of the Lagardère group. A graduate of École supérieure de gestion et finances, she began her career at Deloitte, before holding various management positions within the Accor group until 2018. In particular, she was Chief Executive Officer of Hotels Services France and Switzerland and Chief Financial Officer and member of the Executive Committee of Accor.

Sophie Stabile is a non-executive member of the Board of Directors of BPI and an independent director of OVHcloud, as well as a member and Chairperson of the Audit Committee and a member of the Appointments, Compensation and Governance Committee.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Chief Financial Officer of the Lagardère group*
- Independent director and Chairperson of the Appointments Committee of BpiFrance
- Treasurer and director of the *Institut français des administrateurs*
- Chairperson of Révérence SAS (consulting and investment company [since 2018])
- Independent director and member of the Audit Committee of the Lucien Barrière group

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) HELD OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Chairperson of the Supervisory Board of Orbis
- Member of the Board of Directors of Ingenico
- Chief Executive Officer of HotelServices France and Switzerland
- Chief Financial Officer and member of the Executive Committee of Accor
- Member of the Supervisory Board of Unibail-Rodamco-Westfield
- Independent director of BPI Investissement
- Member of the Supervisory Board of Altamir
- Independent director and Chairperson of the Audit Committee of Sodexo*

** Listed company.*

Pauline Wauquier

DIRECTOR REPRESENTING EMPLOYEES

NATIONALITY: French

DATE OF BIRTH: 29 September 1990

TERM OF OFFICE EXPIRES: 31 August 2026

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2023: 0 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 2, rue Kellermann, 59100 Roubaix, France

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): No

Pauline Wauquier joined OVHcloud in 2017 and holds the position of Data Scientist within the Data teams. She has held a PhD in Computer Science since May 2017. She completed her Cifre thesis between 2013 and 2017 in collaboration with the start-up Clic and Walk and the Magnet research team (CRIStAL laboratory).

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

N/A

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) HELD OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

N/A

Hugues Bodin

DIRECTOR REPRESENTING EMPLOYEES

NATIONALITY: French

DATE OF BIRTH: 21 July 1984

TERM OF OFFICE EXPIRES: 31 August 2026

NUMBER OF COMPANY SHARES HELD ON 31 AUGUST 2023: 0 shares

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 19, place Françoise Dorin, 75017 Paris, France

INDEPENDENT DIRECTOR (WITHIN THE MEANING OF THE AFEP-MEDEF CODE): No

Hugues Bodin joined OVHcloud in 2018 as Head of Datacenter Construction Programmes. He previously worked in the renewable energy segment as a project manager and business developer internationally. Hugues Bodin is a graduate of École Centrale Paris.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

N/A

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) HELD OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

N/A

The General Shareholders' Meeting of the Company of 14 October 2021 decided to modify the term of office of directors to allow staggered renewal, subject to the condition precedent that its shares would be admitted to trading on the Euronext Paris regulated market. Accordingly, the term of office of directors has been modified as follows:

- Miroslaw Klaba: one year, i.e., until the end of the Ordinary General Meeting called to approve the financial statements for the financial year ended 31 August 2022;
- Isabelle Tribotté: one year, i.e., until the end of the Ordinary General Meeting called to approve the financial statements for the financial year ended 31 August 2022;
- Henryk Klaba: two years, i.e., until the end of the Ordinary General Meeting called to approve the financial statements for the financial year ended 31 August 2023;
- Sophie Stabile: two years, i.e., until the end of the Ordinary General Meeting called to approve the financial statements for the financial year ended 31 August 2023;
- Corinne Fornara: three years, i.e., until the end of the Ordinary General Meeting called to approve the financial statements for the financial year ending 31 August 2024;
- Bernard Gault: three years, i.e., until the end of the Ordinary General Meeting called to approve the financial statements for the financial year ending 31 August 2024; and
- Diana Einterz: three years, i.e., until the end of the Ordinary General Meeting called to approve the financial statements for the financial year ending 31 August 2024.

Miroslaw Klaba and Isabelle Tribotté were reappointed as directors, each for a four-year term, at the General Meeting of 16 February 2023.

The terms of office of Michel Paulin and Octave Klaba remain unchanged.

In addition, two directors representing employees were appointed on 13 April 2022, in accordance with Article 13.3 of the Company's Articles of Association and Article L. 225-27-1 of the French Commercial Code (*Code de commerce*), and one of them, Hugues Bodin, joined the Appointments, Compensation and Governance Committee on 27 October 2022 as a member.

The Board of Directors is also composed of two (2) non-voting members, whose profiles are presented below. Karim Saddi and Jean-Pierre Saad were appointed as non-voting members of the Board of Directors on 18 October 2021 and the decision was ratified by the General Meeting of 15 February 2022. Non-voting directors are not remunerated. They participate in the work of the Board of Directors without having a right to vote and do not, at this stage, benefit from any specific missions.

Karim Saddi

NON-VOTING DIRECTOR

NATIONALITY: French

DATE OF BIRTH: 27 February 1975

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ending 31 August 2025

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 1 St James's Market, Carlton Street, London SW1Y 4AH, United Kingdom

Karim Saddi is a director of Infopro Digital Holding SAS, Co-Chairman and Managing Director of TowerBrook, Co-Chairman of the Portfolio Committee and member of the Management Committee. Karim Saddi was a member, then a partner, of Soros Private Equity. Prior to that, he was a member of the mergers, acquisitions and restructuring department of Morgan Stanley Dean Witter in London and Los Angeles. Karim Saddi is a graduate of HEC Paris.

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TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Member of the Supervisory Board of Talan Holding SAS
- Director of TowerBrook Capital Partners Limited
- Director of Sabena Technics Participations SAS
- Director of EasyInvest 1 SAS (JJA)
- Member of the Supervisory Board of Aernnova Aerospace Corporation SA
- Director of Sakura BV
- Director of TCP Kaporal Holdings Sarl, Kaporal Manco Sarl and Kaporal 5 Sarl
- Director of Infopro Digital Holding SAS

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) HELD OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Director of Metallo Holdings 1 B.V., Metallo Holdings 2 B.V. and Metallo Holdings 3 B.V. (Metallum)
- Director of GSE (Luxembourg) Sarl
- Director of Comidas Holdings 1 B.V. (Van Geloven)
- Director of Infopro Digital Group BV

Jean-Pierre Saad

NON-VOTING DIRECTOR

NATIONALITY: Belgian

DATE OF BIRTH: 20 September 1980

TERM OF OFFICE EXPIRES: General Meeting called to approve the financial statements for the financial year ending 31 August 2025

NUMBER OF CURRENT TERMS OF OFFICE IN LISTED COMPANIES: None

BUSINESS ADDRESS: 18 Hanover Square, London W1S 1JY, United Kingdom

Jean-Pierre Saad joined KKR in 2008 and is a member of the European Private Equity platform where he manages the TMT activities. He is a member of the European Private Equity Committee, the Portfolio Management Committee and the KKR Next Generation Technology Growth Investment Committee. He managed KKR's investments in Koerber Supply Chain Software, Cegid, Devoteam, Masmovil, Exact, OVH, SoftwareONE and United Group and was previously involved in NXP Semiconductors, Acteon, Van Gansewinkel and Legrand. He currently sits on the Board of Directors of Koerber Supply Chain Software, Cegid, Devoteam, Masmovil, Exact and OVH. Before joining the firm, he worked in the TMT team of Lehman Brothers in London. Jean-Pierre Saad holds a degree from HEC Paris and an Engineering degree with a high distinction in Computer Science and Communications from the American University of Beirut.

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) EXERCISED AS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Partner of KKR Management LLP
- Director of KKR Saudi Limited
- Director of Claudius France SAS (Cegid)
- Director of Castillon SAS (Devoteam)
- Director of Lorca JVCO Limited (Masmovil)
- Director of Exact Group B.V.
- Director of KSCS HoldCo GmbH

TERMS OF OFFICE (AS AN EXECUTIVE OR OTHER FUNCTION) HELD OVER THE LAST FIVE YEARS AND WHICH ARE NO LONGER EXERCISED:

WITHIN THE GROUP:

N/A

OUTSIDE THE GROUP:

- Director of United Group B.V.
- Director and member of the Audit Committee of SoftwareONE Holding AG

4.1.2 Reappointments proposed to the General Meeting of 15 February 2024

On the recommendation of the Appointments, Compensation and Governance Committee, at its meeting of 14 November 2023, the Board of Directors decided to propose to the Combined General Meeting of 15 February 2024 the renewal of the term of office as director of Henryk Klaba for a term of four years, until the end of the Ordinary General Meeting in 2028, which will be called to approve the financial statements for the year ending 31 August 2027, and the renewal of the term of office as director of Sophie Stabile for a term of four years, until the end of the Ordinary General Meeting in 2028, which will be called to approve the financial statements for the year ending 31 August 2027.

4.1.3 Diversity policy

The Appointments, Compensation and Governance Committee, with the assistance of an independent external firm where appropriate, submits its recommendations to the Board of Directors for the selection of candidates for the renewal of the membership of the Board of Directors on the basis of the following criteria in particular:

- **Age:**

  The age of directors over the past financial year was between 33 and 74 years old, with an average of 53.4 years. The Board considered that this average age was satisfactory and remains quite far from the statutory average age.

- **Gender balance:**

  In accordance with Articles L. 225-23 and L. 225-27-1 of the French Commercial Code, directors representing employees are not taken into account when determining gender balance on the Board of Directors. By not counting the directors representing employees in the calculation, the Board is composed of four women directors out of the nine directors to be taken into account, thus representing 44.44% of women on the Board. The Board considered this percentage to be satisfactory and will remain vigilant in maintaining a rate above the legal ratio of 40%.

- **Diversity of skills:**

  The directors of the Company come from different backgrounds and have varied experience and skills, reflecting the objectives of the Board of Directors. The presentation of each director's profile in this chapter provides a better understanding of this diversity and complementarity of experience. The Board considered that the diversity of the directors' profiles was of excellent quality.

- **Nationalities:**

  As of the date of this Universal Registration Document, Diana Einterz, an American national, is the only member of the Board of Directors of foreign nationality.

- **Independence of directors:**

  The Board of Directors assessed the independence of the directors with regard to the criteria recommended by the AFEP-MEDEF Code and considered that Bernard Gault, Diana Einterz, Corinne Fornara, Isabelle Tribotté and Sophie Stabile are independent, i.e., 56% of the Board's members are independent directors. The Board considers that this level of independence is satisfactory and will remain vigilant in maintaining this level.

At its meeting held on 28 June 2023, the Board of Directors adopted the Board's diversity policy. OVHcloud considers diversity to be a strength, one of the key assets on which its success is built and a key factor in ensuring effective work. Our commitment to diversity and inclusion is enshrined in our code of ethics, which sets out our vision for conducting business and the values we wish to share with the widest possible audience.

A diverse Board of Directors enables OVHcloud to harness different perspectives and ways of thinking, regional and industry experience, cultural and geographical backgrounds, ages, genders, knowledge and skills, which is beneficial to the Company's long-term success in the interests of its stakeholders.

4.1.4 Independence of directors

Under the terms of the Board of Directors' internal regulations, which are regularly updated in line with legal and regulatory developments, members are deemed to be independent if they have no relationship with the Company, its Group or its management that could compromise the exercise of their freedom of judgement. The internal regulations include the independence criteria for directors set out in the AFEP-MEDEF Code.

Octave Klaba, Miroslaw Klaba and Henryk Klaba cannot be considered as independent due to their status and the control they exercise over several companies holding, as of the date of this document, 69.85% of the Company's share capital. Michel Paulin cannot be considered independent since he holds the position of Chief Executive Officer of the Company. Lastly, the directors representing the employees are not considered as independent in their capacity as employees of the Group.

The table below summarises the current position of each director with respect to the independence criteria set out in Article 9 of the AFEP-MEDEF Code, as assessed by the Compensation Committee and the Board of Directors of the Company.

Independence of directors		Diana Einterz	Corinne Fornara	Isabelle Tribotté	Bernard Gault	Sophie Stabile
Criterion 1	Not to be or have been an employee or corporate officer during the previous five years	✓	✓	✓	✓	✓
Criterion 2	Not to hold cross-directorships	✓	✓	✓	✓	✓
Criterion 3*	Not to have significant business relationships	✓	✓	✓	✓	✓
Criterion 4	Not to have close family ties with a corporate officer	✓	✓	✓	✓	✓
Criterion 5	Not to have been an auditor of the Company during the previous five years	✓	✓	✓	✓	✓
Criterion 6	Not to have been a director of the Company for more than 12 years	✓	✓	✓	✓	✓
Criterion 7	Status of non-executive corporate officer: may not receive variable compensation in cash or securities or any compensation linked to the performance of the Company	✓	✓	✓	✓	✓
Criterion 8	Status of significant shareholder: may not participate in the control of the Company	✓	✓	✓	✓	✓
Independent director under the AFEP-MEDEF Code criteria		Yes	Yes	Yes	Yes	Yes

In this table: "✓" represents an independence criterion met and "X" represents an independence criterion not met.

* *In the absence of business relations, at its meeting on 14 November 2023, the Board of Directors classified Diana Einterz, Corinne Fornara, Isabelle Tribotté, Bernard Gault and Sophie Stabile as independent.*

4.1.5 Attendance at meetings of the Board of Directors and its committees

Individual attendance rate

	Hugues Bodin	Diana Einterz	Corinne Fornara	Bernard Gault	Henryk Klaba	Miroslaw Klaba	Octave Klaba	Michel Paulin	Sophie Stabile	Isabelle Tribotté	Pauline Wauquier
Board of Directors	100%	100%	88.88%	88.88%	100%	100%	100%	100%	77.77%	100%	100%
Audit Committee	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A
Appointments, Compensation and Governance Committee	100%	N/A	N/A	100%	0%	N/A	100%	N/A	60%	100%	N/A
Strategy and CSR Committee	N/A	100%	N/A	N/A	N/A	100%	100%	N/A	N/A	100%	N/A

Overall attendance rate by body

Board of Directors	Audit Committee	Appointments, Compensation and Governance Committee	Strategy and CSR Committee
94.94%	100%	76.66%	100%

4.1.6 Convictions, bankruptcies, conflicts of interest and other information

To the Company's knowledge and other than the relationships described in Chapter 4.6 of this Universal Registration Document, as of the date of this Universal Registration Document, there are no potential conflicts of interest between the duties of the members of the Board of Directors and Senior Management towards the Company and their private interests.

On the basis of declarations made to OVHcloud by the members of the Board of Directors, to the Company's knowledge, there is no agreement of any kind with shareholders, customers, suppliers or others pursuant to which any member of the Company's Board of Directors or Senior Management has been appointed to such a position.

However, it is specified that a shareholders' agreement (the "Extended Family Agreement") was entered into on 6 May 2022 between Octave Klaba, Miroslaw Klaba, Henryk Klaba and Halina Wachel (a member of the Klaba family by marriage), directly or via their personal holding companies Bleu Source SAS, Deep Code SAS, Digital Scale SAS, Innolys SAS, Invest Bleu SAS and Yellow Source SAS (the "Family Holding Companies"), replacing the agreement entered into on 26 October 2021. The Extended Family Agreement aims to ensure that the group of shareholders comprising the Klaba family, directly and/or through entities controlled by its members, continues to hold a significant stake in OVH Groupe SA (537 407 926 R.C.S. Lille Métropole) and to organise concerted action by the Klaba family for the purposes of taking decisions relating to its shareholding in OVH.

On 11 April 2023, under the Extended Family Agreement, the legal representative of each of the Family Holding Companies has the capacity to express the holding company's position with regard to the governance of OVH, in certain situations.

In this context, the shareholders of each of the Family Holding Companies held discussions to enter into shareholders' agreements (the "Holding Company Agreements") aimed more generally at organising the decision-making process relating to OVH and certain other shareholdings of the Family Holding Companies with a view to ensuring that the Klaba family continues to have significant influence on OVH for generations to come.

In particular, the conclusion of the Holding Company Agreements must ensure the consistency of the decisions taken by each of the Family Holding Companies within OVH and the other shareholdings.

To the Company's knowledge, as of the date of this Universal Registration Document, commitments under free share plans (see Section 4.5 of this Universal Registration Document), and customary lock-up agreements have been concluded with the underwriters in connection with the planned listing of the Company's shares on the regulated market of Euronext Paris, and the conclusion of the shareholders' agreement entered into among members of the Klaba family (which is described in Chapter 6 of this Universal Registration Document). Furthermore, the members of the Board of Directors and Senior Management have not agreed to any restriction on their right to sell shares of the Company, with the exception of rules relating to the prevention of insider trading and the recommendations of the AFEP-MEDEF Code or of the law imposing a lock-up on the shares.

4.1.6.1 Family ties

The following members of the Klaba family, which holds the majority of the share capital of the Company as of the date of this Universal Registration Document, sit on the Board of Directors of the Company: Octave Klaba (Chairman of the Board of Directors, founder of the Company), his father Henryk Klaba (member of the Board of Directors) and his brother Miroslaw Klaba (member of the Board of Directors). In addition, Miroslaw Klaba is the R&D Director of the Company and Henryk Klaba is the R&D Director for Infrastructures.

As of the date of this Universal Registration Document, to the Company's knowledge, other than the above-referred relationship among the members of the Klaba family, there are no family relationships among the members of the Board of Directors, or between members of the Board of Directors and members of the Company's Senior Management.

4.1.6.2 Statements relating to the Board of Directors and Senior Management

In addition, to the Company's knowledge, over the last five years, (i) no member of the Board of Directors or Senior Management has been convicted of fraud; (ii) no member of the Board of Directors or Senior Management has been involved in bankruptcy, receivership, liquidation or administration proceedings, (iii) no incrimination and/or official public sanction has been pronounced against the members of the Board of Directors or Senior Management by judicial or administrative authorities (including designated professional bodies); and (iv) no member of the Board of Directors or Senior Management has been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer, or intervening in the management or business conduct of an issuer.

In addition, to the Company's knowledge, over the last five years, (i) no non-voting member of the Board of Directors has been convicted of fraud; (ii) no non-voting member of the Board of Directors has been involved in bankruptcy, receivership, liquidation or administration proceedings; (iii) no incrimination and/or official public sanction has been pronounced against the non-voting members of the Board of Directors by judicial or administrative authorities (including designated professional bodies); and (iv) no non-voting member of the Board of Directors has been prevented by a court from acting as a member of an administrative, management or supervisory body, or intervening in the management or business conduct of an issuer.

4.1.6.3 Share ownership

In accordance with the Board of Directors' internal regulations, directors are required to hold a minimum of 1,000 shares and shall have a period of six months from their appointment to acquire these shares. Directors representing employees are not required to own Company shares.

4.1.7 Powers, duties, operation and work of the Board of Directors

4.1.7.1 Powers and duties of the Board of Directors

The Board of Directors determines the Company's business strategies and ensures their implementation in accordance with its corporate interest, taking into consideration the social and environmental challenges of its activity. Subject to the powers expressly granted to the General Shareholders' Meetings and within the limits of the Company's corporate purpose, it shall examine any and all matters pertaining to the efficient operation of the Company and make decisions about any and all issues concerning the Company. The Board of Directors strives to promote the Company's long-term value creation by considering the social and environmental challenges of its activities. In connection with the strategy defined, it regularly examines opportunities and risks, such as financial, legal, operational, social and environmental risks as well as the resulting measures taken.

More specifically, the Board of Directors is generally entrusted with the following duties:

- determining the method of management of the Company and setting, depending on the mode of governance, the duration of the term of office(s) and the compensation of the executive corporate officers;
- setting out a non-discrimination and diversity policy and ensuring its implementation by the executive corporate officers;
- assessing and reporting on the independence of the members of the Board of Directors;
- implementing a system to prevent and detect corruption and influence peddling; and
- overseeing the quality of the information provided to shareholders and the financial markets through the financial statements it approves and the annual report or when major transactions are carried out.

In addition, the internal regulations of the Board of Directors list the following duties as reserved for the Board of Directors:

- setting the Group's annual budget and business plan, including any modifications thereto;
- deciding on any individual capital expenditure that would exceed the annual budget by 7.5%;
- assessing and approving any acquisition or sale of assets (including patents and intellectual property rights), business goodwill or shares by a company of the Group, not included in the annual budget, for an individual amount exceeding €25 million;
- approving any grant of significant guarantees, off-balance sheet commitments and liabilities, or securities not included in the annual budget, for an individual amount exceeding €10 million per year;
- amending the Company's Articles of Association; and
- approving any decision of a Group company to enter into a new financing agreement with a third party (other than with a Group company and other than in the context of an existing Revolving Credit Facility) for an amount exceeding €25,000,000 and not included in the annual budget.

4.1.7.2 Meeting frequency, duration and attendance

In accordance with Article 2 of the Board of Directors' internal regulations, the Board meets at least four times a year. During the 2023 financial year, the Board of Directors met nine (9) times.

The meetings lasted approximately two hours on average.

Board of Directors' meeting date	Attendance rate
25 October 2022	81.81%
15 December 2022	100%
12 January 2023	100%
16 February 2023	90.90%
18 April 2023	100%
28 June 2023	100%
19 July 2023	100%
27 July 2023	90.90%

Work carried out during the past financial year

During the past financial year, the Board of Directors considered the following matters in particular:

The Group's financial situation, cash position and commitments	• Review of the annual financial statements for FY2022 and the half-year financial statements for 2023; • Information on the financial statements for the first and third quarters of 2023; • Proposed financial communications; • Update on the use of the delegation of powers granted to the Board of Directors for the purpose of awarding free shares and setting the terms and conditions of the free share plan; • Renewal of the financial and legal authorisations granted to the Chief Executive Officer, in particular for financing transactions and off-balance sheet commitments, and for authorising major Group guarantee transactions; • Dividend policy, proposed appropriation of net income and payment of dividend; • Review of the minutes and reports by the Chairperson of the Audit Committee on its work, in particular regarding the tax review, legal reporting and the Group's insurance programmes; • Business review; • Presentation of the results for the 2023 financial year and the budget for the 2024 financial year; • Report on transactions in treasury shares; • Update on the breakdown of share capital at 31 August 2023.
Monitoring the Group's major strategies and transactions and its CSR policy	• Review of the 2024 budget and long-term plan; • Review of the Group's Compliance Programme and action plan in the light of the Audit Committee's report; • Review of risk mapping and the materiality matrix for CSR issues; • Review of the Group's human resources policy, including management and talent management, diversity and gender balance in management bodies, employee relations, and health and safety prevention; • Review of the minutes and reports of the Strategy and CSR Committee by its Chairman; • Marketing and sales situation; • Review of the Group's investment projects; • Review of product roadmap and strategy; • Review of the datacenter deployment roadmap.

Corporate governance	• Review of the minutes and reports by the Chairman of the Appointments, Compensation and Governance Committee on its work. This committee deals in particular with setting the compensation of directors, the Chief Executive Officer and the Chairman of the Board, reviewing the independence of directors, the Board of Directors' diversity policy, and assessing the work of the Board to be put in place during the next financial year; • Approval of the compensation policy for the Chairman and Chief Executive Officer on the recommendation of the Appointments, Compensation and Governance Committee; • Review and approval of the employee shareholding plan (ESP); • Review and approval of a free share plan; • Award of free shares under the plan approved by the Board on 15 December 2022; • Review of the selection process for directors upon renewal of the Board's membership; • Review of compliance and ethics initiatives; • Assessment of directors' independence; • Allocation of directors' compensation; • Assessment of the organisation and operation of the Board and each of its committees; • Review of succession plans for members of the Executive Committee and the executive corporate officer; • Adoption of a Board of Directors' diversity policy; • Adoption of a policy on human rights and fundamental freedoms.
Miscellaneous	• Review of multi-year regulated related-party agreements and commitments and transactions with related parties; • Monitoring of changes in the shareholder base and reports from Senior Management on post-publication roadshows; • Approval of the Corporate Power Purchase agreement in Germany; • Approval of the acquisition of gridscale GmbH.

4.1.7.3 Operation of the Board of Directors and its committees

Throughout 2023, the Board of Directors was regularly informed about the main business developments and action plans proposed by Senior Management. The Board is also kept regularly informed of the Group's financial situation, cash position and off-balance sheet commitments, as well as developments in any major disputes, notably through the reports of the Audit Committee. The Chief Financial Officer attended Board meetings on a regular basis in 2023. The directors receive quarterly reports on the share price and the follow-up on analysts' recommendations. Every six months, Senior Management reports on the Group's commercial developments, its research and innovation initiatives, its internal operation (appointments, labour policy), its institutional activities (in collaboration with various institutions in France, Europe and abroad, monitoring of the regulatory environment) and its CSR and sustainable development initiatives.

Since 2021, a digital platform (the DiliTrust Board Portal) has been available to help directors carry out their duties. It can be accessed using an application on a tablet or computer. In particular, it enables secure sharing of documents relating to Board meetings.

4.1.7.4 Board of Directors' meeting without executive corporate officers

The lead director organised a meeting without the presence of the executive corporate officers on 14 November 2023. The meeting provided an opportunity for informal discussions on specific and topical issues.

4.1.7.5 Assessment of the Board and the work of Senior Management

Once a year, the Board devotes an agenda item to an assessment of its operation prepared by the Appointments, Compensation and Governance Committee, and to the organisation of a discussion on its operation in order to:

- improve efficiency;
- ensure that important issues are properly prepared and debated by the Board; and
- measure the effective contribution of each member to its work.

In addition, the internal regulations of the Board provide for a formal assessment to be carried out every three years by an external body under the responsibility of the Appointments, Compensation and Governance Committee, with the aim of verifying compliance with the Board's operating principles and proposing ways to improve its operation and efficiency. Each year, the Appointments, Compensation and Governance Committee prepares a report on its assessment of the performance of the Chairman, the directors, and on the work of the Senior Management. This report is provided to and discussed by the Board of Directors.

The Chairman of the Appointments, Compensation and Governance Committee also reports each year on the results of the assessment of the Board's operation and its committees and the activities of Senior Management, which is carried out every three years with the assistance of an independent external firm. The assessment is based on a questionnaire sent to each director and is supplemented by individual interviews. This is the first year that this assessment has been carried out by an independent external firm, and the results were presented to the Board of Directors on 14 November 2023. (1)

1) *Pursuant to Article 10.3 of the AFEP-MEDEF Code, "There should be a formal evaluation at least once every three years. This can be undertaken under the leadership of the appointments or nominations committee or an independent director assisted by an external consultant".*

Main conclusions of the assessments presented at the Board meetings in 2022 and 2023

In general, the opinion each year is that the Board works under conditions conducive to its operation.

Meeting date	Positive points	Areas for improvement identified by directors and recommendations
15 December 2022	• Very high level of trust between the Board of Directors, the Chairman of the Board and the Chief Executive Officer. The Chairman is not only the founder of the Company but also a recognised technical expert. Such a position and background may seem intimidating, but on the contrary, he is inclusive and respectful of everyone's views and opinions. • Good organisation of the Board's work. • Good quality of presentations produced by Senior Management. Good quality of discussions , enabling the effective communication of key elements of the strategy. • Good cohesion and strong commitment from Board members. • Good quality of Board debates. • Quality of exchanges between directors and with Senior Management. • Quality of the Board's membership thanks to the diversity of its members and their experience. • Quality of exchanges between directors and with Senior Management (open discussions). • Quality of discussions and debates resulting in clear options. • Transparency in exchanges between Board members. • Good quality of committee meeting minutes. • Qualities and strengths of the lead director: experience, availability and accessibility.	• Planning, respecting the agenda. • Involve Board members more closely in the decision-making process.

14 November 2023	• A genuine desire on the part of shareholders and management to adopt effective and compliant governance rules that are taken very seriously by both parties.
	• Positive attitude and dedication of the independent members of the Board of Directors.
	• Open-mindedness on the part of management towards the Board of Directors, enabling harmonious interaction and mutual respect between the two parties.
	• Open discussions without political bias on the Board of Directors, with everyone free to express their point of view.
	• When asked to describe the Board's DNA, the most positive words were:
	  • Transparent,
	  • Caring,
	  • Collegial,
	  • Provides support rather than challenges,
	  • Diversity of profiles,
	  • Calm discussions.
		Role of the Board of Directors
		To strengthen the Board's contribution to strategy, it is important to organise a bi-annual strategy seminar, as indicated by the majority of Board members.
		• Devote more time to strategy:
		  • LT strategy (challenges and threats),
		  • Competition in performance,
		  • Performance culture (how to develop it),
		  • Product roadmap.
		• A more in-depth discussion within the Board of Directors on the added value the listing has generated for OVH.
		• Strengthen the role of the Board and its committees in succession planning, which means that the Board should have more opportunities to meet with the management team.

Meeting date	Positive points	Areas for improvement identified by directors and recommendations
	• The Board's records are properly prepared and generally provide the expected information. • All key issues are presented to the Board and it fulfils its duty. • Board meeting agendas cover all the necessary subjects. • The separation of roles between the Chairman, the Chief Executive Officer and the lead director in leading the work of the Board is seen as effective and well suited to their different personalities; they complement each other. • A very positive contribution from the lead director, who brings added value through his experience and effectively manages the Appointments, Compensation and Governance Committee. • The independent members of the Board of Directors feel that their contribution is valued in relation to financial matters (via the Audit Committee), CSR and compensation. • Risk mapping is carried out and monitored by the Audit Committee. • The Appointments, Compensation and Governance Committee does a very good job. • The contribution of the employee representatives is assessed by the independent members of the Board of Directors. • The Board secretary does an excellent job, according to the Board members.	**Governance and composition of the Board of Directors** • The Appointments, Compensation and Governance Committee could call into question the current composition of the Board of Directors (which still has very few entrepreneurs and industry specialists among its outside directors) after more than two years in operation. ***Modus operandi* of the Board of Directors** • Make sure that participation in the meeting by videoconference remains the exception rather than the norm. • Allow more flexibility in the Board's schedule if the agenda requires additional time. • Provide more information between Board meetings on the life of the Company and commercial successes. • Organise an annual Board meeting away from the head office (e.g., at a plant or abroad) to improve the Board's knowledge of the Group. This would give Board members the opportunity to meet the management team on site. • Give Board members the opportunity to meet informally (lunch/dinner) and get to know each other across the different functions (management, shareholders, independent directors, employees, etc.). • Change the language on the Board from English to French (with those who wish to continue speaking English being allowed to do so). • The Chairman could organise regular round tables on important matters to ensure that everyone has expressed their point of view. • Pay more attention to the employee representatives' contribution, for example by organising a preparatory meeting for them, led by the Board secretary, a few days before Board meetings. **Audit Committee** • Submit more detailed reports to the Board of Directors, based on a document that promotes more discussion. **Appointments, Compensation and Governance Committee** • Produce more comprehensive reports for the Board of Directors. • Pay greater attention to employee satisfaction surveys and human resources issues. • The Chief Executive Officer is not required to attend all meetings. **Strategy and CSR Committee** • Redefine its role, as its remit is unclear to many Board members (particularly as regards strategy). • More comprehensive reporting.

4.1.7.6 Role of non-voting directors

There is no legal recognition of the role of non-voting director within public limited companies. Within OVHcloud, the Board of Directors may appoint one or more non-voting members in application of Article 19 of the Articles of Association. In accordance with the Articles of Association, the Board of Directors determines their term of office, which expires at the end of the Ordinary General Meeting called to approve the financial statements for the previous financial year and held in the year in which the non-voting member's term of office expires. They may be re-elected indefinitely.

The role of non-voting directors is to attend meetings of the Board of Directors in an advisory capacity. The Board may ask non-voting members for advice.

4.1.7.7 Role of the Chairman of the Board of Directors

The Board's internal regulations describe the role of the Chairman of the Board of Directors.

The Chairman of the Board of Directors organises and manages the work of the Board and reports on such work to the General Shareholders' Meeting. He is responsible for preparing the report on the organisation of the Board's work, internal control and risk management and he chairs the General Shareholders' Meetings.

More generally, the Chairman ensures that the Company's corporate bodies function properly and that the principles and practices of good governance are respected, particularly with regard to the committees set up within the Board. The Chairman also ensures that the directors are able to carry out their duties and keeps them well informed. He devotes the necessary time to issues concerning the future of the Group, particularly those relating to its strategy.

In accordance with the internal regulations, directors are required to inform the Chairman and the Board immediately of any situation involving a conflict of interest (even potential), and of any proposed agreement to be entered into by the Company in which they are or may be directly or indirectly involved.

The Chairman of the Board chairs the Board's meetings and prepares and coordinates its work.

This includes the following:

- convening Board meetings in accordance with a schedule of meetings agreed with the directors, and deciding whether to convene a Board meeting at any other time if necessary;
- preparing the agenda, supervising the preparation of the Board's documents and ensuring that all the necessary information is contained therein;
- ensuring that certain subjects are discussed by the committees in preparation for Board meetings and that they are able to make proposals to the Board;
- leading and coordinating the Board's discussions;
- ensuring that directors comply with the provisions of the Board and committee internal regulations;
- ensuring that the Board's decisions are followed up;
- preparing and organising periodic assessments of the Board, in conjunction with the Appointments, Compensation and Governance Committee;
- leading discussions on matters such as performance assessment, setting objectives and compensation, and the possible reappointment of the Chief Executive Officer;
- attending or being a member of any Board committee, if he so chooses.

The Chairman is provided with the resources necessary to carry out his duties.

4.1.7.8 Role of the Chief Executive Officer

The Chief Executive Officer:

- is vested with the broadest powers to act in all circumstances in the name of the Company;
- exercises his powers within the limits of the corporate purpose and, as an internal rule, within the limits provided for in the Board's internal regulations (see Section 4.2.1).

4.1.7.9 Appointment of a lead director

On 18 September 2021, the Board of Directors decided to appoint Bernard Gault as lead director, subject to conditions precedent and with effect from the admission of the Company's shares to trading on the Euronext Paris regulated market, for the duration of his term of office as director and that of his qualification as an independent director as determined by the Board.

4.1.7.10 Role of the lead director

The lead director is responsible for the following:

- assisting the Chairman in ensuring that the Company's governance bodies function properly. The Board may also entrust him with specific tasks relating to governance;
- dealing with any conflicts of interest that may arise within the Board of Directors. In particular, he examines any conflicts of interest, even potential conflicts of interest, that may affect the Chairman of the Board with regard to the Company's interests, whether in the context of operational projects, strategic guidelines or specific agreements. The lead director submits their recommendations to the Chairman and the Board after consultation with the other independent directors;
- taking note of the governance concerns of major shareholders who are not represented on the Board, and ensuring that these concerns are addressed;
- adding items to the agenda for Board meetings;
- assisting the Appointments, Compensation and Governance Committee in evaluating the performance of the Chairman of the Board as part of its annual assessment of the Board's operations.

4.1.8 Transactions carried out by corporate officers in the Company's shares

4.1.8.1 Disclosure obligation and blackout periods

The Board's internal regulations stipulate that each director or non-voting member must report to the AMF and the Company any transactions carried out in the Company's shares and comply in particular with the provisions of Article L. 621-18-2 of the French Monetary and Financial Code and Section 5 of the AMF's General Regulations (the table detailing transactions carried out in OVH shares by directors during 2023 is provided in Section 4.3).

Members of the Board of Directors and senior executives or other senior employees of the Company, or persons closely linked to them, are required to report to the AMF, within a period of three working days following the completion of any acquisitions, sales, subscriptions or exchanges of the Company’s shares or financial instruments.

Directors and executive corporate officers are also subject to French regulations on insider trading and misconduct, which punish the use or disclosure of inside information. In accordance with Regulation (EU) No 596/2014 and Commission Implementing Regulation (EU) 2016/347 of 10 March 2016, the Company draws up and updates a list of insiders, which is made available to the AMF.

Directors and executive corporate officers are required to comply with the provisions of the Company's code of conduct on transactions in its shares (see Chapter 4, Section 4.3 above)

Within this framework, the members of the Board of Directors and of the Executive Committee in particular may not buy or sell Company shares, either directly or through an intermediary, during specific periods: (i) the five weeks preceding the publication date (inclusive) of the annual financial statements, (ii) the four weeks preceding the publication date (inclusive) of the half-year financial statements, and (iii) the two weeks preceding the publication date (inclusive) of the quarterly financial information or, outside of these periods, for as long as they hold inside information. In order to prevent any difficulties arising from the application of the code of conduct, the persons concerned must consult the Group Legal Department, which is responsible in particular for establishing whether any event or information is likely to be classified as inside information.

4.1.8.2 Lock-up obligation for shares and ban on hedging applicable to executive corporate officers and members of the Executive Committee

In accordance with the AFEP-MEDEF Code (see Article 24), which requires the Board of Directors to set a minimum number of shares to be held by executive corporate officers in registered form until the end of their term of office, and with the provisions of Article L. 225-197-1 II paragraph 4 of the French Commercial Code applicable in the event of the allocation of performance shares to executive corporate officers, the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee, has decided, since the introduction of the performance share plans for the 2023, 2024 and 2025 financial years authorised by the General Meeting of 16 February 2023, to apply a lock-up obligation for vested performance shares awarded to executive corporate officers and members of the Company's Executive Committee, as is already the case for other Group beneficiaries. All of the shares are subject to continued presence and performance conditions.

4.1.9 Other information on the operation of the Board

This section summarises the relevant paragraphs of the Board's internal regulations.

4.1.9.1 Directors' rights and duties

The Board of Directors' internal regulations stipulate that its members are subject to the following obligations:

- acting in the corporate interest;
- informing the Board of any conflict of interest, including potential conflicts of interest, and abstaining from voting on any matter where such a conflict of interest exists;
- carrying out their duties in accordance with the legal provisions, in particular those relating to term of office limits, and attending Board and committee meetings on a regular basis;
- staying informed so that they can make useful contributions to the items on the agenda;
- considering themselves bound by professional secrecy and an obligation of loyalty;
- complying with the Company's code of conduct on carrying out transactions in the Company's shares;
- informing the Chairman of the Board immediately of any agreement entered into by the Company in which they are directly or indirectly involved or which has been entered into through an intermediary.

4.1.9.2 Information for directors

The Chairman shall provide the directors, in sufficient time, with the information they need to fully carry out their duties. The Chairman also informs the members of the Board on an ongoing basis of any significant information concerning the Company. Each director receives all the information necessary to carry out their duties, and is entitled to additional training on the specific characteristics of the Company and the Group.

In order to carry out their duties, directors may meet with key executives of the Company and the Group, provided that the Chairman of the Board has been informed in advance.

At the request of the Chairman or a director, an operational director may be invited to attend any Board meeting devoted to prospects and strategies in their area of expertise.

4.1.9.3 Remote participation

Directors may take part in Board meetings by videoconference or telecommunication under the conditions set out in Articles L. 225-37 and R. 225-21 of the French Commercial Code, this option being set out in the Board of Directors' internal regulations. They will be deemed to be present for the purposes of calculating the quorum and majority, except for the adoption of certain important decisions provided for by law and the internal regulations (in particular the approval of the annual financial statements and the preparation of the management report and consolidated financial statements).

4.1.10 Duties, operation and work of the committees

The Company's Board of Directors is assisted by:

- an Audit Committee;
- an Appointments, Compensation and Governance Committee;
- a Strategy and CSR Committee.

4.1.10.1 Audit Committee

Composition

The Audit Committee is composed of three members, two-thirds of whom are independent directors. It is specified that the three (3) members of the Audit Committee have specific expertise in finance and accounting.

At the date of this Universal Registration Document, the members of the Audit Committee are:

- Sophie Stabile* (Chairperson);
- Corinne Fornara*;
- Miroslaw Klaba.

** Independent director.*

Duties

The purpose of the Audit Committee is to monitor questions related to the preparation and the control of accounting and financial information and to monitor the efficiency of risk monitoring and operational internal control, in order to facilitate the Board of Directors' duties in controlling and verifying such matters.

The Audit Committee's main duties are as follows:

- monitoring the financial reporting process;
- monitoring the effectiveness of internal control, internal audit and risk management systems relating to financial and accounting information;
- monitoring the statutory audit of the financial statements and consolidated financial statements by the Company's Statutory Auditors;
- monitoring the independence of the Company's Statutory Auditors and their selection and reappointment procedures; and
- examining and monitoring the systems and procedures in place to ensure the dissemination and application of policies and rules of good practice in the areas of ethics, competition, fraud and corruption and, more generally, compliance with the regulations in force.

Method of operation

The Audit Committee meets as often as necessary and, in any event, at least twice a year when the annual and half-year financial statements are prepared. Meetings are held before the meeting of the Board of Directors and, to the extent possible, at least two (2) days before this meeting, when the Audit Committee's agenda concerns the review of the half-year and annual financial statements and prior to their review by the Board of Directors. The recommendations made by the Audit Committee are adopted by a simple majority of the members attending the meeting, each member having one vote. In the event of a tie, the Chairperson of the Audit Committee or, in his/her absence, another independent member shall have the casting vote.

The Committee Chairperson keeps minutes of meetings and reports thereon to the Board of Directors.

The Committee may consult with third parties from outside the Company who may be of assistance in carrying out its duties, and may call upon outside experts.

Work carried out during the past financial year

During the past financial year, the Audit Committee met five (5) times.

Committee meeting date	Attendance rate
5 October 2022	100%
24 October 2022	100%
10 January 2023	100%
13 April 2023	100%
26 June 2023	100%

During the 2023 financial year, the Audit Committee considered the following matters in particular:

Preparation of accounting and financial information	• Review of the main accounting options, the annual and interim financial statements and the related management report; • Review of the financial information and activity reports for the first and third quarters of 2023; • Preliminary 2023 interim documents; • Review of draft financial communication; • Presentation of financial markets.
Internal audit	• Review of the 2023-2024 audit plan; • Sapin II report.
Effectiveness of internal control and risk management	• Review of contracts at risk and the main tax risks affecting the Company; • Review of tax policy implementation; • Review of the risk management system, including risk mapping, the risk materiality matrix (including CSR topics) and the Group's insurance programme; • Review of the Company's cybersecurity, in particular including the place of cybersecurity in Group policy, how cybersecurity is organised within the Group, the mapping of cyber risks and cyber risk action and training plans; • Review of the Group's compliance programme and action plan, and of the Compliance Department's report on its work.
Statutory Auditors	• Review of the Statutory Auditors' engagements for 2023; • Review of the budget for the Statutory Auditors' fees for 2023, their engagements other than reviews or audits of financial statements, the allocation of their engagements as well as their independence, the organisation of their work and their recommendations; • Supervision of the process and conditions for the reappointment of Statutory Auditors on expiry of their terms of office; • Presentation of the Statutory Auditors' Audit Plan (strategy and audit strategy).

Miscellaneous	• Review of multi-year regulated related-party agreements and commitments and transactions with related parties; • Monitoring of changes in the shareholder base and reports from Senior Management on post-publication roadshows; • Approval of the Corporate Power Purchase agreement in Germany; • Approval of the acquisition of gridscale GmbH.

4.1.10.2 Appointments, Compensation and Governance Committee

Composition

The Appointments, Compensation and Governance Committee is composed of five members, including a majority of independent directors.

At the date of this Universal Registration Document, the members of the Appointments, Compensation and Governance Committee are:

- Bernard Gault (Chairman)*;
- Isabelle Tribotté*;
- Sophie Stabile*;
- Octave Klaba;
- Henryk Klaba;
- Hugues Bodin.

** Independent director.*

Duties

The Appointments, Compensation and Governance Committee is a specialised committee of the Board of Directors whose principal duty is to help the Board of Directors in the composition of the managing bodies of the Company and the Group and in the determination and regular evaluation of all the compensation and benefits of the Company's executive corporate officers, including any deferred benefits and/or benefits arising upon their voluntary or involuntary departure from the Group.

The main duties of the Appointments, Compensation and Governance Committee are as follows:

- with regard to appointments and governance:
  - proposals for the appointment of the members of the Board of Directors and its committees and of the Company's executive corporate officers,
  - preparation of a succession plan for the members of the Board of Directors and its committees and the Company's executive corporate officers,
  - assessment of the advisability of reappointing directors,
  - annual review of the Board of Directors' diversity policy and monitoring of gender parity, age and diversity of skills,
  - annual assessment of the independence of the members of the Board of Directors,
  - implementation of a director selection procedure with greater attention paid to the assessment of the independence of candidates,
  - monitoring of the gender and wage equality policy;
- regarding compensation:
  - review and proposal to the Board of Directors concerning all the components and conditions of the compensation of the Chairman of the Board of Directors, the Chief Executive Officer and the Vice-Chief Executive Officer(s),
  - determination of the general compensation policy for the other members of the Executive Committee,
  - review and proposal to the Board of Directors concerning the method for distributing the overall annual compensation package allocated by the General Meeting.

Method of operation

The Appointments, Compensation and Governance Committee meets as often as necessary and, in any event, prior to any meeting of the Board of Directors to decide on the setting of executive compensation and the appointment of Board members or the distribution of annual compensation. The recommendations made by the Appointments, Compensation and Governance Committee are adopted by a simple majority of the members present. In the event of a tie, the vote of the Chairman of the Appointments, Compensation and Governance Committee, or in his/her absence, that of another independent member is decisive.

The Committee Chairperson keeps minutes of meetings and reports thereon to the Board of Directors.

Work carried out during the past financial year

During the past financial year, the Appointments, Compensation and Governance Committee met four (4) times.

Committee meeting date	Attendance rate
27 October 2022	66.66%
15 December 2022	83.33%
12 April 2023	83.33%
26 June 2023	83.33%

During the 2023 financial year, the Appointments, Compensation and Governance Committee was consulted on the following matters in particular:

Compensation of executive corporate officers and the Group's key executives	• Compensation of the Chairman of the Board of Directors and the Chief Executive Officer paid or awarded in respect of the 2023 financial year; • 2024 compensation policy for the Chairman of the Board of Directors and the Chief Executive Officer; • Definition of the terms and conditions of the 2023 free share plans for the Chief Executive Officer and key executives.
Directors' compensation	• Information on the compensation of directors (excluding the executive corporate officer) for the 2023 financial year; • Compensation policy for directors in respect of the 2024 financial year i.e., review of the 2024 compensation package and its allocation among the directors.
Employee shareholding	• Review of the 2023 employee shareholding plan and discussions regarding a 2024 employee shareholding plan.
Assessment	• Work and report on the assessment of the operation of the Board and its committees; • Review of the performance of the Chairman of the Board of Directors and the Chief Executive Officer; • Review of the independence of directors.
Succession	• Succession plan for key executives.
Miscellaneous	• Approval of new hires > €150 thousand per Business Unit; • Review of the employee opinion survey.

SUCCESSION PLANS

(1) By the Appointments, Compensation and Governance Committee and the Chairman of the Board of Directors.

Succession plans for executive corporate officers and the other Executive Committee members are examined and reviewed by the Appointments, Compensation and Governance Committee and by the Board of Directors. The plans consist of an ongoing, in-depth thought process resulting in different proposals depending on the time horizon (short- or medium-term) in order to prepare for the future through the development of various options.

Succession plans for the Chief Executive Officer

For these plans, the Committee submits proposals to the Board of Directors developed on the basis of studies conducted by independent external consultants and consisting of (i) internal succession solutions that give preference to the Group's leadership development plans, and (ii) external succession solutions, in particular in the event of an unforeseen vacancy (following the CEO's resignation, impediment, death or default). The Chief Executive Officer and the Group Chief Human Resources Officer work with the Committee in assessing internal candidates and examining their development plans.

The Chairman of the Appointments, Compensation and Governance Committee and the Chairman of the Board of Directors examine the lists of candidates for the succession of the Chief Executive Officer before submitting proposals to the Committee. The Committee then makes recommendations to the Board of Directors.

The succession plans for the Chief Executive Officer were examined by the Appointments, Compensation and Governance Committee and by the Board of Directors on 14 November 2023. The succession plans for the other Executive Committee members will be examined by the Committee and the Board on 20 December 2023 and will be reviewed in February 2024.

4.1.10.3 Strategy and CSR Committee

Composition

The Strategy and CSR Committee is composed of five members with the presence of independent directors.

At the date of this Universal Registration Document, the members of the Strategy and CSR Committee are:

- Octave Klaba (Chairman);
- Isabelle Tribotté*;
- Diana Einterz*;
- Michel Paulin;
- Miroslaw Klaba.

** Independent director.*

Duties

In the fields falling within the scope of its duties, the Strategy and CSR Committee is responsible for preparing the work and facilitating the decision-making process of the Board of Directors relating to the review of:

- the analysis of major external growth projects by the Company;
- corporate strategy, matters relating to the evolution, prospects and opportunities of the segment, particularly concerning innovations and disruptive technologies;
- the assurance that matters relating to social and environmental responsibility (such as diversity and non-discrimination policies and compliance and ethics policies) are taken into account in the Group's strategy and in its implementation;
- the non-financial performance statement on social and environmental matters provided for in Article L. 22-10-36 of the French Commercial Code;
- the opinions expressed by investors, analysts and other third parties and, if applicable, the potential action plan drawn up by the Company to improve the points raised on social and environmental matters;
- the assessment of the relevance of the Group's social and environmental commitments and strategic directions on social and environmental matters, in light of the challenges specific to its activity and targets, and their implementation; and
- all other relevant matters that do not fall within the scope of the duties of the Company's Audit Committee or Appointments, Compensation and Governance Committee.

Method of operation

The Strategy and CSR Committee meets as often as necessary and, in any case, at least once (1) a year. The Strategy and CSR Committee makes its decisions by simple majority of the members attending the meeting, each member having one vote. The vote of the Chairman of the Strategy and CSR Committee is not decisive in the event of a tie. To fulfil its duties, the Strategy and CSR Committee may meet with managers of the Company or the Group whose responsibilities or expertise are useful to the committee's work. The Strategy and CSR Committee may call upon external experts where necessary. The Committee Chairperson keeps minutes of meetings and reports thereon to the Board of Directors.

Work carried out during the past financial year

During the past financial year, the Strategy and CSR Committee met four (4) times.

Committee meeting date	Attendance rate
25 October 2022	100%
11 January 2023	100%
18 April 2023	100%
27 June 2023	100%

The Strategy and CSR Committee met to discuss the following topics, in order to formulate opinions and recommendations to the Board of Directors:

Strategy and CSR	• Datacenter roll-out and focus on India; • Customer communication: achievements and next steps; • Mergers and acquisitions: including the acquisition of gridscale GmbH in Germany; • Work plan for the 2024 non-financial performance statement: focus on climate risk strategy; • Monitoring of the sustainable development communication and activation plan implemented in 2022; • Monitoring of the initiatives implemented on datacenter energy efficiency to achieve datacenter climate neutrality by 2025; • Launch of the carbon calculator; • Approval of a human rights policy.

4.2 SENIOR MANAGEMENT AND EXECUTIVE COMMITTEE

By law, the Board of Directors elects, from among its members, a Chairman who is a natural person and whose role is described in Section 3.2.1.5 above.

The Board of Directors entrusts the general management of the Company either to the Chairman of the Board of Directors (who holds the title of Chairman and Chief Executive Officer) or to another natural person, who may or may not be a director, holding the title of Chief Executive Officer.

As set out in the AFEP-MEDEF Code, the law does not give preference to either governance method over the other and it is up to the Company's Board of Directors to choose between exercising unified or separate general management, depending on its particular requirements.

Governance method

Octave Klaba was appointed Chairman of the Board of Directors at the Board of Directors' meeting of 28 September 2021, for a period equivalent to his term of office as a director, i.e., until the end of the Ordinary General Meeting of the Company called to approve the financial statements for the financial year ending 31 August 2025.

Michel Paulin was appointed Chief Executive Officer at the Board of Directors' meeting of 28 September 2021, for a period equivalent to his term of office as a director, i.e., until the end of the Ordinary General Meeting of the Company called to approve the financial statements for the financial year ending 31 August 2025.

The separation of these positions was motivated by the need to retain the skills and experience of Octave Klaba, founder of OVHcloud, at a decisive moment in the Company's history with its IPO in 2021. Notwithstanding the fact that this corporate governance structure is considered by investors and voting advisory agencies to be best practice.

4.2.1 Limits on the powers of the Chief Executive Officer

In accordance with the law, the Chief Executive Officer is vested with the broadest powers to act in all circumstances in the name of the Company. He exercises his powers within the limits of the corporate purpose. However, as an internal rule, the Chief Executive Officer exercises his powers within the limits set by the Board of Directors' internal regulations. The following decisions by the Chief Executive Officer require the prior authorisation of the Board of Directors:

- the Group's annual budget and business plan, including any modifications thereto;
- any decision regarding any individual capital expenditure that would exceed the annual budget by 7.5%;
- any acquisition or sale of assets (including patents and intellectual property rights), business goodwill or shares by a company of the Group, not included in the annual budget, for an individual amount exceeding €25 million;
- authorisation for the Chairman to grant sureties, endorsements and guarantees;
- any amendment to the Company's Articles of Association; and
- any decision of a Group company to enter into a new financing agreement with a third party (other than with a Group company and other than in the context of an existing Revolving Credit Facility) for an amount exceeding €25 million and not included in the annual budget.

4.2.2 Executive Committee

To carry out his duties, the Chief Executive Officer is assisted by an Executive Committee, which provides a forum for discussion, consultation and decision-making on general policy, with the aim of implementing the Group's major strategies. The Committee is also consulted on major issues affecting the Group.

The Executive Committee meets once a week.

At the date of this Universal Registration Document, the Executive Committee was composed of the following 11 members:

- **Michel Paulin**, Chief Executive Officer;
- **Line Cadel**, Chief Human Resources Officer;
- **Stéphanie Besnier**, Group Chief Financial Officer;
- **Yona Brawerman**, Chief Digital Marketing Officer;
- **Mathieu Delobelle**, Chief Information Systems Officer;
- **Georges de Gaulmyn**, Chief Industrial Officer;
- **Dominique Michiels**, Chief Service Delivery Officer;
- **Axel Mac Namara**, Chief Customer Officer;
- **Sylvain Rouri,** Chief Sales Officer;
- **Thierry Souche**, Chief Technology Officer;
- **Solange Viegas-dos-Reis**, Group Chief Legal Officer.

4.3 SUMMARY TABLE OF TRANSACTIONS CARRIED OUT BY EXECUTIVES IN THE COMPANY'S SHARES

To the best of the Company's knowledge, the following transactions were carried out during the past financial year in the Company's shares by the persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code:

Name	Number of shares purchased	Number of shares sold	Purchase date	Sale price
Yann Leca[(1)]	5,000	-	05/09/2022	12.0000
	2,065	-	23/09/2022	10.9600
Frédérique Éthève[(2)]	-	3,181	07/02/2023	15.0500
	-	3,181	07/03/2023	18.5000
Digital Scale[(3)]	100,000	-	17/03/2023	11.8558
Deep Code[(4)]	100,000	-	17/03/2023	11.8558
Yona Brawerman	8,500	-	05/03/2023	9.5000
Digital Scale[(3)]		1,028	26/05/2023	10.1000
		23,972	29/05/2023	10.1419
		7,520	29/05/2023	10.2228
		10,184	30/05/2023	10.2581
		25,000	31/05/2023	10.1210
		1,138	31/05/2023	10.1500
		7,296	01/06/2023	10.2000
		23,862	01/06/2023	10.1716
		25,000	01/06/2023	10.2258
		24,312	01/06/2023	10.2800
		25,000	02/06/2023	10.4594
		25,000	02/06/2023	10.3559
		12,330	02/06/2023	10.5235
		688	02/06/2023	10.3300
		25,000	02/06/2023	10.4804
		1,729	05/06/2023	10.3000
		2,179	06/06/2023	10.3126

(1) Yann Leca is no longer a member of the Executive Committee. He left OVHcloud at the end of October 2022.

(2) Frédérique Éthève is no longer a member of the Executive Committee. He left OVHcloud in May 2023.

(3) Digital Scale is an entity controlled by Octave Klaba.

(4) Deep Code is an entity controlled by Miroslaw Klaba.

4.4 BOARD OF DIRECTORS' CORPORATE GOVERNANCE REPORT

The information relating to corporate governance and constituting the report of the Board of Directors on this subject is already included in other sections of this Universal Registration Document. In order to limit repetition, the cross-reference table below provides a link between each section of the report and the corresponding paragraph of this document.

Information required under the French Commercial Code	Sections of the 2023 Universal Registration Document
Governance (Articles L. 22-10-10 and L. 227-37-4 of the French Commercial Code)	
List of all offices and functions exercised in any company by each of the corporate officers during the financial year	4.1.1.2
Agreements entered into between a subsidiary and a corporate officer or a shareholder holding over 10% of voting rights	4.6
Table summarising the current delegations of authority granted to increase the share capital	6.5.1
Choice of management procedures	4.1.1.1
Composition, conditions of preparation and organisation of the Board of Directors' work	4.1.1.1; 4.1.5; 4.1.7
Diversity policy applied to the members of the Board of Directors and the Executive Committee and the results in terms of diversity in the 10% of positions with the highest responsibility within the Company	3.3.1.3; 4.1.3
Limits on the powers of the Chief Executive Officer	4.2.1
Provisions of the Corporate Governance Code that have been waived and the place where this code may be consulted	N/A
Specific procedures for shareholder participation in General Meetings	7.1.3
Description of the procedure for regulated and routine related-party agreements and commitments set up by the Company and its implementation	4.6
Executive compensation (Articles L. 22-10-8, L. 22-10-9, L. 225-185 and L. 225-197-1 of the French Commercial Code)	
Presentation of the compensation policy for corporate officers to be submitted to the General Meeting as part of the *ex-ante* vote	4.5.2
Compensation of corporate officers paid during or awarded in respect of the last financial period ended	4.5.2
Relative proportion of fixed and variable compensation	4.5.2
Use of the option to request the return of compensation paid	N/A
Commitments made to corporate officers for taking up office, termination of office or a change of duties	4.5
Compensation paid or awarded by a consolidated company	4.5.2
Ratio between the compensation of Company executives and the average compensation of employees	4.5.2.2
Annual change in compensation, the Company's performance, the average compensation of the Company's employees and the aforementioned ratios over the five most recent financial years for comparison	4.5.2.2
Explanation as to how the total compensation complies with the adopted compensation policy, including how it contributes to the Company's long-term performance and how the performance criteria have been applied	4.5.2
Method by which the vote of the last Ordinary General Meeting provided for in paragraph I of Article L. 22-10-34 of the French Commercial Code was taken into account	4.5.2
Any differences between the compensation policy and any waivers applied in accordance with paragraph III of Article L. 22-10-8, including an explanation of the exceptional circumstances and an indication of the specific components waived	N/A

Information required under the French Commercial Code	Sections of the 2023 Universal Registration Document
Implementation of the legal provisions regarding the suspension of payment of directors' compensation, if applicable	N/A
Allocation and retention of options by corporate officers	4.5.3
Allocation of free shares to executive corporate officers and retention of such shares	4.5.3
Factors likely to have an impact in the event of a public tender offer (Article L. 22-10-11 of the French Commercial Code)	
Company's share capital structure	6.1.1; 6.1.2; 6.1.4
Restrictions of the Articles of Association on the exercise of voting rights and share transfers	7.1.6
Direct or indirect interests in the Company's share capital	6.1.1
List of holders of any securities with special control rights	N/A
Control mechanisms provided for under an employee shareholding system	6.1.5
Agreements between shareholders that may result in restrictions on the transfer of shares and the exercise of voting rights	6.1.3
Rules applicable to the appointment and replacement of members of the Board of Directors and to the amendment of the Company's Articles of Association	4.1.6; 4.2; 7.1.6
Powers of the Board of Directors (specifically with regard to the issue or buyback of shares)	4.1.7
Agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company, unless such disclosure, other than in the case of a legal obligation to disclose, would seriously harm its interests	N/A
Agreements providing for compensation for members of the Board of Directors or employees, if they resign or are dismissed without real and serious cause or if their employment is terminated due to a takeover bid or exchange offer	N/A

Information recommended in accordance with the AFEP-MEDEF Corporate Governance Code	Section of the AFEP-MEDEF Code	Sections of the 2023 Universal Registration Document
Presentation of the Board of Directors' activities during the past financial year	1.8	4.1.5; 4.1.7.2
Internal regulations of the Board of Directors	2.2	4.1.9; 7.1.7
Quantitative and qualitative criteria used to assess the significance or otherwise of the relationship with the Company or its Group	9.5.3	4.1.4
Assessment of the work of the Board of Directors	10.1	4.1.7.5
Number of meetings of the Board of Directors and of the Board committees held during the past financial year and information on the individual attendance of directors at these meetings and sessions	11.1	4.1.7.2; 4.1.10.1; 4.1.10.2; 4.1.10.3
Start and end dates of the term of office of each director, their nationality, their age and their main function, the members of each Board committee	14.3	4.1.1.1
Presentation on the activities of the committees during the past financial year	15.2	4.1.7.3
Number of shares held by directors	20	4.1.1.2
Rules for allocating directors' compensation and the individual amounts of payments made to directors in this respect	21.4	4.5.2.1
Minimum number of shares that executive corporate officers must hold in registered form	23	4.1.8.2
Recommendations of the High Committee and the reasons why the Company has decided not to act on them	27.1	N/A

4.5 COMPENSATION AND BENEFITS

The summary of the compensation components of the executive corporate officers, Octave Klaba and Michel Paulin, paid during or awarded in respect of the 2023 financial year, as well as the 2024 compensation policy, submitted to the vote of the shareholders at the Combined General Meeting of 16 February 2023, are presented in Section 4.5.2.2.

Total compensation paid during or awarded in respect of the 2023 financial year to the Chairman of the Board of Directors and the Chief Executive Officer, the directors and other non-corporate officer executives, both by the Company and by controlled companies, within the meaning of Article L. 233-16 of the French Commercial Code, is detailed below. At its meeting of 14 November 2023, the Board of Directors of OVH Groupe confirmed that the AFEP-MEDEF Code is the code to which the Company refers, in particular concerning the compensation of executive corporate officers. This Universal Registration Document, and in particular the tables in Section 4.5.2.2 (stock subscription and/or purchase options, free shares, performance shares), have been prepared in accordance with the format recommended by the AFEP-MEDEF Code and AMF recommendation 2012-02.

4.5.1 Compensation policy for corporate officers

The principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the total compensation and benefits in kind attributable to the executive corporate officers by virtue of their office, constituting the compensation policy concerning them, are approved by the Board of Directors on the recommendations of the Appointments, Compensation and Governance Committee, and are subject to shareholder approval ("*ex-ante* vote on the compensation policy") at the General Shareholders' Meeting in accordance with Article L. 225-37-2 of the French Commercial Code.

In addition, pursuant to Article L. 22-10-34 of the French Commercial Code, the General Shareholders' Meeting votes on: (i) the fixed, variable and exceptional components of the total compensation and (ii) the benefits in kind paid during or awarded in respect of the previous financial year to the executive corporate officers ("*ex-post* vote on compensation in respect of the previous financial year"). As a result, the payment of variable or exceptional compensation in respect of a financial year is subject to their approval by the General Shareholders' Meeting called to approve the financial statements of that financial year.

Octave Klaba, Chairman of the Board of Directors, and Michel Paulin, Chief Executive Officer, are the only executive corporate officers.

4.5.2 Compensation and benefits paid to executive corporate officers and non-executive officers

4.5.2.1 Directors' compensation

Total amount and allocation of directors' compensation for the 2023 financial year

In accordance with the law, the maximum amount of compensation allocated to directors is set by the General Shareholders' Meeting. During the written consultation of the shareholders closed on 27 September 2021, the shareholders set the total annual amount of compensation to be allocated to the Board of Directors at €500,000. This amount remained unchanged for the 2023 financial year.

On 14 November 2023, the Board of Directors approved the following compensation policy for members of the Board of Directors:

- a fixed portion (€15,000) and a variable portion (€30,000 in the event of attendance at all meetings), these amounts being increased for the lead director (fixed portion increased to €25,000 and variable portion increased to €45,000); and
- additional compensation for committee members:
  - with regard to the Audit Committee: a fixed portion of €7,500 and a variable portion of €10,000 for members if they attend all meetings, and a fixed portion of €8,500 and a variable portion of €6,500 for the Chairman,
  - with regard to the Appointments, Compensation and Governance Committee: a fixed portion of €7,500 and variable portion of €10,000 for members if they attend all meetings, and a fixed portion of €5,000 and a variable portion of €5,000 for the Chairman,
  - with regard to the Strategy and CSR Committee: a fixed portion of €5,000 and a variable portion of €7,500 for members if they attend all meetings, and a fixed portion of €3,000 and a variable portion of €2,000 for the Chairman.

Only independent directors receive compensation. The compensation of the members of the Board of Directors is paid quarterly in arrears for the fixed portion and annually in arrears for the variable portion. The members of the Board of Directors are reimbursed for the expenses (including travel expenses) incurred in the course of their duties.

The non-voting members do not receive any compensation, although the Board of Directors has the power to allocate part of the compensation to non-voting members and to grant additional compensation for special assignments.

TABLE 3 (AMF NOMENCLATURE)

DIRECTORS' COMPENSATION AND OTHER COMPENSATION RECEIVED BY NON-EXECUTIVE OFFICERS

Non-executive officers	Amounts awarded during the financial year ended 31 August 2022	Amounts paid during the financial year ended 31 August 2022	Amounts awarded during the financial year ended 31 August 2023	Amounts paid during the financial year ended 31 August 2023
Henryk Klaba				
Compensation (fixed, variable)	300,965.14	300,965.14	300,000.00	300,000.00
Other compensation[1]	5,205.30	5,205.30	5,195.40	5,195.40
Miroslaw Klaba				
Compensation (fixed, variable)	235,437.10	235,437.10	240,000.00	240,000.00
Other compensation[1]	1,543.12	1,543.12	3,810.52	3,810.52
Bernard Gault				
Compensation (fixed, variable)	97,500.00	80,932.50	52,500.00	47,780.00
Other compensation	N/A	N/A	N/A	N/A
Sophie Stabile	95,000.00	63,131.25		
Compensation (fixed, variable)			48,500.00	33,948.00
Other compensation	N/A	N/A	N/A	N/A
Corinne Fornara	62,500.00	41,781.25		
Compensation (fixed, variable)			32,500.00	22,750.00
Other compensation	N/A	N/A	N/A	N/A
Diana Einterz	57,500.00	47,960.00		
Compensation (fixed, variable)			57,500.00	50,140.00
Other compensation	N/A	N/A	N/A	N/A
Isabelle Tribotté	75,000.00	50,093.76		
Compensation (fixed, variable)			75,000.00	53,040.00
Other compensation	N/A	N/A	N/A	N/A

(1) Company car.

4.5.2.2 Compensation of executive corporate officers

Policy and general principles applicable to the compensation of the Chairman of the Board of Directors and the Chief Executive Officer

In accordance with the provisions of the AFEP-MEDEF Code, on the recommendations of its Compensation Committee, the Board of Directors conducts an annual review of all compensation components of the Chairman of the Board of Directors and the Chief Executive Officer on the basis of a regulation defining the principles and general policy applicable to such compensation components. This regulation may be reviewed and amended each year according to changes in the Group's strategic priorities or in the event of the occurrence of significant new events. Barring significant new events or changes in strategic priorities, it determines:

1. the amount of the annual fixed compensation;
2. the criteria for determining annual and long-term variable compensation;
3. the applicable terms and conditions.

For the implementation of this regulation and the determination of the compensation components of the Chairman of the Board of Directors and the Chief Executive Officer, on the recommendations of its Compensation Committee, the Board of Directors ensures, in particular, that the compensation policy is aligned with the Group's strategy, and takes into account the balance between their compensation components (annual fixed and variable compensation, long-term compensation plan and other benefits or additional compensation components). In addition, the review of the compensation components of the Chairman of the Board of Directors and the Chief Executive Officer also takes into account studies and benchmarks relating to the compensation applicable in companies comparable to OVH Groupe and in SBF 120 companies.

a) Chairman of the Board of Directors

In respect of his office as Chairman of the Board of Directors of the Company, the compensation of Octave Klaba is determined in accordance with the principles set out below. These principles were reviewed by the Company's Appointments and Compensation Committee and approved by the Board of Directors on 14 November 2023.

The compensation of the Chairman of the Board of Directors is fully in line with the compensation policy.

Compensation

The compensation of the Chairman of the Board of Directors includes annual fixed compensation of five hundred and twelve thousand two hundred euros (€512,200), paid annually in thirteen equal monthly instalments.

This compensation corresponds to the compensation allocated to him for his duties as Chairman of the Company prior to its conversion into a public limited company, in view of his new duties and his specific role in this respect in terms of strategy and innovation.

The compensation of the Chairman of the Board of Directors does not include a variable portion.

The amount of fixed compensation is determined by the Company's Board of Directors on the recommendation of the Appointments, Compensation and Governance Committee, taking into account market practices and the compensation observed for similar positions in listed French companies.

Exceptional bonus

N/A

Compensation as a director

The Chairman of the Board of Directors may receive compensation in respect of his office as a director. The Chairman will not receive any compensation as a director in addition to his compensation as Chairman of the Board of Directors.

Other collective benefits

The Chairman of the Board of Directors is also eligible for all the collective rights and benefits granted to Company executives from the date of his appointment.

Benefits in kind

The Chairman of the Board of Directors benefits from the provision of a company car in accordance with the Car Policy in force in the Company or the reimbursement of mileage allowances according to tax scales if he prefers to use a personal vehicle.

The Chairman of the Board of Directors is also entitled to the reimbursement of reasonable business travel and entertainment expenses incurred in the course of his duties.

He is covered by the Company's pension, mutual and welfare plans applicable to managers, under the same conditions.

Stock options, performance shares or other long-term compensation components

N/A

Supplementary pension plan

The Chairman of the Board of Directors does not currently benefit from any supplementary pension scheme.

Severance pay: termination benefit

The Chairman of the Board of Directors is not eligible for any severance pay.

Non-compete compensation

The Chairman of the Board of Directors is not eligible for any non-compete compensation.

This compensation policy was submitted for approval to the General Meeting of 16 February 2023. After examination by the Appointments, Compensation and Governance Committee, this compensation will remain unchanged for the 2024 financial year, and will be submitted for approval to the General Meeting of 15 February 2024.

The tables below show the compensation paid by the Company and by any Group company during the financial years ended 31 August 2022 and 31 August 2023 to Octave Klaba, Chairman of the Board of Directors of the Company.

TABLE 1 (AMF NOMENCLATURE)

SUMMARY OF COMPENSATION, STOCK OPTIONS AND SHARES AWARDED TO EACH EXECUTIVE CORPORATE OFFICER

(amounts paid in euros)	2022	2023
Octave Klaba *Chairman*		
Compensation awarded for the financial year (see Table 2 below for details)	518,361.43	518,366.88
Value of multi-year variable compensation awarded during the financial year	N/A	N/A
Value of stock options awarded during the financial year (see Table 4 below for details)	N/A	N/A
Value of free shares awarded (see Table 6 below for details)	N/A	N/A
Value of other long-term incentive plans	N/A	N/A
TOTAL	**518,361.43**	**518,366.88**

TABLE 2 (AMF NOMENCLATURE)

SUMMARY OF COMPENSATION PAID TO EACH EXECUTIVE CORPORATE OFFICER

(amounts paid in euros)	2022 Amounts awarded	2022 Amounts paid	2023 Amounts awarded	2023 Amounts paid
Octave Klaba *Chairman*				
Fixed compensation*	512,200	512,200	512,200	512,200
Annual variable compensation*	N/A	N/A	N/A	N/A
Multi-year variable compensation*	N/A	N/A	N/A	N/A
Exceptional bonus*	N/A	N/A	N/A	N/A
Compensation allocated as member of the Board of Directors	N/A	N/A	N/A	N/A
Benefits in kind(1)	6,161.43	6,161.43	6,166.88	6,166.88
TOTAL	**518,361.43**	**518,361.43**	**518,366.88**	**518,366.88**

** On a gross basis before social security contributions and taxes.*

(1) Company car.

TABLE 11 (AMF NOMENCLATURE)

Executive corporate officers	Employment contract		Supplementary pension plan		Indemnities or benefits due or likely to be due following the termination of or change of functions		Non-compete compensation	
	No	Yes	No	Yes	No	Yes	No	Yes
Octave Klaba *Chairman*	X		X		X		X	

b) Chief Executive Officer

Michel Paulin was appointed director by a written consultation of the shareholders of the Company closed on 27 September 2021, then Chief Executive Officer by decision of the Board of Directors of the Company in its new form of public limited company on 28 September 2021, for a period equivalent to his term of office as a director, i.e., until the end of the Company's Ordinary General Meeting called to approve the financial statements for the financial year ending on 31 August 2025.

In respect of his office as Chief Executive Officer of the Company, the compensation of Michel Paulin is determined in accordance with the principles set out below. These principles were assessed by the Appointments and Compensation Committee of the Company under its form of simplified joint stock company (*société par actions simplifiée*) and decided by the Board of Directors on 28 September 2021.

The compensation of the Chief Executive Officer is fully in line with the compensation policy.

Compensation

The compensation of the Chief Executive Officer includes a fixed portion and an annual variable portion, the latter being based on performance criteria set by the Board of Directors, after consulting the Appointments, Compensation and Governance Committee, these criteria being reviewed by the Board of Directors annually.

The payment of variable and, where applicable, exceptional compensation awarded in respect of the financial years ended after the date of admission of the Company's shares to trading on the Euronext Paris regulated market was subject to approval from the Combined General Meeting on 16 February 2023 for the compensation components paid to the Chief Executive Officer during or awarded in respect of the last financial year.

Fixed compensation

The amount of fixed compensation is determined by the Company's Board of Directors on the recommendation of the Appointments, Compensation and Governance Committee, taking into account market practices and the compensation observed for similar positions in French listed companies of a comparable size in the same sector.

The annual fixed compensation of the Chief Executive Officer is set at €500,000 gross, paid in thirteen equal monthly instalments.

Annual variable compensation

The variable portion of the Chief Executive Officer's compensation is equal to 100% of his fixed compensation if the targets are achieved, with the application of a reducing coefficient below 100%. This percentage may reach 145% of the fixed portion of his compensation in the event of overperformance in respect of the criteria defined by the Board of Directors.

Annual variable compensation for FY2022

In 2023, the Company paid the Chief Executive Officer variable compensation of €428,128.84 for the 2022 financial year. This variable compensation breaks down according to the achievement of the following criteria:

Performance indicators for the 2022 financial year	Rate of achievement	Weighting
Revenue growth	110.3%	40%
Growth in adjusted EBITDA	86.0%	25%
Weight of maintenance capex in relation to revenue	100%	5%
Weight of capex in relation to revenue	0.0%	5%
Carbon Usage Effectiveness (CUE)	0.0%	10%
Employee commitment	100.0%	15%
TOTAL	**85.63%**	**100%**

Annual variable compensation for FY2023 (*ex-post*)

The performance criteria defined by the Board of Directors for the 2023 financial year are as follows, with the following weightings:

1. revenue growth (this indicator represents 40% of variable compensation. It is triggered from a 70% achievement rate with a reducing coefficient of 0.9 between an achievement level of 70% and 100%. Above 100%, an increasing coefficient of 1.05 is triggered. The overall achievement level, including the accelerator, is capped at 200%);
2. growth in adjusted EBITDA (this indicator represents 25% of variable compensation. It is triggered when the target reaches 50%. The increase is linear between 50% and 120%. The level of achievement is capped at 120%);
3. weight of maintenance capex in relation to revenue (this indicator represents 5% of variable compensation. It is triggered at a 100% achievement rate and is capped at 100% in the event of outperformance);
4. weight of growth capex in relation to revenue growth (this indicator represents 5% of variable compensation. It is triggered at a 100% achievement rate and is capped at 100% in the event of outperformance);
5. Carbon Usage Effectiveness (CUE) (this indicator represents 10% of variable compensation. It is triggered at a 100% achievement rate and is capped at 100% in the event of outperformance);
6. employee commitment, a criterion measured on the basis of surveys carried out using a survey software (Peakon), this indicator represents 15% of variable compensation. It is triggered from a score of 7/10 (25% achievement rate) and increases on a linear basis to 7.3/10, corresponding to a 100% achievement rate. It is capped at 100% in the event of outperformance).

Power Usage Effectiveness (PUE), measures the energy efficiency of datacenter infrastructure. The methodology linked to this indicator is available in Chapter 3, Section 3.5.5 of this Universal Registration Document.

For the 2023 financial year, variable compensation of €175,000 will be proposed to the General Meeting of 15 February 2024. This variable compensation breaks down according to the achievement of the following criteria:

Performance indicators for the 2023 financial year (to be paid in 2024 – *ex-post*)	Rate of achievement	Weighting
Revenue growth	0.0%	40%
Growth in adjusted EBITDA	0.0%	25%
Weight of capex in relation to revenue	100%	5%
Weight of growth capex in relation to revenue growth	100%	5%
Power Usage Effectiveness (PUE)	100%	10%
Employee commitment (Peakon measurement)	100%	15%
TOTAL	**35.00%**	**100%**

Annual variable compensation for FY2024 (*ex-ante*)

At its meeting of 14 November 2023, the Board of Directors defined the performance criteria for the 2024 financial year, as well as their weighting. These criteria are as follows:

Performance indicators for the 2024 financial year (*ex-ante*)	Triggers and conditions	Weighting
Revenue growth	Minimum threshold of 70%, reducing coefficient of 0.9, linear increase until 100%. 100% achieved = 100% triggered. Above 100%, increasing coefficient of 1.05, linear increase until 150% (capped at 150%).	40%
Growth in adjusted EBITDA	Minimum threshold of 50%, 100% at target, 50% < % achieved < 120%, maximum achievement of 120%	25%
Weight of maintenance capex in relation to revenue	15% = 120% triggered 16% = 100% triggered 18% = 80% triggered Above 18% = not triggered	5%
Weight of growth capex, excluding M&A, in relation to revenue growth	20% = 120% triggered 22% = 100% triggered 24% = 80% triggered Above 24% = not triggered	5%
PUE results	At target (0 or 100%)	10%
Employee commitment (Peakon measurement)	Target of 7.3, gradual triggering up to the target, minimum threshold of: 7.0 = 25% triggered 7.1 = 50% triggered 7.2 = 75% triggered 7.3 = 100% triggered (capped at 100%)	15%

The payment of variable compensation awarded in respect of the past financial year is subject to approval by the Ordinary General Meeting of the compensation components and benefits in kind paid to the Chief Executive Officer during or awarded in respect of the past financial year.

The criteria and their weighting will be reviewed by the Board of Directors on an annual basis.

Exceptional bonus

The Board of Directors may decide, on the proposal of the Appointments, Compensation and Governance Committee, to grant an exceptional bonus in the light of very specific circumstances.

It must be possible to justify the payment of this type of compensation by an event such as the completion of a major or structuring transaction for the Company or by very specific circumstances (for example, due to their importance for the Group, of the involvement they require and the difficulties they present).

Compensation as a director

The Chief Executive Officer may receive compensation in respect of his office as a director. This is not the case, however.

Benefits in kind

The Chief Executive Officer benefits from:

- the reimbursement of reasonable business travel and entertainment expenses incurred in the performance of his duties upon presentation of receipts;
- a company car, in accordance with the Car Policy in force in the Company or reimbursement of mileage allowances related to the use of a personal vehicle;
- the pension, mutual and welfare plans in force within the Company applicable to managers, under the same conditions; and
- 25 working days off per year.

In addition, the Company has taken out third-party liability insurance for all directors and the Chief Executive Officer.

Other collective benefits

The Chief Executive Officer may also benefit from all the collective rights and benefits enjoyed by the Company's executives from the date of his appointment.

Stock options, performance shares or other long-term compensation components

The Chief Executive Officer has the option, where applicable, of receiving long-term compensation defined by the Board of Directors.

Supplementary pension plan

The Chief Executive Officer does not currently benefit from any supplementary pension plan.

Severance pay: termination benefit

The Chief Executive Officer is not eligible for any severance pay.

Non-compete compensation

The Chief Executive Officer benefits from a non-compete clause for a period of one year following the end of his term of office, in consideration for compensation representing 50% of his compensation (fixed + variable) for the financial year preceding his departure. This clause will not apply in the event of retirement or once he reaches the age of 65.

This commitment will be applicable in the Territory (defined as the entire world) for the duration of the term of office (including in the event of renewal) and for a period of one year, from the date of termination of his duties as Chief Executive Officer.

The Company reserves the right to unilaterally waive this non-compete undertaking as from the date of notification of the termination of his duties, in which case the Chief Executive Officer will be free and no compensation will be due.

This compensation policy will be submitted to the General Meeting for approval.

The tables below show the compensation paid to Michel Paulin, Chief Executive Officer of the Company, by the Company and by any Group company during the financial years ended 31 August 2022 and 31 August 2023.

COMPENSATION AWARDED AND PAID IN 2023

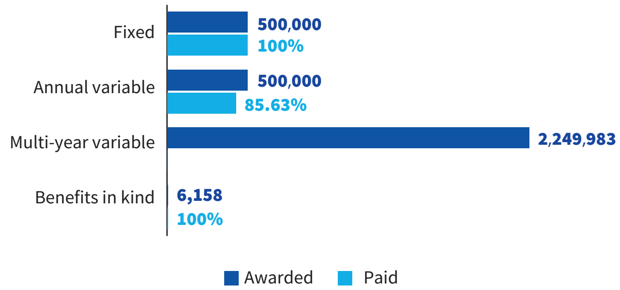


TABLE 1 (AMF NOMENCLATURE)

SUMMARY OF COMPENSATION, STOCK OPTIONS AND SHARES AWARDED TO EACH EXECUTIVE CORPORATE OFFICER

(amounts paid in euros)	2022	2023
Michel Paulin *Chief Executive Officer*		
Compensation awarded for the financial year (see Table 2 below for details)	1,005,849.33	1,006,158.48
Value of multi-year variable compensation awarded during the financial year	N/A	2,249,983.26
Value of stock options awarded during the financial year (see Table 4 below for details)	N/A	N/A
Value of free shares awarded (see Table 6 below for details)	N/A	N/A
Value of other long-term incentive plans	N/A	N/A
TOTAL	1,005,849.33	3,256,141.74

TABLE 2 (AMF NOMENCLATURE)

SUMMARY OF COMPENSATION PAID TO EACH EXECUTIVE CORPORATE OFFICER

	2022		2023	
(amounts paid in euros)	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Michel Paulin *Chief Executive Officer*				
Fixed compensation*	500,000	500,000	500,000	500,000
Annual variable compensation*	500,000	384,000	500,000	428,128.84
Multi-year variable compensation*	N/A	N/A	2,249,983.26(3)	N/A
Exceptional bonus*	-	125,000(2)	-	N/A
Benefits in kind(1)	5,849.33	5,849.33	6,158.48	6,158.48
TOTAL	**1,005,849.33**	**1,014,849.33**	**3,256,141.74**	**934,287.34**

** On a gross basis before social security contributions and taxes.*

(1) Company car.

(2) Corresponding to an exceptional bonus.

(3) 157,606 shares with a value of €14.3 each.

TABLE 11 (AMF NOMENCLATURE)

Executive corporate officers	Employment contract		Supplementary pension plan		Indemnities or benefits due or likely to be due following the termination of or change of functions		Non-compete compensation	
	No	Yes	No	Yes	No	Yes	No	Yes
Michel Paulin *Chief Executive Officer*	X		X		X			X

c) Pay ratios for OVH Groupe

In accordance with points 6 and 7 of Article L. 22-10-9 of the French Commercial Code, the Company must present the ratios and changes between the level of compensation of the Chairman of the Board of Directors and the Chief Executive Officer and the median compensation of employees other than corporate officers.

The ratios were calculated on the basis of the median and the average compensation (basic salary and annual variable compensation) paid to Company employees.

Changes

The total compensation awarded to the Chairman of the Board of Directors during 2023 amounted to €512,200, i.e., the same fixed compensation as in 2022 (€512,200). Total compensation remained stable between 2022 and 2023. This change can be compared to the growth in adjusted EBITDA and a change in average employee compensation of -8.90%.

Methodology

The pay ratios take into account the compensation components awarded (fixed compensation and annual variable compensation). In order to avoid potential bias, exceptional bonuses, long-term compensation, employer contributions and benefits in kind are not considered in these ratios.

The ratios were calculated based on the population of OVH Groupe, which is made up of only ten people.

TABLE FOR OVH GROUPE – COMPARISON OF EXECUTIVE CORPORATE OFFICER COMPENSATION WITH THE COMPANY'S PERFORMANCE AND MEAN AND MEDIAN COMPENSATION OF EMPLOYEES

Chairman of the Board of Directors	2019	2020	2021	2022	2023	Change 2022/2023
Compensation *(in euros)*	512,200	512,200	512,200	512,200	512,200	0.0%
Ratio compared to the average compensation of employees	1.65	1.30	1.34	1.40	1.54	10.0%
Ratio compared to the median compensation of employees	1.68	1.45	1.55	1.47	1.59	8.2%
Growth in adjusted EBITDA	37.1%*	23.5%	(0.4)%	17.4%	5.8%	5.8%

Chief Executive Officer	2019	2020	2021	2022	2023	Change 2022/2023
Compensation *(in euros)*	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0.0%
Ratio compared to the average compensation of employees	3.22	2.54	2.61	2.74	3.00	9.5%
Ratio compared to the median compensation of employees	3.27	2.84	3.03	2.87	3.10	8.0%
Growth in adjusted EBITDA	37.1%	23.5%	(0.4)%	17.4%	5.8%	5.8%

d) Pay ratios for the France scope

In accordance with points 6 and 7 of Article L. 22-10-9 of the French Commercial Code, the Company must present the ratios and changes between the level of compensation of the Chairman of the Board of Directors and the Chief Executive Officer and the median compensation of employees other than corporate officers.

The ratios were calculated on the basis of the median and the average compensation (basic salary and variable compensation) paid to Company employees.

Changes

The total compensation awarded to the Chairman of the Board of Directors during 2023 amounted to €512,200, i.e., the same fixed compensation as in 2022 (€512,200). Total compensation remained stable between 2022 and 2023. This change can be compared to the growth in adjusted EBITDA and a change in average employee compensation of 8.06%.

Methodology

The ratio of average compensation of employees and median compensation of employees, compared to the compensation of the Chairman of the Board of Directors and the Chief Executive Officer, are decreasing, as shown in the tables below. They are expressed in absolute value.

The pay ratios take into account the compensation components awarded (fixed compensation and variable compensation). In order to avoid potential bias, exceptional bonuses, long-term compensation, employer contributions and benefits in kind are not considered in these ratios.

The ratios were calculated based on the population of the company OVH SAS (*société par actions simplifiée* registered with the Lille Métropole Trade and Companies Registry under number 424 761 419), a subsidiary of OVH Groupe, which concentrates the permanent staff in France (permanent contract, on a full-time basis, and present for the last 12 months) of OVHcloud and OVH Groupe. This scope is more representative than just OVH Groupe, which is made up of only ten people. France represents nearly 70% of the total permanent workforce as defined above. This avoids any potential bias in exchange rates and local compensation practices.

TABLE FOR THE FRANCE SCOPE – COMPARISON OF EXECUTIVE CORPORATE OFFICER COMPENSATION WITH THE COMPANY'S PERFORMANCE AND MEAN AND MEDIAN COMPENSATION OF EMPLOYEES

Chairman of the Board of Directors	2019	2020	2021	2022	2023	Change 2022/2023
Compensation *(in euros)*	512,200	512,200	512,200	512,200	512,200	0%
Ratio compared to the average compensation of employees	10.62	10.21	9.76	9.09	8.42	-7.4%
Ratio compared to the median compensation of employees	13.13	12.31	11.73	10.69	9.90	-7.4%
Growth in adjusted EBITDA	37.1%	23.5%	(0.4)%	17.4%	5.8%	5.8%

Chief Executive Officer	2019	2020	2021	2022	2023	Change 2022/2023
Compensation *(in euros)*	1,000,000**	1,000,000	1,000,000	1,000,000	1,000,000	0%
Ratio compared to the average compensation of employees	20.73	19.92	19.06	17.75	16.43	-7.4%
Ratio compared to the median compensation of employees	25.64	24.04	22.91	20.87	19.33	-7.4%
Growth in adjusted EBITDA	37.1%	23.5%	(0.4)%	17.4%	5.8%	5.8%

4.5.3 Stock option awards – Free share awards

Stock subscription option awards

TABLE 4 (AMF NOMENCLATURE)

STOCK SUBSCRIPTION OR PURCHASE OPTIONS AWARDED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE CORPORATE OFFICER BY THE ISSUER AND BY ANY GROUP COMPANY

Name of executive corporate officer	Plan No. and date	Type of options (purchase or subscription)	Value of the options according to the method used for the consolidated financial statements	Number of options awarded during the financial year	Exercise price	Exercise period
Octave Klaba	N/A	N/A	N/A	N/A	N/A	N/A
Michel Paulin	N/A	N/A	N/A	N/A	N/A	N/A

TABLE 5 (AMF NOMENCLATURE)

STOCK OPTIONS EXERCISED DURING THE YEAR BY EACH EXECUTIVE CORPORATE OFFICER

Name of executive corporate officer	Plan No. and date	Number of options exercised during the year	Exercise price
Octave Klaba	N/A	N/A	N/A
Michel Paulin	N/A	N/A	N/A

TABLE 8 (AMF NOMENCLATURE)

HISTORICAL INFORMATION ABOUT STOCK OPTION AWARDS

Information about stock options	Plan No. 1	Plan No. 2	Plan No. 3	etc.
Date of General Meeting	-	-	-	-
Date of Chairman's decisions	-	-	-	-
Total number of shares under option, including the number that may be subscribed for or purchased by:	-	-	-	-
Start date of exercise period	-	-	-	-
Expiry date of exercise period		N/A		
Subscription or purchase price	-	-	-	-
Exercise procedures (if the plan includes several tranches)	-	-	-	-
Number of shares subscribed	-	-	-	-
Cumulative number of cancelled or lapsed stock options	-	-	-	-
Stock options outstanding at year-end	-	-	-	-

TABLE 9 (AMF NOMENCLATURE)

Stock options granted to and exercised by the top ten employees who are not corporate officers	Total number of stock options awarded/shares subscribed or purchased	Weighted average price	Plan No. 1	Plan No. 2
Options granted during the year by the issuer and any companies included in the stock option plan to the ten employees of the issuer or of those companies within the scope who received the most options (aggregate)	-	N/A	-	-
Stock options held in the issuer and in the above-mentioned companies that were exercised during the year by the ten employees of the issuer or of said companies who exercised the most options (aggregate)	-	-	-	-

Free share awards

A lock-up obligation for Michel Paulin was approved at the Board of Directors' meeting of 15 November 2021. Michel Paulin's shares are subject to a lock-up period of one year. From the end of this lock-up period, he is subject to an obligation to retain 75% of the free shares awarded in 2019 and fully vested for a period expiring at the end of his term of office.

TABLE 6 (AMF NOMENCLATURE)

FREE SHARES AWARDED TO EACH CORPORATE OFFICER

Free shares awarded during the financial year to each corporate officer by the General Shareholders' Meeting of the issuer and of any Group company (list of names)	Plan No. and date	Number of shares awarded during the financial year	Value of the shares according to the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance conditions
Octave Klaba	N/A	N/A	N/A	N/A	N/A	N/A
Michel Paulin	N/A	N/A	N/A	N/A	N/A	N/A

TABLE 7 (AMF NOMENCLATURE)

Free shares that have vested for each corporate officer	Plan No. and date	Number of shares released from lock-up during the financial year	Vesting conditions
Octave Klaba	N/A	N/A	N/A
Michel Paulin	N/A	N/A	N/A

TABLE 10 (AMF NOMENCLATURE)

HISTORY OF FREE SHARE AWARDS

Information on free share awards

Free share plans	Plan No. 1	Plan No. 2	Plan No. 3	Plan No. 4	Plan No. 5
Date of General Meeting	10 October 2017	10 October 2017	13 July 2020	13 July 2020	13 July 2020
Date of Chairman's decisions	20 October 2017	15 February 2019	22 July 2020	23 February 2021	20 July 2021
Total number of free shares awarded(1), of which the number awarded to:	1,108,049	1,776,316	385,236	442,186	250,976
Octave Klaba	N/A	N/A	N/A	N/A	N/A
Michel Paulin	N/A	861,562	N/A	N/A	N/A
Share vesting date	20 October 2018	15 February 2020	22 July 2021	23 February 2022	20 July 2022
End of lock-up period	20 October 2019	15 February 2021	22 July 2022	23 February 2023	20 July 2023
Number of shares subscribed	1,008,105	1,733,779	371,952	442,186	200,183

(1) The balance of shares awarded under the free share plans was allocated to Company employees.

For all of the above plans, the vesting and lock-up periods have now expired.

Long-term compensation

On the basis of the principles and recommendations of the AFEP-MEDEF Code (see Article 25.3.3) and in accordance with the regulations on the compensation of the executive corporate officer, on the recommendations of its Compensation Committee, the Board monitors the implementation of long-term compensation in addition to annual variable compensation, proportionate to the fixed and variable portion of the annual compensation with demanding performance conditions to be met over a period of several consecutive years.

When drawing up a new plan, the performance conditions are reviewed according to the long-term strategic priorities of OVH Groupe and may include internal and/or external performance conditions. This long-term compensation is intended not to apply exclusively to the executive corporate officer, but also to senior executives and other categories of Group employees (high potential employees or key contributors, for example), the scope of beneficiaries being determined at the time each long-term compensation plan is set up. In the event of the departure of the executive corporate officer before the expiry of the period provided for the assessment of the performance criteria, the multi-year compensation is not paid, subject to exceptional provisions justified by the Board. As part of the long-term compensation policy, the new performance share plan, described below, was approved by the Combined General Meeting of 16 February 2023.

Performance share plan implemented in 2022 for the 2023, 2024 and 2025 financial years

As part of the Group's compensation policy and pursuant to the authorisation of the Extraordinary General Meeting of 14 October 2021, the Board of Directors decided, on 15 December 2022, on the proposal of its Compensation Committee, to include around 120 beneficiaries, including senior executives, high potentials and key contributors to the Group, including the Chief Executive Officer, in a long-term (three-year) compensation plan.

This plan was implemented in December 2022 and is based:

1. for 50% on a continued presence condition at the end of the plan (three years); and
2. for 50% on the achievement of performance targets:
   - 25% on the increase in revenue over three years (the trigger will be when 90% of the target is reached and would be reduced to reach a 70% achievement. At 95% of the target, a reduction would continue to apply to reach an 85% achievement. Beyond 110%, an increase would apply to reach a 125% achievement, beyond 120%, an increase would apply to reach a 150% achievement. Outperformance would be capped at this achievement level of 150%);
   - 12.5% on the adjusted EBITDA/capex ratio (target achieved or not achieved, no triggering below target or exceeding in case of outperformance); and
   - 12.5% on a CSR rating target by an external agency (triggering will be from a rating of 71/100, assuming that the target has been achieved at 20%. The increase would be linear to reach 100% with a score of 75/100. This target would be capped at 100% and would therefore not exceed 100% of achievement).

The condition of continued employment at the end of the plan is essential: any departure before the end of the plan (three years) would result in a loss of rights.

With regard to the Chief Executive Officer, the achievement of 100% of the targets would allow an award of free shares equivalent to an amount of €2 million.

Planned new performance share plan

A new performance share plan is currently under consideration. The plan would have a limited number of beneficiaries, including the Chief Executive Officer.

Overview of performance share plans

Information on performance share plans

Performance share plan	Plan No. 1
Date of General Meeting	16 February 2023
Total number of free shares awarded[1], of which the number awarded to:	1,300,118
Octave Klaba	N/A
Michel Paulin	157,606
Share vesting date	15 December 2025
End of lock-up period	15 December 2025
Criteria	1. Presence 2. Revenue growth 3. Adjusted EBITDA/Capex ratio 4. CSR objectives

(1) The balance of shares awarded under the free share plans was allocated to Company employees.

4.5.4 Total amounts set aside or accrued by the Company or its subsidiaries to provide for pension, retirement or similar benefits

The Company has not made any provisions for the payment of pensions, retirement benefits or similar benefits to its executive corporate officers.

4.6 REGULATED RELATED-PARTY AGREEMENTS AND COMMITMENTS

Related entities mainly include companies controlled by Octave Klaba, founder and Chairman of OVH Groupe's Board of Directors, and other entities controlled by other members of the Klaba family, who are direct or indirect partners of the Company or by the Chairman of OVH SAS and Chief Executive Officer of OVH Groupe.

Pursuant to the agreements detailed below entered into with related parties and related to the conduct of the business, the Group recognised a total amount of operating expenses of €6,445,738 for 2023 versus €13,895,000 for 2022, and concerning net financial income (expense) (IFRS 16), income of €106,854 for 2023 versus an expense of €125,000 for 2022. More detailed figures for related-party transactions are included in the consolidated financial statements for the year ended 31 August 2023.

The main related-party transactions are described in this chapter.

4.6.1 Agreements and commitments that continued during the 2023 financial year

4.6.1.1 Non-compete compensation for the Chief Executive Officer

The Company has granted a non-compete clause to Michel Paulin, the Company's Chief Executive Officer, for a period of one year following the end of his term of office, in consideration of compensation representing 50% of his compensation (fixed + variable) for the financial year preceding his departure. This clause will not apply in the event of retirement or once he reaches the age of 65.

The Company reserves the right to unilaterally waive this non-compete undertaking as from the date of notification of the termination of his duties, in which case the Chief Executive Officer will be free and no compensation will be due.

It is in the Company's interest to be able to ensure, in the event of Michel Paulin's departure, that the Company is able to prohibit him from competing with the Company, under the conditions provided for in the non-compete clause.

This agreement was the subject of prior approval by the Board of Directors on 28 September 2021 and of a special report on 29 September 2021. This agreement was approved by the Combined General Shareholders' Meeting on 14 October 2021.

4.6.1.2 Agreements and commitments entered into during the 2023 financial year

None.

4.6.1.3 Transactions entered into with related parties by a subsidiary within the meaning of Article L. 225-37-4 of the French Commercial Code

a. Shadow SAS (formerly Hubic SAS – Blade SAS) – Cloud Services

The relationships between OVH SAS and the Shadow entities are as follows:

- *Services covering audit, project management and the supply of temporary storage servers*: agreement effective from 15 March 2021 and terminated, after six renewals, on 30 November 2022.
- *Accounting, billing and support services provided by OVH SAS to Shadow SAS for the "Hubic" business*: an agreement (transitional agreement) was signed when the "Hubic" business was sold by OVH to Shadow (amended in August 2021 and February 2022 to adjust services and rates). The agreement ended on 15 October 2022.

Since customer invoicing and collection is not a usual activity for OVH SAS, this agreement was considered to be a regulated related-party agreement and was approved by the Chairman of OVH SAS in 2021.

- *Storage and retrofit services for equipment owned by Shadow in France*. Since July 2021, OVH SAS has been storing servers for Shadow which were retrofitted by OVH SAS and recovered by Shadow in April 2022. This agreement expired on 14 March 2023.

This transaction does not fall within OVH SAS's ordinary course of business and as such, is considered to be a regulated related-party agreement and was approved by the Chairman of OVH SAS in 2022.

b. A transitional Transaction Services Agreement (TSA) by OVH SAS for Shadow SAS (Hubic SAS until July 2021)

As part of the Hubic business acquired by Shadow SAS (formerly Hubic SAS) in 2021, a transitional Transaction Services Agreement was entered into between OVH SAS and Shadow SAS under which OVH SAS agreed to provide administrative services to Shadow SAS. This agreement was amended in September 2021 and in March 2022 to adjust the services provided and the associated compensation.

The amount invoiced by OVH SAS during the 2023 financial year under this agreement amounted to €0 excluding tax, versus €131,987.10 excluding tax for 2022.

The provision of these services remains exceptional for OVH SAS since they are provided in connection with the takeover of the assets sold in order to ensure the best possible transition. However, this type of transitional Transaction Services Agreement is very common when assets are sold.

c. Credit issuance and repayment service by OVH SAS for customers of Shadow SAS

As part of the activities of Hubic acquired by Shadow SAS in 2021, Shadow SAS wished to migrate the existing historical "Hubic" platform and propose to its customers to migrate, at their expense, to a new data storage service, Shadow Drive.

In this respect, on 23 August 2022, Shadow SAS ordered a service from OVH SAS to issue credit notes and repay certain customers on its behalf, since the latter issues invoices and collects receivables in respect of the historical "Hubic" service under the "TSA".

This service was provided during the 2023 financial year, and OVH SAS invoiced these transactions for a total amount of €8,900 excluding tax.

This service of issuing credit notes and repayments for a third party is not part of OVH SAS's usual activity, but can be considered ancillary to the TSA.

d. Retrofit agreement between OVH SAS and Shadow SAS

Shadow SAS signed an agreement with OVH SAS for the purpose of providing services on IT equipment, including the testing of computer components and the assembly of the functional components to make servers from 5 July 2021.

OVH SAS has a plant that assembles IT components in order to build its own servers, and has developed a "retrofit" activity to disassemble and then reassemble existing equipment components. An agreement was therefore signed with Shadow for the disassembly and reassembly (retrofit), storage and transportation of certain IT components.

OVH SAS does not usually offer this type of service for third parties.

The amount of this service is €21,151.78 excluding tax.

This agreement ended on 8 March 2023.

e. IT equipment purchase agreement between Shadow SAS and OVH SAS

A purchase agreement was signed on 9 June 2022 between OVH SAS and Shadow SAS for the sum of €1,912,808 excluding tax for the purchase by OVH SAS of used IT equipment located in France.

The agreement provides for the acquisition by OVH SAS of used equipment in order to migrate it within its datacenters.

These acquisitions and migrations are unusual for OVH SAS. However, they are consistent with OVH Groupe's ambitions to limit its environmental impact, in particular by reusing existing equipment after confirming that it meets performance standards.

4.6.2 Statutory auditors' report on regulated agreements

General Meeting held to approve the financial statements for the year ended 31 August 2023

OVH Groupe S.A.

2 rue Kellermann - 59100 ROUBAIX

To the shareholders,

In our capacity as statutory auditors of your Company, we present to you our report on regulated agreements.

We are required to inform you, based on the information provided to us, of the characteristics, the essential terms and conditions of those agreements of which we have been informed or that we may have discovered in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to express an opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with the terms of Article R. 225-31 of the French Commercial Code (Code de Commerce), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (Code de Commerce) of the continuation, during the period, of the agreements already approved by the General Meeting.

We have carried out those procedures that we considered necessary in accordance with the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des Commissaires aux Comptes) relating to this type of engagement. Those procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

AGREEMENTS SUBMITTED TO THE SHAREHOLDERS' MEETING FOR APPROVAL

Agreements authorised and entered into during the past financial year

We hereby inform you that we have not been advised of any agreement authorised and concluded during the past financial year to be submitted to the General Meeting for approval pursuant to the provisions of Article L. 225-38 of the French Commercial Code (Code de Commerce).

AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING

We were also informed of the continuation of the following agreement during the financial year:

Agreements approved in previous financial years

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the execution of the following agreements, already approved by the General Meeting during previous financial years, continued during the past financial year.

- **Non-compete compensation of the Chief Executive Officer**

The Company has granted Michel Paulin, the Company's Chief Executive Officer, a non-competition clause for a period of one year following the end of his term of office, as consideration for 50% of his compensation (fixed + variable) for the year preceding his departure. This clause will not apply in the event of retirement or in case of reaching the age of 65.

The Company reserves the right to unilaterally waive this non-compete obligation from the date of notification of the termination of office, in which case the Chief Executive Officer shall be free and no compensation shall be due to him.

It is in the Company's interest to be able to ensure, in the event of Mr Michel Paulin's departure, that the Company may prohibit him from competing with the company, under the conditions provided for by the non-compete clause.

This agreement received prior authorisation from the Board of Directors on 28 September 2021 and a special report from us on 29 September 2021. This agreement was approved by the combined general meeting of shareholders on 14 October 2021.

Paris La Défense, 17 November 2023

The statutory auditors

KPMG Audit		Grant Thornton	
Division of KPMG S.A.		**French member of Grant Thornton International**	
Jacques Pierre	Stéphanie Ortega	Vincent Papazian	Pascal Leclerc
Partner	*Partner*	*Partner*	*Partner*

4.7 ANNUAL GENERAL MEETINGS

4.7.1 Meetings

OVH's General Shareholders' Meetings are convened and deliberate under the conditions provided for by law and in the Articles of Association.

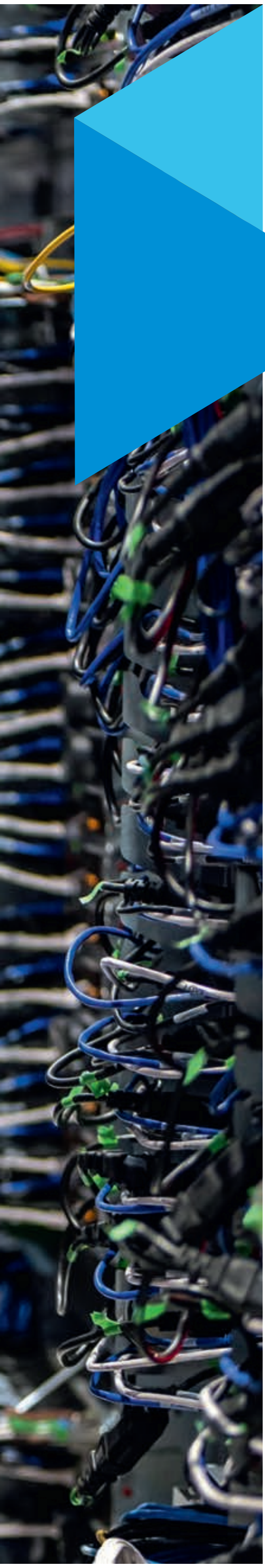
The provisions of OVH's Articles of Association relating to General Meetings and the procedures for exercising voting rights at General Meetings are set out in Title IV – General Meetings – Article 22 – Meetings, Composition, Deliberations, of OVH's Articles of Association, which are available online at www.corporate.ovhcloud.com, Governance section.

4.7.2 2024 Annual General Meeting

The 2024 Annual General Meeting will be held on 15 February 2024.

The resolutions submitted to the vote of the 2024 Annual General Meeting will be published in the notice of meeting to be published in the "*Bulletin des Annonces Légales Obligatoires*" and in the notice of meeting. These notices will also be available on the Company's website at www.corporate.ovhcloud in the section "Investor Relations/Annual General Meeting/2024 Annual General Meeting" pursuant to legal and regulatory provisions.


Innovation for Freedom



5

FINANCIAL AND ACCOUNTING INFORMATION /AFR/

5.1 COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

5.1.1 Overview

Key figures

The following table presents the key figures for FY2023.

(in millions of euros)	FY2022	FY2023	Change *(%)*	Change (%) LFL (3)
REVENUE	**788.0**	**897.3**	**13.9%**	**13.4%**
Recurring EBITDA (1)	277.1	*317.4*	14.6%	14.8%
Recurring EBITDA margin	*35.2%*	*35.4%*		
ADJUSTED EBITDA (2)	**307.6**	**325.5**	**5.8%**	**5.7%**
Adjusted EBITDA margin	*39.0%*	*36.3%*		
GROSS CASH FLOW FROM OPERATING ACTIVITIES	**262.2**	**309.5**		
Recurring capex (4)	150.9	146.4		
Growth capex (4)	301.0	211.4		

(1) The recurring EBITDA indicator corresponds to net operating income before depreciation, amortisation, impairment and other non-recurring operating income and expenses.

(2) In addition to recurring EBITDA, the Group tracks adjusted EBITDA. This alternative performance indicator corresponds to recurring EBITDA adjusted for (i) expenses related to share-based payments and (ii) earn-outs.

(3) Like for like (LFL): based on constant exchange rates and scope of consolidation vs FY2022 and excluding the direct effects of the Strasbourg incident in 2022.

(4) OVHcloud analyses its capex based on two categories:

- *recurring capex, which represents capital expenditure on the servers (and related infrastructure and networks) needed to maintain revenue at the same level from one period to the next. It corresponds to the capital expenditure needed to produce new servers to replace the revenue from servers downgraded or taken offline during the period (either definitively or for refurbishment), determined on the basis of the average revenue per server taken offline and the average revenue from new servers assembled during the period;*
- *growth capex, which represents all capital expenditure other than recurring capex, necessary to deliver growth in revenue.*

Summary of results for the period:

OVHcloud reported sustained growth in FY2023 and generated unlevered free cash-flow of €25 million in the second half:

- Revenue of €897 million in FY2023, up 13.4% on FY2022 on a like-for-like basis
- Strong like-for-like full-year revenue growth of 21.0% for the Public Cloud segment and 15.1% for the Private Cloud segment
- Adjusted EBITDA of €325 million, giving a margin of 36.3% in FY2023
- Generation of €25 million of unlevered free cash-flow (cash flow from operating activities adjusted for capex, excluding acquisitions, change in working capital requirement and corporation tax paid) in the second half of 2023
- Recurring and growth capex representing 16.3% and 23.6% of revenue for the period respectively

OVHcloud CEO Michel Paulin said:

“We delivered a strong set of results in FY2023, highlighting OVHcloud’s capacity to achieve robust and sustainable growth. This success is underpinned by the strong momentum in our cloud businesses, which now account for over 80% of our business, and OVHcloud’s distinctive, successful offerings. Our sustainable cloud solutions, which prioritise performance-price ratio and data sovereignty, are perfectly aligned with the evolving needs of our expanding and loyal customer base as well as the needs of new customers who wish to control their costs and ensure the protection of their data.

Notably, in FY2023, we achieved a significant milestone by generating positive unlevered free cash-flow in the second half of the year. This was made possible by the improved efficiency of growth-related capital expenditure – marking a shift away from two years of non-recurring capex tied to post-COVID supply chain disruptions and the development of PaaS solutions – all while maintaining a disciplined approach to operating costs.

Highlights

Recognised ESG performance

OVHcloud has confirmed its position as a leader in the sustainable cloud, with key performance indicators that are among the best in the market and ambitious medium-term commitments:

- **100% low-carbon energy by 2025**, with the aim of limiting the use of high-carbon energy by promoting renewable energy and other low-carbon energy sources.
- **Contribution to global Net Zero across scopes 1 and 2 by 2025, and across all scopes by 2030.**
- Target of **zero waste to landfill** from production centres by 2025.

As of FY2023, OVHcloud obtained a score of 71/100 in the S&P Rating and, according to the rating from Sustainalytics, is one of the 15% highest performing companies in the Technological sector for ESG. OVHcloud's constant efforts to innovate and improve the climate footprint of its activity will reduce its customers' Scope 3 emissions.

A new highly resilient storage solution

During the 2023 financial year, OVHcloud announced the availability of OVHcloud Cold Archive, a new solution adding to its Public Cloud portfolio of storage offers.

OVHcloud Cold Archive is an innovative and sustainable storage solution for cold data (data rarely used and therefore rarely accessed). From data protection to archiving, Cold Archive is designed for companies of all kinds looking to improve the protection of their data, by allowing it to be hosted in a different location.

OVHcloud Cold Archive is a unique and cost-effective way to preserve that data. It is equally ideally suited to answer data sovereignty concerns in line with OVHcloud's commitment to providing a trusted cloud, offering users total control over their data.

Innovation: acquisition of the first Quandela quantum powered computer

OVHcloud acquired its first quantum powered machine during the year. Designed by French company Quandela, the MosaiQ computer is powered by a photonic processor. This purchase kicks off a number of research and development projects.

Doubling down on its efforts in quantum computing, the Group's goal is to provide its research and development department with the right tools to experiment with a Quantum Processing Unit (QPU) based machine for various use cases, in order to also offer its customers quantum-compatible environments from the outset.

Continued global expansion

OVHcloud announced the launch of its first datacenter in India, as part of its Asia Pacific expansion plans, which will see the deployment of two additional datacenters in Singapore and Australia by next year. Adding to OVHcloud's network of datacenters worldwide, the new Mumbai facility is part of its global strategic plan to build 15 new sites by 2024. The global expansion will provide OVHcloud customers with open, trusted, sovereign and sustainable cloud solutions that will enable them to meet growing digital needs.

Macroeconomic environment

The current macroeconomic environment remains degraded by inflationary trends, particularly around energy costs. Against this backdrop, the Group has launched a specific price increase campaign for some of its services to offset the inflationary impact on its costs.

Events after the reporting period

Acquisition of gridscale

On 4 September 2023, OVHcloud completed the acquisition of 100% of the German company gridscale for a share purchase price of €28 million. gridscale is specialised in hyperconverged infrastructure (unified systems combining all the elements of a traditional datacenter: storage, computing, networking and management), and attained €5.6 million in revenue for the year ended 31 August 2023.

This acquisition is a strategic milestone in the Group's geographical expansion, with gridscale's unique technology enabling it to rapidly deploy a public cloud environment through limited infrastructure in new geographies, and hence to invest progressively as it grows in these new territories.

Outlook

The Group's performance in FY2023 confirms its ability to implement its strategic plan and its sustained growth trajectory.

Outlook for FY2024

For FY2024, OVHcloud is targeting organic revenue growth of between 11% and 13%, an adjusted EBITDA margin of over 37% and recurring and growth capex representing approximately 16% and 24% of revenue respectively.

OVHcloud also aims to generate positive unlevered free cash-flow in the second half of 2024 (excluding M&A).

The outlook for FY2024 is based on assumptions of an ongoing upward trend in average revenue per active customer (ARPAC), new customer acquisitions, a price effect of between 1% and 2% over the year, mainly in the first quarter, and strict discipline of operating costs and capex.

Outlook for FY2025

As part of its ongoing strategic review, OVHcloud has noted certain trends it expects to see in FY2025:

- Organic revenue growth should improve versus FY2024
- Adjusted EBITDA margin should improve versus FY2024
- Capex as a percentage of revenue should be slightly lower than in FY2024
- The Group should generate positive unlevered free cash-flow for the full year (excluding M&A)

5.1.2 Analysis of the Group's results and investments

Revenue

Revenue of €897 million in FY2023, up 13.9% year on year as reported and 13.4% like for like

OVHcloud's consolidated revenue came to €897.3 million in FY2023, up 13.9% compared with FY2022 as reported and 13.4% like for like. In the fourth quarter, revenue totalled €230.1 million, representing 14.5% like-for-like growth.

Against a complex and uncertain macroeconomic backdrop, the full-year performance illustrates the resilience of OVHcloud's business model, and particularly its ability to increase revenue from its customer portfolio through double-digit growth in ARPAC and a net revenue retention rate of 110% for the year as a whole (percentage of 2022 revenue generated in 2023 with existing customers in 2022). The Group also continued to attract new customers in FY2023, notching up more than 21,000 new private and public cloud customers during the year.

This robust growth was driven by ongoing revenue acceleration in Europe in the fourth quarter, and the ramp-up of PaaS and SecNumCloud offerings. In addition, OVHcloud increased its prices in FY2023 to reflect inflation, which contributed 2.7% to growth for the year.

Business overview

REVENUE BY PRODUCT SEGMENT

(in millions of euros)	FY2022	FY2023	Change (%)	Change (%) LFL
Private Cloud	485	560	15.5%	15.1%
Public Cloud	126	155	22.4%	21.0%
Web Cloud & Other	177	183	3.4%	3.1%
TOTAL REVENUE	**788**	**897**	**13.9%**	**13.4%**

The **Private Cloud** segment, which includes the Bare Metal Cloud and Hosted Private Cloud businesses, posted revenue of €560.1 million in FY2023, representing growth of 15.5% as reported and 15.1% like for like. In the fourth quarter, growth came to 14.1% as reported and 16.4% like for like.

This strong sales momentum allowed OVH cloud to win market share, in the fourth quarter in particular. The segment's strong fourth-quarter performance particularly reflects robust growth for the Bare Metal Cloud business in Europe and France, the effect of past price increases during the year, and double-digit growth for Hosted Private Cloud at Group level – a business driven by sovereign offerings such as SecNumCloud.

These good performances offset more modest growth in the USA and Canada, with certain industries, particularly technology, continuing to optimise their cloud spending in FY2023.

The **Public Cloud** segment continued its strong growth throughout FY2023, achieving revenue of €154.6 million, representing year-on-year increases of 22.4% as reported and 21.0% like for like. The segment delivered significant revenue rises in all of the Group's geographies, across all Digital and Enterprise channels. PaaS services – whose offering was expanded in FY2023 – are going from strength to strength, with customer adoption rising steadily and the number of PaaS customers reaching over 10,000 at the end of the financial year. At end-September 2023, the annual revenue rate (ARR) for PaaS offerings was €16 million, a figure that has doubled in the space of a year. OVHcloud is also continuing to develop new offerings around artificial intelligence, with new cutting-edge CPUs and GPUs available in the first quarter of FY2024, while the catalogue of partners is being expanded for the AI Deploy solution. More broadly, the Group's PaaS offerings now include an identity access management (IAM) solution for enhanced security.

The **Web Cloud & Other** segment delivered year-on-year revenue increases of 3.4% as reported and 3.1% like for like. In the fourth quarter of FY2023, growth came in at 2.9% as reported and 2.7% like for like, and reached 6.0% in the last quarter excluding the Connectivity and Telephony sub-segments. The Enterprise channel continued to outperform the Digital channel, which is implementing an overhaul project. As part of this project, more competitive and high-performance web hosting offerings were announced in September 2023 in order to revitalise demand. Connectivity and Telephony sub-segment activity continued to decline, weighing on the segment's overall growth during the year. New Connectivity offerings have recently been launched to help boost sales in the segment.

REVENUE BY REGION

(in millions of euros)	FY2022	FY2023	Change (%)	Change (%) LFL
France	389	442	13.5%	12.9%
Europe (excl. France)	224	259	15.4%	15.2%
Rest of the World	175	197	12.6%	11.9%
TOTAL REVENUE	**788**	**897**	**13.9%**	**13.4%**

Revenue in **France** came to €442.5 million in FY2023, accounting for 49% of the Group's overall revenue, with almost 20% growth for the Private Cloud and Public Cloud segments in the fourth quarter. The Enterprise channel confirmed its positive momentum, delivering sustained growth throughout the year.

In **other European countries**, revenue growth for the cloud businesses remained strong throughout FY2023, with Germany and Eastern Europe once again the main drivers.

In the **Rest of the World**, the fourth quarter saw growth pick up pace compared with the previous quarters, despite an economic context which continued to hamper performance in North America. The opening of a new datacenter in India in the second half of FY2023 contributed positively to the Rest of the World overall performance.

Recurring EBITDA and adjusted EBITDA

(in millions of euros)	FY2022	FY2023	Change (%)	Change (%) LFL
Revenue	788.0	897.3	13.9%	13.4%
Direct costs	(273.4)	(326.7)	19.5%	
GROSS MARGIN	**514.6**	**570.6**	**10.9%**	
Sales and marketing costs	(97.2)	(108.5)	11.7%	
General and administrative expenses	(140.4)	(144.6)	3.0%	
Operating expenses	(510.9)	(579.9)	13.5%	
RECURRING EBITDA	**277.1**	**317.4**	**14.6%**	**14.6%**
Equity-settled and cash-settled compensation plans	21.8	5.1		
Earn-outs	8.7	2.9		
ADJUSTED EBITDA	**307.6**	**325.5**	**5.8%**	**5.8%**

(in millions of euros)	FY2022	FY2023	Change (%)	Change (%) LFL
Private Cloud	168	194	15.2%	15.2%
Public Cloud	49	56	13.7%	16.3%
Web Cloud & Other	60	68	13.5%	12.5%
TOTAL RECURRING EBITDA	**277**	**317**	**14.6%**	**14.8%**
Private Cloud	188	199	5.6%	5.6%
Public Cloud	56	58	4.0%	4.0%
Web Cloud & Other	64	69	8.0%	7.3%
TOTAL ADJUSTED EBITDA	**308**	**325**	**5.8%**	**5.7%**

Adjusted EBITDA rose by €17.9 million compared to FY2022, coming in at €325.5 million in FY2023, representing a margin of 36.3%.

The year-on-year increase reflects the positive effects of the €109.3 million revenue rise and a €22.4 million reduction in retention plan costs (2022 having been marked by the implementation of the retention plan carried out at the time of the IPO), less the negative impacts of increases in direct costs (€53.3 million), sales and marketing costs (€11.4 million) and general and administrative expenses (€4.3 million).

This EBITDA growth is in line with the forecasts made by the Group in the first half of the financial year, particularly as regards electricity costs, thanks to its pro-active price hedging strategy. In FY2023, electricity costs represented almost 7% of Group revenue, of which 2% was due to the increase in the price per MWh.

For FY2024, 94% of OVHcloud's electricity consumption is hedged at a price per MWh comparable to the average price for FY2023. The 6% not hedged mainly relates to consumption in Germany.

The Group will maintain its strict operating cost discipline in FY2024, including in relation to personnel expenses, with a selective hiring strategy that will enable OVHcloud to continue its business development.

Other income statement items

Gross margin

Gross margin was €570.6 million in FY2023, an increase of €56 million, or 10.9%, compared to €514.6 million in FY2022. As a percentage of revenue, gross margin fell from 65.3% in FY2022 to 63.6% in FY2023, reflecting the inflationary context and particularly high energy costs in FY2023.

Sales and marketing costs

Sales and marketing costs rose 11.7% from €97.2 million in FY2022 to €108.6 million in FY2023. As a percentage of revenue, sales and marketing costs remained stable, edging back from 12.3% in FY2022 to 12.1% in FY2023.

These costs mainly reflect the continued sales momentum focused on the development of partnerships, the acceleration of PaaS and SecNumCloud solutions, the enhancement of the digital channel and the international reach of the brand.

General and administrative expenses

General and administrative expenses were down as a percentage of revenue (16.1% in FY2023 compared to 17.8% in FY2022).

They increased by €4.2 million, from €140.3 million in FY2022 to €144.6 million in FY2023, mainly reflecting increased absorption of overheads and ongoing strict financial discipline. An expense of €2.9 million was recognised in FY2023 (€8.7 million in FY2022) relating to the contingent earn-outs subject to continued presence conditions in respect of the acquisition of ForePaaS and BuyDRM and an expense of €4.2 million was recognised relating to the long-service award scheme implemented in FY2023 for French employees.

Operating expenses

In FY2023, OVHcloud recorded total operating expenses reflected in recurring EBITDA of €579.9 million, an increase of 13.5% compared to €510.9 million in FY2022. Operating expenses represented 64.6% of revenue in FY2023 (versus 64.8% in FY2022). This stability, despite the rise in electricity costs, reflects in particular a reduction in personnel expenses related to equity-settled and cash-settled compensation plans and earn-outs, as well as constant discipline in managing the business.

Expenses related to the Strasbourg fire and temporary insurance indemnities are recorded in other non-recurring operating income and expenses, and do not impact recurring EBITDA.

Consolidated net income (loss)

Depreciation, amortisation and impairment expenses

Depreciation, amortisation and impairment expenses amounted to €319.0 million in FY2023 compared to €268.7 million in FY2022. The increase mainly reflects the rise in development project and IT equipment start-ups, the scrapping of obsolete or defective IT components and the depreciation of new office and datacenter leases in connection with the Group's expansion in France and Asia.

Other non-recurring operating income and expenses

Other non-recurring operating income and expenses represented a net expense of €10.3 million in FY2023, compared with a net expense of €28.8 million in FY2022. The decrease reflects the fact that FY2022 included nearly €8 million in costs relating to the initial public offering, as well as capital losses on asset disposals and the scrapping and remeasurement of IT component assets. Non-recurring operating items for 2023 included restructuring costs, gridscale-related acquisition costs, and a temporary insurance surcharge of €3.8 million related to the Strasbourg incident.

Net operating income (loss)

The Group posted a net operating loss of €12.0 million for FY2023, compared with a €20.5 million net operating loss in FY2022.

Net financial income (expense)

The Group reported a net financial expense of €28.4 million for FY2023 compared to net financial income of €0.7 million for FY2022. This change was due in particular to the depreciation of the euro, generating a €6.3 million net foreign exchange loss (compared with a €11.1 million net foreign exchange gain in FY2022), mainly related to positions in US dollars and euros. In addition, the increase in interest expenses for the 12-month period ended 31 August 2023 was chiefly due to the increase in the interest rate applied to the term facility (increase of €7.0 million) and the full effect of interest expenses in FY2023.

Income tax expense

The income tax expense amounted to €0 million in FY2023 compared to €8.8 million in FY2022. In particular, it includes deferred tax assets recognised against the losses for the year for €9.5 million.

Net income (loss) and dividend policy

OVHcloud ended FY2023 with a net loss of €40.3 million, compared with a €28.6 million net loss for FY2022. The FY2023 figure notably includes €17.0 million in interest expenses and a €6.3 million net foreign exchange loss.

In line with its strategy, the Company does not plan to distribute dividends in respect of the financial year ended 31 August 2023. It did not pay any dividends in respect of the financial years ended 31 August 2019 to 31 August 2022.

5.1.3 Cash flows

Main cash flows

The following table sets out the key data from OVHcloud's consolidated statement of cash flows for FY2022 and FY2023. Gross cash flow from operating activities rose to €309.5 million in FY2023 from €262.2 million one year earlier.

(in millions of euros)	FY2022	FY2023
Gross cash flow from operating activities	262.2	309.5
Change in operating working capital requirement	23.4	29.1
Tax paid	(11.5)	(8.8)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**274.1**	**329.8**
Recurring capex	(150.9)	(146.4)
Growth capex	(301.0)	(211.4)
M&A and other	(17.2)	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(469.1)**	**(357.8)**
NET CASH FLOWS FROM FINANCING ACTIVITIES	**176.5**	**41.8**

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Cash flows from operating activities

The Group's working capital requirement improved in FY2023 at €29.1 million, compared to €23.4 million in FY2022.The Group's working capital requirement breaks down as follows:

(in millions of euros)	FY2022	FY2023
Trade receivables	(38.8)	(33.8)
Other receivables and assets	(79.9)	(93.3)
TOTAL OPERATING RECEIVABLES FROM ITEMS IN THE STATEMENT OF FINANCIAL POSITION	**(118.7)**	**(127.1)**
Accounts payable	115.1	139.6
Other operating liabilities	182.1	197.5
TOTAL OPERATING LIABILITIES FROM ITEMS IN THE STATEMENT OF FINANCIAL POSITION	**297.2**	**337.1**
TOTAL WORKING CAPITAL REQUIREMENT FROM ITEMS IN THE STATEMENT OF FINANCIAL POSITION	**178.6**	**210.0**
Change in working capital requirement based on items in the statement of financial position	31.9	31.4
Impact of exchange rates and other	(8.5)	(2.3)
CHANGE IN WORKING CAPITAL REQUIREMENT RECORDED IN THE STATEMENT OF CASH FLOWS	**23.4**	**29.1**

The change in working capital requirement in FY2023 notably includes:

- A €5.0 million improvement in the collection of trade receivables, offset by an increase in other receivables and assets, notably in respect of the research tax credit in France, for which the receivable is not expected to increase significantly in 2024.
- The calendar effect of the execution of the weekly supplier payment campaign observed at 31 August 2023, representing a negative €13 million.

After taking into account the change in working capital requirement and tax paid, net cash flows from operating activities rose from €274.1 million in FY2022 to €329.8 million in FY2023.

Cash flows related to capital expenditure

Main capex items

The following table provides a breakdown of the main capex items for the periods indicated:

(in millions of euros)	FY2022	FY2023
IT equipment(1)	236.4	146.8
Datacenter infrastructure(2)	91.9	101.8
Network(3)	16.9	20.2
IP addresses	19.9	1.4
TOTAL CAPEX FOR DATACENTERS	**365.1**	**270.2**
Other	86.8	87.6
TOTAL CAPEX	**451.9**	**357.8**

(1) Mainly includes server components, network switches and server production costs.

(2) Mainly includes construction costs and investments in electricity treatment, water cooling and other equipment.

(3) Mainly includes connections and equipment dedicated to the transport of data within the datacenter, between datacenters and from datacenters to end customers.

The decrease in IT equipment capex from €236.4 million for FY2022 to €146.8 million for FY2023 reflects, in particular, the use of inventories of components built up as a preventive measure in FY2022 and the maintaining of financial discipline to adapt to changes in demand.

The increase in datacenter infrastructure capex from €91.9 million in FY2022 to €101.8 million in FY2023 reflects capital expenditure to strengthen the security of datacenters through the implementation of additional protection as part of the hyper resilience plan and, to a lesser extent, the acceleration of expansion projects in the United States and France.

Acquisitions of IPv4 addresses fell in FY2023 to €1.4 million. The decrease is mainly due to the opportunistic acquisition of IPv4 addresses for €20 million in FY2022 under particularly favourable market conditions.

Other capex amounted to €86.8 million in FY2022 and €87.6 million in FY2023. The FY2023 figure includes €47.1 million, mainly for administration systems, customer interfaces, and €40.5 million for internal technology and software development.

Recurring capex and growth capex

Capex breaks down as follows for the periods indicated:

(in millions of euros)	FY2022	% of revenue	FY2023	% of revenue
Recurring capex	151	19.1%	146	16.3%
Growth capex	301	38.2%	211	23.6%
TOTAL CAPITAL EXPENDITURE (EXCLUDING BUSINESS ACQUISITIONS)	**452**	**57.3%**	**358**	**39.9%**

The decrease in growth capex highlights better productivity compared to the two previous years, which were marked by non-recurring capex linked to post-COVID supply chain disruptions, the development of PaaS solutions, and ongoing increased financial discipline in line with changes in demand.

Net cash flows from financing activities

Net cash flows from financing activities amounted to €41.8 million in FY2023 and mainly related to:

- the drawdown of the new EIB credit facility for €100.0 million;
- the repayment of lease liabilities in the amount of €25.3 million;
- the payment of interest on borrowings in the amount of €14.7 million;
- the repayment of the revolving credit facility for €10.6 million;
- and the acquisition of treasury shares for €7.2 million.

Debt

Consolidated net debt at 31 August 2023 was €734.9 million compared to €567.7 million at 31 August 2022.

Consolidated net debt (excluding lease liabilities) amounted to €607.6 million at 31 August 2023, versus €525 million at 31 August 2022.

The year-on-year **increase in gross debt** reflected the combined impacts of:

- the drawdown of the new EIB credit facility for €100.0 million;
- the increase in lease liabilities for €84.9 million, mainly due to a new datacenter lease in Singapore (€32.5 million), the signing of a new office lease in Paris (€31.1 million) and new datacenters in France (€20.3 million);
- the repayment of the revolving credit facility for €10.6 million.

New credit facility with the European Investment Bank (EIB)

On 8 November 2022, the Group was granted a €200 million credit facility by the EIB. This facility may be drawn down several times (with a maximum of five drawdowns), at a fixed or variable rate, or a combination of both, within a period of 18 months. Each drawdown is repayable within a maximum of nine years. This new credit facility is subject to compliance with a net debt/EBITDA ratio of 4.0x.

The following table shows the Group's gross and net debt at 31 August 2022 and 2023:

(in millions of euros)	Interest rate	Final maturity	31 August 2022	31 August 2023
Term loan	Euribor + 1.10% margin	23/10/2026	494.4	497.5
Revolving credit facility	Euribor + 0.70% margin	23/10/2026	60.1	50.0
Credit facility (EIB)	3.70%	08/11/2031	-	102.6
Term loan B (BPI loan)	0.96%	31/03/2026	0.3	0.2
Green loan (BPI loan)	0.98%	30/06/2028	5.0	5.0
Other borrowings			1.8	1.3
TOTAL BORROWINGS			**561.5**	**656.6**
Lease liabilities (IFRS 16)			42.4	127.3
Bank overdrafts			-	-
TOTAL DEBT			**603.9**	**783.9**
Cash and cash equivalents			(36.2)	(49.0)
NET DEBT			**567.7**	**734.9**
Lease liabilities (IFRS 16)			(42.4)	(127.3)
DEBT – EXCLUDING CAPITALISED COSTS			**525.3**	**607.6**
LEVERAGE RATIO			**1.7X**	**2.0X**

Equity

Consolidated equity amounted to €411.0 million, down by €57.4 million compared to 31 August 2022, mainly due to:

- the impact of the comprehensive loss of €51.8 million reported in the FY2023 consolidated financial statements;
- the acquisition of treasury shares for €7.2 million;
- the effect of equity-settled compensation plans for €2.7 million.

5.1.4 Additional information

Situation related to the Strasbourg incident

At 31 August 2023 and since the Strasbourg incident, OVHcloud had received 523 complaints and requests for information from customers alleging that they were affected by the Strasbourg incident, a significant portion of which were received in the first three months following the fire. Customers, located primarily in France and, to a lesser extent, in other European countries and the EMEA region, are requesting information about the data stored on OVHcloud's servers, recovery of any lost data and, in some cases, monetary compensation. The requests for compensation are generally for small individual amounts, or are not quantified.

OVHcloud believes that, in a significant proportion of cases, the customer claims are unfounded, and that in most other cases the goodwill gestures already spontaneously granted to customers largely compensate for any losses customers may have suffered. OVHcloud has endeavoured to reach an amicable agreement to settle customer claims whenever possible.

OVHcloud may be required to pay certain amounts as part of settlement agreements, or as a result of litigation. In addition, OVHcloud incurs certain costs related to the management of these discussions. A provision of €20.3 million was set aside at 31 August 2023 to cover all the consequences of the incident, including expert appraisal costs and the risk of claims from certain customers. The amount of the provision was determined in conjunction with the Company's advisers, after studying customer claims by exposure category, even though not all the claims received have yet been settled or adjudicated. Reimbursements from the Group's insurance companies for the destruction of the datacenters and the incremental costs of the incident were received in September 2021.

5.2 CONSOLIDATED FINANCIAL STATEMENTS

5.2.1 Consolidated financial statements

Consolidated income statement

(in thousands of euros)	Notes	FY2022	FY2023
REVENUE	4.3	787,998	897,299
Personnel expenses	4.4	(211,063)	(220,969)
Operating expenses	4.5	(299,867)	(358,916)
RECURRING EBITDA[1]		277,068	317,414
Depreciation, amortisation and impairment expenses	4.6	(268,705)	(319,149)
NET RECURRING OPERATING INCOME		8,363	(1,735)
Other non-recurring operating income	4.7	103	-
Other non-recurring operating expenses	4.7	(28,950)	(10,261)
NET OPERATING INCOME (LOSS)		(20,484)	(11,996)
Borrowing costs		(11,197)	(20,907)
Other financial income		30,904	10,568
Other financial expenses		(19,013)	(18,074)
NET FINANCIAL INCOME (EXPENSE)	4.8	694	(28,413)
PRE-TAX INCOME (LOSS)		(19,790)	(40,409)
Income tax	4.9	(8,764)	89
CONSOLIDATED NET INCOME (LOSS)		(28,554)	(40,320)
EARNINGS PER SHARE			
Basic earnings (loss) per ordinary share *(in euros)*		(0.15)	(0.21)
Diluted earnings (loss) per share *(in euros)*		(0.15)	(0.21)

(1) The recurring EBITDA indicator defined in Note 4.1 corresponds to net operating income before depreciation, amortisation, impairment and other non-recurring operating income and expenses (see Note 4.7).

Consolidated statement of comprehensive income

(in thousands of euros)	Notes	FY2022	FY2023
Remeasurement of hedging instruments	4.19	11,616	13,523
Tax on recyclable items		(3,001)	(3,492)
Translation differences [1]		14,146	(21,741)
Items that are recyclable to profit or loss		**22,761**	**(11,710)**
Actuarial gains and losses on defined-benefit pension plans		509	249
Tax on non-recyclable items		(132)	(64)
Items that cannot be recycled to profit or loss		**377**	**185**
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		23,138	(11,525)
Consolidated net income (loss)		(28,554)	(40,320)
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		(5,416)	(51,845)

(1) The change in translation differences recorded in other comprehensive income corresponds to an unrealised exchange loss of €21.7 million for the period ended 31 August 2023, mainly reflecting the depreciation of the Canadian and US dollars on the translation into euros of the statements of financial position of the Canadian and US subsidiaries, which are denominated in local currency.

Consolidated statement of financial position

(in thousands of euros)	Notes	31 August 2022	31 August 2023
Goodwill	4.10	50,892	43,971
Other intangible assets	4.10	223,506	264,779
Property, plant and equipment	4.11	949,512	954,342
Right-of-use assets	4.23	40,345	122,845
Derivative financial instruments – non-current assets[1]	4.18	-	22,236
Non-current financial assets	4.13	1,450	1,127
Deferred tax assets	4.9	5,623	10,141
Total non-current assets		**1,271,328**	**1,419,441**
Trade receivables	4.14	38,765	33,787
Other receivables and current assets	4.15	79,911	93,308
Current tax assets		4,760	4,368
Derivative financial instruments – assets	4.19	11,798	2,730
Cash and cash equivalents	4.17	36,187	48,999
Total current assets		**171,421**	**183,192**
TOTAL ASSETS		**1,442,749**	**1,602,633**

(1) Interest rate swaps were recognised in non-current derivative financial assets at 31 August 2023.

(in thousands of euros)	Notes	31 August 2022	31 August 2023
Share capital	4.16	190,541	190,541
Share premiums		418,256	418,256
Reserves and retained earnings		(111,894)	(157,502)
Net income (loss)		(28,554)	(40,320)
Equity		**468,349**	**410,975**
Non-current debt	4.17	559,323	649,194
Non-current lease liabilities	4.17	28,481	108,541
Other non-current financial liabilities		15,898	15,573
Non-current provisions	4.21	4,348	5,535
Deferred tax liabilities	4.9	16,759	14,104
Other non-current liabilities	4.22	10,926	11,110
Total non-current liabilities		**635,735**	**804,057**
Current debt	4.17	2,209	7,360
Current lease liabilities	4.17	13,923	18,760
Current provisions	4.21	24,601	22,871
Accounts payable	4.22	115,111	139,592
Current tax liabilities		11,347	12,572
Derivative financial instruments – liabilities	4.19	280	93
Other current liabilities	4.22	171,194	186,353
Total current liabilities		**338,665**	**387,601**
TOTAL LIABILITIES AND EQUITY		**1,442,749**	**1,602,633**

Consolidated statement of changes in equity

(in thousands of euros)	Notes	Share capital	Share premiums	Reserves and consolidated net income (loss)	Translation reserves	Other comprehensive income (loss) (excluding translation reserves)	Equity
1 SEPTEMBER 2022		**190,541**	**418,256**	**(165,477)**	**15,471**	**9,558**	**468,349**
Consolidated net income (loss)		-	-	(40,320)	-	-	(40,320)
Other comprehensive income (loss)		-	-	-	(21,741)	10,216	(11,525)
Comprehensive income (loss)		**-**	**-**	**(40,320)**	**(21,741)**	**10,216**	**(51,845)**
Share-based payments and employee share plans(1)	4.24	-	-	2,720	-	-	2,720
Cancellation of treasury shares		-	-	(7,229)	-	-	(7,229)
Other changes		-	-	(892)	-	(128)	(1,020)
Transactions with shareholders		**-**	**-**	**(5,401)**	**-**	**(128)**	**(5,529)**
31 AUGUST 2023		**190,541**	**418,256**	**(211,198)**	**(6,271)**	**19,647**	**410,975**

(1) Allocation of free shares and employee share plans (see Note 4.24).

(in thousands of euros)	Notes	Share capital	Share premiums	Reserves and consolidated net income (loss)	Translation reserves	Other comprehensive income (loss) (excluding translation reserves)	Equity
1 SEPTEMBER 2021 BEFORE THE NEW IFRIC INTERPRETATION ON SAAS CONTRACTS		**170,779**	**93,470**	**(157,342)**	**1,325**	**566**	**108,798**
New IFRIC interpretation on SaaS contracts (effect net of tax)		-	-	(3,183)	-	-	(3,183)
1 SEPTEMBER 2021		**170,779**	**93,470**	**(160,525)**	**1,325**	**566**	**105,615**
Consolidated net income (loss)		-	-	(28,554)	-	-	(28,554)
Other comprehensive income		-	-	-	14,146	8,992	23,138
Comprehensive income (loss)		**-**	**-**	**(28,554)**	**14,146**	**8,992**	**(5,416)**
Capital increase(1)		19,762	330,176	(663)	-	-	349,274
Share-based payments and employee share plan(2)	4.24	-	-	20,978	-	-	20,978
Cancellation of treasury shares		-	-	(966)	-	-	(966)
Other changes(3)		-	(5,390)	4,253	-	-	(1,137)
Transactions with shareholders		**19,762**	**324,786**	**23,602**	**-**	**-**	**368,150**
31 AUGUST 2022		**190,541**	**418,256**	**(165,477)**	**15,471**	**9,558**	**468,349**

(1) Capital increases carried out in connection with the initial public offering and the Employee Share Plan 2021.

(2) Allocation of free shares and employee share plans (see Note 4.24).

(3) Additions to the legal reserve.

Consolidated statement of cash flows

(in thousands of euros)		Notes	FY2022	FY2023
CONSOLIDATED NET INCOME (LOSS)			**(28,554)**	**(40,320)**
Adjustments to net income items:				
Depreciation, amortisation and impairment of non-current assets and right-of-use assets		4.6	268,705	319,149
Changes in provisions			(8,983)	(294)
Gains or losses on asset disposals and other write-offs and remeasurements			9,560	(1,318)
Expense related to share allocations (excluding social security contributions)		4.24	20,978	2,720
Income tax (benefit)/expense		4.9	8,764	(89)
Net financial (income) expense (excluding foreign exchange differences)		4.8	(8,279)	29,696
Gross cash flow from operating activities	**A**		**262,191**	**309,544**
Change in net operating receivables and other receivables		4.14 – 4.15	60,965	(13,353)
Changes in operating payables and other payables		4.22	(37,562)	42,471
Change in operating working capital requirement	**B**		**23,403**	**29,117**
Tax paid	C		(11,472)	(8,818)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**D = A + B + C**		**274,123**	**329,843**
Cash outflows related to acquisitions of property, plant and equipment and intangible assets		4.10 – 4.11	(453,447)	(357,797)
Proceeds from disposal of assets			1,620	5
Cash inflows/(outflows) related to business combinations, net of cash			(17,206)	-
Cash inflows/(outflows) related to loans and advances granted			(31)	12
Net cash flows used in investing activities	**E**		**(469,064)**	**(357,780)**
Capital increase – Initial Public Offering			340,181	-
Capital increase – “ESP 2021”			9,093	-
Acquisition of treasury shares			(966)	(7,229)
Increase in debt		4.17	560,642	100,014
Repayment of debt		4.17	(702,284)	(10,616)
Repayment of lease liabilities			(18,610)	(25,313)
Financial interest paid		4.17	(10,529)	(14,686)
Guarantee deposits received			(1,071)	(324)
Net cash flows from financing activities	**F**		**176,456**	**41,845**
Effect of exchange rate changes on cash and cash equivalents	G		1,396	(1,090)
CHANGE IN CASH AND CASH EQUIVALENTS	**D + E + F + G**		**(17,090)**	**12,818**
Cash and cash equivalents at beginning of the period			**53,271**	**36,181**
Cash and cash equivalents at end of the period			**36,181**	**48,999**

(in thousands of euros)	FY2022	FY2023
Current bank accounts	36,187	48,999
Cash at bank	**36,187**	**48,999**
Current bank accounts	(5)	-
Bank overdrafts	**(5)**	**-**
NET CASH POSITION	**36,181**	**48,999**

5.2.2 Notes to the consolidated financial statements

Note 1 Presentation of the Group

OVHcloud is a global player and the European leader in cloud solutions, active on five continents. For over twenty years, the Group has relied on an integrated model that gives it complete control of its value chain: from the design of its servers to that of the cloud platform solutions that it provides to its customers together with the construction and management of its datacenters, and the organisation of its fibre optic network. This unique approach allows the Group to cover all of its customers' uses in a fully independent way. Today, the Group offers state-of-the-art solutions combining high performance, price predictability and total sovereignty over their data, to support their growth in complete freedom.

The terms "OVHcloud" and the "Group", as used in the consolidated financial statements, unless otherwise expressly stated, refer to the Company, its subsidiaries and its direct and indirect equity interests.

The parent company of the Group (the "Group") is OVH Groupe (the "Company") which was founded in 1999 in France and is currently registered at 2, rue Kellermann, 59100 Roubaix, France.

The Group's consolidated financial statements at 31 August 2023 were approved by the Group's Board of Directors on 24 October 2023.

The consolidated financial statements are presented in thousands of euros (unless otherwise stated). The amounts are indicated without decimals and rounded to the nearest thousand euros, which may, in certain cases, lead to non-material discrepancies in the totals and sub-totals shown in tables.

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Note 2 Significant events

2.1 Significant events during the financial year ended 31 August 2023

New credit facility with the European Investment Bank (EIB)

On 8 November 2022, the Group was granted a €200 million credit facility by the EIB (the "Facility Agreement"). This facility may be drawn down several times (with a maximum of five drawdowns), at a fixed or variable rate, or a combination of both. Drawdowns must be made within 18 months of the signature date of the Facility Agreement. Each drawdown is repayable within a maximum of nine years. This new credit facility is subject to compliance with a net debt/EBITDA ratio of 4.0x, which was respected at 31 August 2023. The Facility Agreement was not subject to a guarantee given by the Company.

Employee shareholding

In 2023, the Group gave its employees the opportunity to subscribe to a shareholding offer reserved solely for Group employees ("Employee Share Plan 2022" or "ESP 2022"). The offer was open to Group employees in France and abroad, with a contribution by the Group for the same amount as the employees' investment.

Macroeconomic environment

The current macroeconomic environment remains degraded by inflationary trends, particularly around energy costs.

2.2 Events after the reporting period

On 4 September 2023, OVHcloud completed the acquisition of 100% of the German company gridscale for a share purchase price of €28 million. gridscale is specialised in hyperconverged infrastructure (unified systems combining all the elements of a traditional datacenter: storage, computing, networking and management), and generated revenue of €5.6 million for the year ended 31 August 2023.

gridscale develops intuitive, flexible technology solutions and offers companies and datacenter operators a turnkey plug-and-play environment for hyper-converged IT infrastructure. The customer decides on the location of their secure and sovereign data processing. In addition, gridscale's technology enables scale-out to connected, public cloud environments as required, for example for less sensitive workloads.

This acquisition is a strategic milestone in accelerating the Group's geographical expansion, with gridscale's unique technology providing a springboard to enter the very high-growth edge computing market.

The purchase price allocation will be carried out within 12 months following the acquisition, as provided for by IFRS 3 (Revised).

Note 3 Significant accounting policies used in the consolidated financial statements

3.1 Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), as adopted by the European Union at 31 August 2023.

New standards, amendments and interpretations applied from 1 September 2022

The standards, amendments and interpretations whose application is mandatory from 1 September 2022 had no impact on the consolidated financial statements.

Since 1 September 2022, the Group has early adopted the following new standards, amendments and interpretations adopted by the European Union:

- amendments to IAS 1 "Presentation of Financial Statements": Disclosure of Accounting Policies;
- amendments to IAS 8 "Accounting Policies": Definition of Accounting Estimates;
- amendments to IAS 12 "Income Taxes": Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules.

Analyses are under way to identify the financial consequences of the application of the Pillar Two rules in the various jurisdictions in which the Group operates. These new standards, amendments and interpretations had no material impact on the consolidated financial statements.

Other new standards, amendments and interpretations not applicable at 1 September 2022 or not early adopted

The Group did not early-adopt any other standards, amendments and interpretations not yet applicable at 1 September 2022.

3.2 Consolidation methods

Subsidiaries

The subsidiaries over which OVH Groupe SA exercises control correspond to all entities controlled directly or indirectly by OVH Groupe SA. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities, income and expenses of subsidiaries are consolidated from the date on which the Group acquires control. They are deconsolidated from the date when control ceases.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated in the preparation of the consolidated financial statements.

Interests in associates

Associates are entities in which the Group exercises significant influence over financial and operating policies without having control or joint control. Significant influence is presumed to exist when the Group directly or indirectly holds more than 20% of the voting rights of another entity.

Interests in associates are accounted for using the equity method.

The results, assets and liabilities of associates are included in the consolidated financial statements using the equity method. The Group's share of the net income of associates is recognised on a separate line under "Share of net income of associates" in the consolidated income statement.

The Group's interests in these entities are recognised based on the acquisition cost (including acquisition-related costs), adjusted for the Group's share in the comprehensive income of the associate and reduced, where applicable, by any impairment losses.

Unrealised gains on transactions between the Group and equity-accounted entities are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group has chosen to recognise under equity attributable to owners of the parent company the effects of dilutions recorded in the financial statements of associates in connection with changes in the percentage of ownership held in their own subsidiaries.

When the Group's share of losses of an associate is greater than its interest in the entity, the carrying amount of investments in associates is reduced to zero and the Group ceases to recognise its share of subsequent losses, except to the extent that it has a legal or constructive obligation towards the associate or has made a payment on its behalf.

The list of companies consolidated under the equity method is presented in Note 5.

3.3 Foreign currency translation

The consolidated financial statements are presented in euros, the functional currency of the Group, unless otherwise indicated.

Translation of the financial statements of foreign subsidiaries

The financial statements of each of the consolidated companies of the Group are prepared in their own functional currency, meaning the currency of the main economic environment in which they operate, and which generally corresponds to the local currency. All their financial transactions are then valued in this local currency.

The financial statements of consolidated entities with a functional currency other than the euro are translated using the closing rate method:

- assets and liabilities, including goodwill and fair value adjustments in the context of acquisition accounting, are converted into euros at the closing rate;
- income statement and cash flow items are converted into euros at the average rate of the period, in the absence of a significant change during the period.

All translation differences resulting from the consolidation of foreign subsidiaries are recognised as other comprehensive income that can be recycled to profit or loss on the line "Translation differences" and recorded under "Translation reserves" in consolidated equity. When a foreign entity is sold, the cumulative amount of the translation differences recognised in equity relating to this entity is reclassified to the income statement.

Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated into the respective functional currencies of the Group companies using the exchange rates at the dates of the transactions.

At the period-end, monetary assets and liabilities are converted at the closing exchange rate. The resulting translation differences are recognised in the income statement in other financial income and expenses, with the exception of translation differences relating to long-term intra-group receivables and payables (the settlement of which is neither planned nor probable in the foreseeable future), which are essentially part of the Group's net investment in foreign operations, which are recognised, in accordance with IAS 21, in translation differences in comprehensive income.

3.4 Use of significant judgements and estimates

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the amounts of assets, liabilities, income and expenses and information provided in the notes to the consolidated financial statements.

Due to the inherent uncertainty of all measurement processes, these estimates are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and for any relevant future periods.

The preparation of consolidated financial statements requires the use of estimates and assumptions that may affect the amounts of assets and liabilities at the reporting date, as well as the items in the income statement and income and expenses directly recognised in equity for the period. These estimates take into account economic data and assumptions likely to vary over time, and interpretations of local regulations if applicable. Consequently, they include a number of uncertainties and mainly concern:

- Provisions for risks, including the effects of the Strasbourg fire of March 2021; in particular, customer claims to which OVHcloud has been and could continue to be subject, alleging the existence of losses as a result of the fire, in particular claims for damages and for interruption of services or loss of data. In this respect, a provision was recognised in the financial statements at 31 August 2021 and updated at 31 August 2022 and 31 August 2023 based on the settlements entered into and judgements rendered. This provision is intended to cover all the effects of the incident in respect of appraisal costs, procedural costs and customer claims (Note 4.21).
- Impairment tests on property, plant and equipment, intangible assets and goodwill: main assumptions underlying recoverable amounts (Notes 3 and 4.12).
- The measurement of the value of property, plant and equipment (Note 4.11).
- Development costs: measurement and capitalisation of development costs recognised as intangible assets (Note 4.10).
- Lease liabilities and right-of-use assets: estimates of the lease term and the incremental borrowing rate used when the implicit rate is not identifiable in the lease (Note 4.23).
- Recognition and measurement of deferred tax assets: probability of future taxable profits sufficient to use them (Note 4.9).
- Determination of the income tax and Research Tax Credit expense (Note 4.9).
- Measurement of equity-settled compensation plans (Notes 4.2 and 4.24).
- In connection with the acquisition of equity interests, the measurement of earn-outs, which are recognised in personnel expenses or included in the acquisition price depending on their characteristics, as well as the purchase price allocation (Note 4.10).

OVHcloud's management also exercised its judgement to estimate the impact of climate and environmental issues on the assumptions and estimates used to prepare the financial statements. Over the past several years, the Group has put in place a number of measures aimed at mitigating the effects of its activities on the environment, notably:

- Its commitment to contribute to global Net Zero by 2030 across scopes 1, 2 and 3, by changing certain choices in terms of investments related to its business, notably in terms of energy (target of using 100% low carbon energies by 2025) and water consumption. The Group has developed the water-cooling technology in its datacenters. This technology combines water-cooled servers with air-cooled datacenters, thereby removing the need for air conditioning, which has significant environmental and cost benefits.
- Optimisation of the use of reconditioned components. This reverse supply chain allows the Group to better recycle components, and give them a second or even a third life. Servers are designed to be entirely dismantled. They are equipped with dedicated components, chosen to be easily reused, recycled and repaired. In 2023, the reused components rate was 36%.
- The implementation of long-term green power purchase agreements. The Group has signed a number of power purchase agreements in France and Germany, providing for the supply of electricity from agrivoltaic and solar energy farms for terms of between 10 and 15 years (Note 4.20 – Management of raw material risk).
- Its target of zero waste to landfill from production centres by 2025.

These measures did not lead the Group to change its accounting treatment, judgements or estimates at 31 August 2023.

3.5 Significant accounting policies

The significant accounting policies applied by the Group to prepare its consolidated financial statements are as follows:

Business combinations

Business combinations are recognised in accordance with IFRS 3 (Revised) "Business Combinations", according to the acquisition method when all of the elements acquired meet the definition of a business whose control has been transferred to the Group.

Identifiable assets acquired and liabilities assumed as part of a business combination are, with some exceptions, initially measured at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Costs directly attributable to the acquisition are recognised in other non-recurring operating expenses in the period in which they are incurred.

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Goodwill resulting from a business combination is measured as follows:

- the fair value of the consideration transferred for an acquired entity;
- plus the amount of any non-controlling interest in the acquired entity;
- plus the acquisition-date fair value of any previous equity interest in the acquired entity;
- less the net fair value of the identifiable assets acquired and liabilities assumed at the acquisition date.

Estimates of the consideration transferred and the fair value of the assets acquired and liabilities assumed are finalised within twelve months of the acquisition date. Adjustments are recognised as retroactive adjustments to goodwill if they reflect conditions prevailing on the acquisition date. Beyond this twelve-month period, any adjustment is recognised directly in the income statement.

When the payment of part of the cash consideration is deferred, the future amounts to be paid are discounted to their present value at the date of the acquisition of control. The discount rate used is the entity's incremental borrowing rate, meaning the rate at which similar borrowings could be obtained from an independent source of financing on comparable terms.

Earn-outs are initially recognised at their fair value. Earn-outs that meet the definition of financial liabilities are then remeasured at fair value and subsequent changes in fair value are recognised in the income statement. Earn-outs relating to a presence condition are recognised in the income statement over the duration of the presence condition.

Other intangible assets

Other intangible assets mainly include patents, licences, intellectual property, IP blocks [1], IT software, customer relations and development costs. They are initially recognised:

- in the event of acquisition: at their acquisition cost;
- in the event of a business combination: at their fair value at the date of the acquisition of control;
- in the case of internal production: at their production cost for the Group.

Other intangible assets are recorded in the statement of financial position at their initial cost less accumulated amortisation and any impairment losses recorded.

Research and development expenses

Research and development expenses include the costs of technical activities, intellectual property, teaching and transmission of fundamental knowledge to ensure the development, manufacture, implementation and marketing of new or continuously improving technologies and software.

Development costs must be capitalised if, and only if, they meet the following restrictive criteria defined by IAS 38 "Intangible Assets":

- the project is clearly identified and the related costs are separable and reliably monitored;
- the technical and industrial feasibility of the project is proven;
- there is an intention to complete the project and use or sell the intangible asset resulting from the project;
- the Group has the ability to use or sell the intangible asset resulting from the project;
- the Group can demonstrate how the developed project will generate future economic benefits;
- the Group has adequate technical, financial and other resources to complete the project and to use or sell the intangible asset resulting from the project.

When these conditions are not met, development costs incurred by the Group are recognised as expenses in the period in which they are incurred.

Research expenses are recognised as expenses in the period in which they are incurred.

Technologies and software developed in-house

Development costs of technologies and software are recognised as intangible assets when specific conditions related to technical feasibility, prospects for marketing and profitability are met in accordance with IAS 38 "Intangible Assets". Technological and economic feasibility is generally confirmed when the development project for a product or commercial solution has reached a defined milestone according to an established project management model. Development costs include the costs incurred in the execution of development activities, meaning salary costs allocated to development activities and the cost of external service providers.

In the case of software, the Group considers that only internal and external development expenses related to organic analysis, programming, testing and user documentation costs may be capitalised, provided that the other conditions of IAS 38 "Intangible Assets" are complied with.

All other research and development expenses (together with all expenses arising during investigation phases) are expensed as incurred. Research and development expenses (whether capitalised or not) are mainly made up of personnel expenses (including salaries, bonuses, benefits and travel expenses) as well as fees of subcontractors integrated in the project teams that add new functionalities to OVHcloud's existing offerings, develop new offerings, ensure reliable performance of its global cloud platform, and manage and develop internal IT systems and infrastructures. The Group presents an aggregate amount of research and development expenses for FY2022 and FY2023 in Note 4.10.

1) An IP block allows a customer to associate equipment on its internal network with a public IP address. This includes eight IP addresses in total, five of which the customer can associate with its machines and services. The Group's IP addresses can be used with no lifetime limit, given the absence of expiry of the asset.

Amortisation periods

The main useful lives of the various categories of intangible assets are as follows:

	Amortisation method	Amortisation period
Technologies and software developed in-house	Straight-line	3 to 10 years
Customer relations	Straight-line	2 years
Software	Straight-line	1 to 8 years
Patents and licences	Straight-line	1 to 3 years
IP blocks	Not amortised	Undetermined

Software is amortised from the effective operational start of its use (in batches where applicable).

Amortisation is recognised in "Depreciation, amortisation and impairment expenses" in the income statement. Any impairment losses recognised are recorded in the income statement under "Other non-recurring operating expenses" if they correspond to the definition of those expenses (see Note 4.7).

Property, plant and equipment

Property, plant and equipment are measured at their acquisition or production cost less accumulated depreciation and any impairment losses recognised, by applying the component approach provided for in IAS 16 "Property, Plant and Equipment".

Depreciation of property, plant and equipment is determined on a straight-line basis over the useful life of the asset from the date of commissioning.

If the recoverable amount of non-current assets is lower than their net carrying amount, an impairment loss is recognised.

Servers and components

Components for which the Group's use exceeds one year are recorded in accordance with IAS 16 in "Property, plant and equipment in progress". These components are valued at weighted average cost and are impaired when their carrying amount exceeds their recoverable amount.

Servers are valued at production cost, including the purchase cost of components valued at the weighted average price, and direct and indirect production costs. Components include the CPU-GPU processors, the RAM memory, the motherboard, and the hard drive. The start date of depreciation of the servers produced coincides with their commissioning date. Servers are depreciated on a straight-line basis over five years.

When components or servers are dismantled, they are recognised in "Property, plant and equipment in progress" at their depreciated value. When a component is reinstalled on a server, it is valued at weighted average cost and depreciated on a straight-line basis over three years as from its commissioning date.

The main useful lives of the various categories of property, plant and equipment are as follows:

	Depreciation method	Depreciation period
Buildings	Straight-line	10 to 30 years
Materials and tools	Straight-line	5 to 10 years
Infrastructure equipment and facilities	Straight-line	10 years
Vehicles	Straight-line	4 years
Network equipment	Straight-line	5 years
Server components and IT equipment	Straight-line	3 to 5 years
Furniture	Straight-line	10 years

Capital gains and losses on disposals and retirement of property, plant and equipment are included in "Other operating income or expenses" if they are significant and unusual.

Impairment of goodwill and non-current assets

The carrying amounts of goodwill, intangible assets with indefinite useful lives and assets under construction are tested for impairment at least once a year and more frequently when events or changes in circumstances indicate that they might be impaired. Other intangible assets and property, plant and equipment (including right-of-use assets in accordance with IFRS 16 "Leases") are tested for impairment only when there is an indication of impairment of value.

For the purposes of impairment testing, assets to which it is not possible to directly allocate independent cash flows are grouped together in the cash-generating unit (CGU) to which they belong, defined by IAS 36 "Impairment of Assets" as being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is thus allocated to the CGU which is expected to benefit from the synergies of the associated business combination.

OVHcloud has four CGUs, which correspond to the smallest groups of assets generating independent cash inflows: Bare Metal and Hosted Private Cloud (these two CGUs are included in the Private Cloud segment), Public Cloud and Web Cloud & Other.

If the carrying amount of a CGU exceeds its recoverable amount, an impairment loss is recognised in other non-recurring operating expenses. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order: first, reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then, to the other assets of the unit.

Unlike those relating to other assets, goodwill impairment losses are definitive and cannot be reversed through the income statement at a later date.

The recoverable amount of a CGU is the higher of its fair value less costs of disposal and its value in use, which corresponds to the present value of the future cash flows expected to be derived from the use and disposal of the assets.

To calculate the recoverable amounts of its CGUs the Group used a method based on discounting future cash flows.

The cash flows used are based on the budget approved by the Group's Board of Directors for the financial year following the current financial year. Beyond this period, cash flows are extrapolated over an eight-year period in order to factor in the growth of the Company before the assumption of a return to normal, to which a perpetual growth rate is applied. This perpetual growth rate is based on analysts' forecasts of market growth. The assumptions used to calculate these projected cash flows are based on economic growth assumptions defined by Group management and are consistent with past performance.

Cash flows are discounted at the weighted average cost of capital (WACC) of the segment for each CGU.

The recoverable amount is sensitive to the discount rate used as well as the expected future cash flows and the growth rate used for extrapolation purposes. The main assumptions used to determine the recoverable amount of the various CGUs, including a sensitivity analysis, are presented and explained in more detail in Note 4.12.

Leases (as lessee)

A contract or part of a contract is or contains a lease if it conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability on the effective commencement date of the lease.

The right-of-use asset is initially measured at cost, which includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus the initial direct costs incurred to enter into the lease, and an estimate of any costs to be incurred in dismantling or restoring the leased asset according to the terms of the lease. It is subsequently depreciated in accordance with IAS 16 "Property, Plant and Equipment" using the straight-line method from the commencement date over the term of the lease, corresponding to the non-cancellable term of use of the asset after taking into account any renewal or termination options if their exercise is considered reasonably certain by the Group's management. In addition, the right-of-use asset may be subject to impairment in accordance with IAS 36 "Impairment of Assets" as part of the annual impairment test.

The lease liability is initially measured at the present value of the future lease payments. The discount rate used corresponds to the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate (based on terms and not maturities). In practice, the incremental borrowing rate is generally used.

If there is no interest rate implicit in a lease, the Group determines its incremental borrowing rate based on the interest rates granted by the various sources of external financing obtained by the Group and makes certain adjustments to take into account the conditions of the lease and the type of leased asset. The calculation of the discount rate requires the use of estimates, specifically for the credit spread added to the risk-free rate, to consider the specific economic environment of the lessee company.

The carrying amount of the lease liability is subsequently increased by the interest expense and reduced by the lease payments made, in accordance with the effective interest rate method. It is remeasured in the event of a change in future lease payments following a change in index or rate, or, where applicable, in the event of a reassessment by the Group of the exercise of a purchase option or a termination option.

Payments relating to leases included in the scope of IFRS 16 "Leases" are recognised in net cash flows from financing activities in the consolidated statement of cash flows, broken down between the repayment of the principal of the lease liability and the implicit interest payment (included in "Financial interest paid").

The Group has used the recognition exemption provided for in IFRS 16 for leases with a term of one year or less and for leases for which the underlying asset is of low value ($5,000). Lease payments are recognised under "Operating expenses", and the portion paid out is presented in net cash flows from operating activities in the consolidated statement of cash flows.

The Group has identified five main categories of leased assets, details of which are provided in Note 4.23:

- Offices: these contracts concern various offices leased by the Group in the countries where it operates;
- Datacenters: these contracts mainly concern the rental of workshops and data warehouses;
- Networks: these contracts mainly concern network IT equipment leases;
- Points of Presence (POP): these contracts correspond to leased sites within infrastructure owned by third parties that the Group uses to establish the interconnections of its networks;
- Other: these contracts mainly concern vehicles, power generators and other equipment used in operations.

The application of IFRS 16 "Leases" gives rise to the recognition of deferred tax, calculated on the basis of the value of the right-of-use asset, net of the corresponding lease liability.

Determination of the term of leases with renewal and termination options

Judgement and estimates were required to determine the exit dates of the Group's leases given the termination or renewal options provided for in certain contracts. In general, this concerns renewal options that the Group is reasonably certain to exercise based on the relevant facts and circumstances.

Renewal periods have been taken into account for network leases (five years, which can be renewed for further periods of up to 24 months) and POP "Point of Presence" leases (one to 15 years, which can be renewed for further periods of 12 months). The assumption that the Group will exercise renewal options is based on the relevant facts and circumstances and any economic incentives for the Group to exercise the options (such as the low level of related fittings, or de-installation costs and any possible service interruptions). With regard to property leases, the assessment was made based on the location of the property (France or abroad) and whether or not it is considered strategic, as well as the recent nature of the main leases signed by the Group. In France, most property leases are so-called "3, 6, 9" commercial leases; in general, a total term of nine years has been used based on the Group's analysis in terms of penalties and economic incentives such as related investments or moving costs, or the contractual penalties provided for in the leases, in accordance with the interpretation of the IASB Interpretation Committee and the statement of conclusions of the French accounting standard-setter, the ANC. In particular, the non-removable fixtures are not significant and have a useful life similar to the residual term of the leases.

The Group's other main leases generally have terms as follows, determined in accordance with the principles mentioned above:

- Offices located outside France: between 1 and 10 years.
- Datacenters (duration depending on the country): between 1 and 40 years.

The leases for certain datacenters may have relatively short terms so that the Group can effectively manage its growth and be able to quickly change or increase space as needed.

- Power generators: 3 years;
- Vehicles: 3 years.

At the end of each reporting period, the Group reassesses the term of leases in the case of a significant event or change of circumstances that would affect its ability to exercise, or not, the renewal or termination option.

Trade receivables and other operating receivables

Trade receivables are initially recognised at their transaction price within the meaning of IFRS 15 "Revenue from Contracts with Customers" and subsequently measured at amortised cost which generally corresponds to their nominal value. Impairment losses are recognised for the expected credit losses over the life of the asset: the Group applies the simplified approach for this calculation for receivables and contract assets as well as receivables related to leases under IFRS 16 "Leases" (mainly revenue from dedicated servers and dedicated cloud services).

The Group has set up a provisioning matrix based on its credit loss history, adjusted for forward-looking factors specific to the debtors and economic environment concerned where applicable.

Provisioning rates are based on days of arrears for customer groups by geographic area of the end customer.

The provisioning matrix is initially based on the Group's observed historical default rates. At each reporting date, the historical default rates observed are updated.

Information on impairment of the Group's trade receivables is presented in Note 4.14.

Cash and cash equivalents

This item includes cash (current bank accounts) and cash equivalents corresponding to term deposits with a maturity of less than three months that are highly liquid, readily convertible into known amounts of cash and subject to insignificant risk of changes in value.

Financial instruments

The Group classifies its financial instruments as follows:

- Trade receivables, deposits, guarantees and other loans as financial assets at amortised cost (Notes 4.13, 4.14 and 4.15).
- Shares in non-consolidated entities as financial assets at fair value through profit or loss or OCI (Note 4.18).
- Borrowings and other debt as financial liabilities at amortised cost using the effective interest rate method – EIR (Note 4.17).
- Derivative assets and liabilities as financial assets and liabilities at fair value through profit or loss, with the exception of derivatives classified as cash flow hedges (Note 4.19).

Derivative financial instruments

The Group holds derivative financial instruments to hedge foreign exchange risk and interest rate risk.

Derivatives are recognised at their fair value in the statement of financial position. Changes in fair value are recognised in other financial income and expenses unless they are eligible for hedge accounting.

The Group designates certain derivatives as cash flow hedging instruments in order to hedge the variability of cash flows related to highly probable forecast transactions resulting from changes in exchange rates and interest rates. When establishing a designated hedging relationship, the Group documents its risk management target and the hedge implementation strategy. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items.

Cash flow hedges

The Group's hedging instruments are currency swaps and forward currency purchases that are set up in order to hedge changes in the price of future purchases of electronic components against foreign exchange risk. The borrowings and other debt hedged by interest rate swaps are subject to hedge accounting.

When a derivative is designated as a cash flow hedge, its initial value and the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve.

The effective portion of the change in the fair value of the derivative recognised in other comprehensive income is limited to the cumulative change in the fair value of the hedging item as soon as the hedge is in place. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in other financial income and expenses.

The Group has chosen not to separate out the carry-forward component of forward currency purchases as hedging costs.

When the expected hedged transaction results in the recognition of a non-financial item such as non-current assets, the amount accumulated in the hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

Current and non-current provisions

A provision is recognised when the Group has a legal or constructive obligation towards a third party and it is probable or certain that the settlement of the obligation will result in an outflow of resources for the benefit of said third party. The amount recognised as a provision by the Group must be the best estimate of the expenditure required to settle the present legal or constructive obligation at the end of the reporting period. Provisions mainly consist of provisions for disputes with subcontractors, customers, co-contractors or suppliers. The Group identifies, assesses and finances each risk relating to claims, in conjunction with its legal advisers, on the basis of the best estimate of the risk incurred.

Commitments resulting from restructuring plans are recognised when detailed plans have been drawn up and implementation has started, or an announcement has been made.

Employee benefits

Defined-contribution post-employment plans correspond to general and special social security plans in France and to plans in Canada and the United States. The contributions to be paid are recognised as expenses when the corresponding service is rendered.

Defined-benefit post-employment plans mainly correspond to retirement benefits in France. Defined-benefit obligations are calculated annually by a qualified actuary using the projected unit credit method. These obligations are not financed through an external organisation.

The liabilities and costs of defined-benefit pension plans, as presented above, are determined using actuarial valuations, estimated on the basis of assumptions made, in particular in terms of discount rates, expected salary inflation and mortality rates.

Remeasurements of the defined-benefit liability (actuarial gains and losses) are recognised immediately in other comprehensive income. The Group determines the interest expense by applying the discount rate to the liabilities and the cost of services as determined at the beginning of the year. This liability is adjusted, where applicable, for any change resulting from the payment of benefits during the period.

The Group recognises all interest expenses related to defined-benefit pension plans in other financial expenses. The other costs are included in personnel expenses.

Other long-term employee benefits may be granted, such as the long-service award scheme introduced by the Group in FY2023, for a period of five years. Under this scheme (which has retroactive effect), a bonus is paid to employees with five, 10 or 15 years' seniority. To be eligible, employees must meet a double presence condition, namely they must be employed by the Group at the financial year-end and then on the payment date (9 months later, i.e., 31 May). This seniority bonus is measured based on actuarial assumptions including demographic, financial and discounting assumptions. Actuarial gains and losses in respect of other long-term benefits are recognised in profit or loss in the period in which they arise.

Share-based payments

Some Group employees and corporate officers receive compensation in the form of share-based payments, under which services are provided in consideration for equity instruments (equity-settled transactions) and cash-settled instruments (cash-settled transactions).

In 2022, the Group gave its employees the opportunity to subscribe to a shareholding offer reserved solely for Group employees ("Employee Share Plan 2021" or "ESP 2021"). This offer was open to Group employees in France and abroad, with a contribution covered by the Group and a discount of 30% granted on the share price. The grant-date fair value of this share-based, equity-settled payment agreement (which takes into account the employer's contribution and the 30% discount granted on the share price) has been recognised as an expense, with a corresponding increase in equity.

During the first half of 2023, the Group gave its employees the opportunity to subscribe to a shareholding offer reserved solely for Group employees ("Employee Share Plan 2022" or "ESP 2022"). This offer was open to Group employees in France and abroad, with a contribution covered by the Company.

Lastly, at the Combined General Meeting of 14 October 2021, the Company's shareholders authorised the Board of Directors to allocate shares to a defined number of employees on one or more occasions over a period of 18 months, subject to performance and presence conditions. The Board of Directors approved the terms and conditions of the plan and the list of beneficiaries on 15 December 2022.

Equity-settled transactions

The free shares awarded by the Group to French employees or corporate officers are equity-settled transactions. These are detailed in Notes 4.4 and 4.24.

The grant date fair value of these share-based, equity-settled payment agreements is recognised as an expense, with a corresponding increase in equity over the vesting period, using the graded vesting method as the free shares vest in tranches. The amount recognised as an expense is adjusted to reflect the number of rights for which the associated service conditions will be met, such that the final amount recognised is based on the actual number of rights that meet the corresponding service conditions at the vesting date of said rights.

Cash-settled transactions

Instruments linked to shares awarded by the Group to foreign employees ("phantom shares") are share-based payments settled in cash.

A liability is recognised for the fair value of these cash-settled transactions. Fair value is measured initially and at each closing date, up to and including the settlement date, with changes in fair value recognised in personnel expenses. The fair value is recognised as an expense over the vesting period with the recognition of a corresponding liability. The approach used to consider the vesting conditions in the measurement of equity-settled transactions also applies to cash-settled transactions (see Note 4.24).

Free shares and phantom shares are measured at their fair value on the allocation dates. This fair value is based on the fair value of an ordinary share less the present value of the estimated future dividends and the best estimate of the percentage of employees who will meet the vesting conditions (a percentage estimated by management).

The assumptions used to estimate the fair value of share-based payment transactions are presented in Note 4.24.

Fair value measurement

The Group measures derivative financial instruments and shares of non-consolidated entities at fair value at each reporting date and provides information on the fair value of all financial instruments.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability as part of an orderly transaction between market participants at the measurement date. The methods used to measure the fair value of financial instruments are classified according to the following three levels of fair value:

Level 1: fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value measured using data other than quoted prices in active markets, observable either directly (prices) or indirectly (derived data).

Level 3: fair value data for the asset or liability that are not based on observable market data (unobservable inputs).

Further information is provided in Note 4.18.

Current and non-current classification

The Group presents assets and liabilities in the statement of financial position according to their classification as current/non-current.

An asset is classified as current when:

- it is expected to be realised or is intended to be sold or consumed in the normal operating cycle;
- it is held primarily for trading purposes;
- it is expected to be realised within twelve months after the reporting period; or
- it constitutes cash or a cash equivalent, unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for trading purposes;
- it is due to be settled within twelve months of the reporting period; or
- the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Revenue recognition

Revenue is recognised when control of the promised good or service (product) is transferred to a customer, in an amount reflecting the consideration to which the Group expects to be entitled in exchange for that good or service.

The Group has determined that its contracts do not include a significant financing component since the period between the payment date and the performance period for the service is less than one year. Payments received before the transfer of control of the good or service are recognised in deferred income.

The Group's revenue is classified as follows:

Cloud computing services

Revenue from the sale of cloud computing services consists of revenue related to the Private Cloud segment (including the Bare Metal and Hosted Private Cloud activity) and the Public Cloud segment (including Public Cloud and Virtual Private Servers or VPS), which are often sold with associated support services and additional services such as storage.

The provision of dedicated servers and dedicated clouds corresponds to rental components according to IFRS 16 "Leases", which are generally classified as operating leases. As a result, the lease payments are recognised on a straight-line basis over the lease term.

Almost all revenue generated under leases recognised in accordance with IFRS 16 "Leases" is derived from the Private Cloud operating segment.

Revenue from other services, outside the Private Cloud operating segment, falls within the scope of IFRS 15 "Revenue from Contracts with Customers". Revenue from other services is recognised over the life of the contract to the extent that customers simultaneously receive and consume the benefits provided by the entity's ongoing performance of the services. As its services are usually invoiced monthly, and the Group has the right to invoice customers at an amount representative of its performance on the invoicing date, it generally recognises revenue as the amount invoiced.

Information on the Group's activities is detailed in Note 4.1.

Web communication services

The Group provides domain name registration and hosting services.

Revenue related to domain names derives from the registration and renewal of domain names. It is recognised when ownership of the domain name is transferred to the buyer.

Revenue from hosting services mainly includes website hosting, website security and online visibility services. Payment of the price of the transaction is initially recognised in deferred income upon receipt, generally at the time of the order. The revenue is then recognised on a straight-line basis over the period during which the performance obligations are satisfied, which generally means the period of the contract insofar as the customers simultaneously receive and consume the benefits of the services as the entity performs the contract.

Business applications

Revenue from business applications consists mainly of third-party productivity applications, email accounts, email marketing tools and telephony solutions. Payment of the price of the transaction is initially recognised in deferred income upon receipt, generally at the time of the order. The revenue is then recognised on a straight-line basis over the period during which the performance obligations are satisfied, which generally means the period of the contract insofar as the customers simultaneously receive and consume the benefits of the services as the entity performs the contract.

Definition of contracts, performance obligations and other assessments

Framework agreements have been signed with certain major customers. They generally do not include minimum purchase commitments or significant termination penalties. In addition, no significant up-front payment is made. As a result, the contracts, meaning each purchase order associated with the framework agreement, generally have a duration of less than one year and consequently, the information relating to the remaining performance obligations to be fulfilled (the order book) is not provided.

Cloud computing contracts may include several performance obligations (for example, different types of servers, support services and additional services), the contractual prices of which correspond to their individual selling prices (no material issue with the allocation of the transaction price between the different performance obligations) and which are generally recognised on an ongoing basis with a similar performance profile. Most other contracts, notably contracts related to domain names and ADSL, generally include single performance obligations.

Contract assets are not significant. Contract liabilities (deferred income) are included in other current payables and liabilities and other non-current liabilities.

The costs of obtaining contracts are not significant, nor are the costs related to the performance of contracts (set-up costs).

Agent/principal treatment

The accounting treatment of revenue depends on whether the Group is classified as an agent or principal.

The Group's service offering includes technologies that may be developed by third parties. The Group obtains from these third parties a right of use or access to these technologies and the related economic benefits, and may set the related sales prices. Consequently, the Group acts as principal for all its performance obligations.

Tax credits

The Group applies the treatment of public subsidies to recognise tax credits, such as the French apprenticeship tax credit, family tax credit, corporate sponsorship tax credit and research tax credit. Under this approach, tax credits are recognised when there is reasonable assurance that the assistance will be received and that the Group will meet all relevant conditions. Tax credits related to operating expenses are recorded as a reduction of the related expenses and recognised during the period in which the expenses are recognised in the income statement. Tax credits related to capital expenditure are recognised as a reduction in the cost of the corresponding assets. The tax credits recognised are based on management's best estimates of the amounts to be received.

Income tax

Income tax expense

The income tax expense presented in the income statement includes current and deferred tax. It is recognised in the income statement unless it is related to a business combination or items recognised directly in equity or in other comprehensive income.

Tax assets and liabilities are offset if certain criteria are met.

The CVAE (French corporate tax on added value) is recognised as income tax.

Current taxes

Current tax includes the estimated amount of tax due (or receivable) in respect of taxable income for a period and any adjustment to the amount of tax payable for prior years. The amount of current tax due (or receivable) is determined on the basis of the best estimate of the amount of tax that the Group expects to pay (or receive) in view of the uncertainties that may arise. It is calculated on the basis of the tax rates that have been enacted or substantively enacted at the reporting date. The Group has two tax consolidation groups: France and the United States.

Deferred tax

Deferred taxes are recognised on the temporary differences between the carrying amounts of assets and liabilities and their tax values (subject to exceptions). They are calculated on the basis of the tax rates that have been enacted or substantively enacted at the reporting date, the application of which is expected over the period during which the assets will be realised and the liabilities settled.

Deferred tax liabilities are always recognised, subject to specific exceptions.

Deferred tax assets are recognised in respect of deductible temporary differences, unused tax losses and unused tax credits only to the extent that it is probable that the Group will have future taxable profits against which they can be offset. This assessment is made based on the business plans of each of the Group's subsidiaries (budget and medium-term plan), the probable timing and level of future taxable profits, as well as future tax planning strategies.

Uncertain tax treatments

An "uncertain tax treatment" is a tax treatment for which there is uncertainty as to whether the relevant tax authority will accept the tax treatment under tax legislation.

If the Group concludes that it is likely that the tax authority will accept an uncertain tax position, all items relating to the taxes (taxable income, tax bases, tax rates, tax losses carried forward, tax credits, taxes) will be determined in accordance with this position.

If the Group concludes that acceptance by the tax authority is not likely, this uncertainty will be included in the calculation of the items relating to the taxes and will result in the recognition of a tax liability.

For the period ended 31 August 2023, this tax liability was recognised as deferred tax.

Other non-recurring operating income and expenses

Other non-recurring operating income and other non-recurring operating expenses are defined as being limited in number, clearly identifiable, unusual, and having a significant impact on the consolidated results, meaning that they affect the understanding of the Group's recurring performance.

The classification applies to significant items of income and expenses that are unusual in terms of their nature and frequency, such as certain expenses related to restructuring costs approved by management, consolidation costs related to business combinations, and certain capital gains or losses related to changes in the scope of consolidation and, at 31 August 2022 and 2023, to non-recurring income and expenses directly related to the Strasbourg incident as well as capital gains or losses on asset disposals and on certain scrapping or remeasurements of assets related to internal restructuring or overhauls of industrial processes.

Acquisition costs included in non-recurring operating expenses correspond in particular to acquisition costs relating to consulting and due diligence costs.

Earnings per share

Basic and diluted earnings per share are calculated as follows:

- Basic earnings per share: attributable net income is divided by the weighted average number of ordinary shares outstanding during the period.

The weighted average number of ordinary shares outstanding is calculated based on the number of ordinary shares outstanding, less the number of treasury shares held, at the start of the financial year, adjusted on a pro rata basis for shares bought back and/or issued during the period.

- Diluted earnings per share: attributable net income and the weighted average number of ordinary shares outstanding during the period, as used to calculate basic earnings per share, are adjusted, on a pro rata basis, for the effects of all potentially dilutive financial instruments, i.e., (i) performance shares, and (ii) free shares until vesting.

Note 4 Notes to the consolidated financial statements

4.1 Segment information

In accordance with IFRS 8 “Operating Segments”, the Group has identified three operating segments: Private Cloud, Public Cloud and Web Cloud & Other. Segment information is presented by activity, in line with the Group’s internal reporting structure.

Presentation

Private Cloud

The Private Cloud segment offers services and solutions that are hosted on resources dedicated to customers. This service offer mainly consists of:

- **Bare Metal**: dedicated solution administered entirely by the customer according to their needs and without constraints because they are the only user. The uses of a Bare Metal solution are multiple: big data, machine learning, hosting of websites and web applications, storage and back-up, infrastructure virtualisation, server clusters, business applications (CRM, ERP) and online game hosting.
- **Hosted Private Cloud**: dedicated solution managed by the OVHcloud teams, integrating VMWare virtualisation technology. The Hosted Private Cloud offer is particularly suitable for hosting sensitive strategic data such as health or financial data.

Public Cloud

The Public Cloud segment offers a range of cloud solutions that are billed per use, based on open standards (OpenStack, Kubernetes, Object Storage). Resources, such as computing power or storage, as well as the physical infrastructure that provides them, are pooled, meaning they are shared between the users of the cloud services provider, and are flexible, meaning adaptable to customer needs and instantly deployable on a large scale. These solutions are typically used for applications that can experience peaks in demand such as e-commerce, and heavily-demanding applications such as video streaming, music streaming or application testing and development.

Web Cloud & Other

OVHcloud offers its customers peripheral solutions allowing the creation and hosting of online websites such as the search for and renewal of domain names, or the creation of a site or an online store. OVHcloud also offers collaboration solutions such as professional messaging, telecommunication and texting.

This segmentation reflects the Group's internal reporting as submitted to the Chief Executive Officer, who is OVHcloud’s main operational decision-maker. This reporting is used to make decisions about resources to be allocated to the segments, particularly capital expenditure, and to assess their performance.

Key performance indicators

The Group uses the following indicators to assess the performance of the operating segments presented:

- **Revenue**: as presented in the consolidated financial statements.
- **Direct costs**: direct costs include all costs directly or indirectly related to products sold. These are mainly the costs of raw materials and energy, and labour, transport and licence costs. This indicator is tracked before depreciation, amortisation and impairment.
- **Gross margin**: gross margin corresponds to revenue less direct costs. This indicator is tracked before depreciation, amortisation and impairment.
- **Sales and marketing costs**: sales and marketing costs include all direct and indirect costs related to sales and marketing activities, which are mainly personnel and marketing sub-contracting expenses. This indicator is tracked before depreciation, amortisation and impairment.
- **General and administrative expenses**: general and administrative expenses include all expenses related to senior management, finance and accounting, IT, legal, HR, and technical activities. This indicator is tracked before depreciation, amortisation and impairment.
- **Recurring EBITDA**: this performance indicator, as presented in the consolidated financial statements, also corresponds to revenue less direct costs, sales and marketing costs and general and administrative expenses.
- **Capital expenditure (excluding business acquisitions)**: corresponds to acquisitions of property, plant and equipment and the Group’s capitalised project costs (net cash flows from investing activities excluding business acquisitions net of cash acquired).

The Group does not monitor any indicator of segment liabilities as debt is managed centrally and not at the level of the three operating segments.

(in thousands of euros)	Private Cloud	Public Cloud	Web Cloud & Other	Total FY2023
Revenue	560,066	154,603	182,631	897,299
Direct costs	(188,276)	(53,324)	(85,130)	(326,731)
GROSS MARGIN	**371,790**	**101,278**	**97,500**	**570,568**
Sales and marketing costs	(75,587)	(19,209)	(13,753)	(108,549)
General and administrative expenses	(102,791)	(26,041)	(15,773)	(144,605)
RECURRING EBITDA	**193,412**	**56,028**	**67,974**	**317,414**
Capital expenditure (excluding business acquisitions)	(287,225)	(37,279)	(33,288)	(357,792)

(in thousands of euros)	Private Cloud	Public Cloud	Web Cloud & Other	Total FY2022
Revenue	485,047	126,297	176,654	787,998
Direct costs	(152,587)	(35,900)	(84,912)	(273,399)
GROSS MARGIN	**332,460**	**90,397**	**91,742**	**514,598**
Sales and marketing costs	(67,823)	(16,359)	(12,998)	(97,180)
General and administrative expenses	(97,076)	(24,370)	(18,904)	(140,350)
RECURRING EBITDA	**167,560**	**49,668**	**59,841**	**277,068**
Capital expenditure (excluding business acquisitions)	(373,562)	(47,492)	(30,773)	(451,827)

In the main countries in which the Group operates, the net carrying amounts of non-current assets are as follows:

(in thousands of euros)	31 August 2022	31 August 2023
France	782,676	917,988
Canada	166,496	144,140
US	165,452	164,951
Other countries	156,705	192,362
TOTAL	**1,271,328**	**1,419,441**

Non-current assets mainly include property, plant and equipment and intangible assets. It should be noted that property, plant and equipment primarily correspond to servers, which are most often shared and managed according to the needs of customers and the specific nature of the services provided to them, and not the location of the equipment. Thus, there is no correlation in a given country between the amount of non-current assets and the level of revenue or recurring EBITDA.

4.2 Adjusted EBITDA

In addition to recurring EBITDA, the Group tracks adjusted EBITDA. This alternative performance indicator corresponds to recurring EBITDA adjusted for (i) expenses related to share-based payments and (ii) earn-outs, thus better reflecting the Group's recurring operating performance.

Reconciliation between recurring EBITDA and adjusted EBITDA

(in thousands of euros)	FY2022	FY2023
RECURRING EBITDA	**277,068**	**317,414**
Equity-settled and cash-settled compensation plans	21,843	5,099
Earn-outs	8,672	2,948
ADJUSTED EBITDA	**307,583**	**325,461**

4.3 Revenue

Geographic markets

Revenue presented by geographic area is based on customers' main place of residence.

(in thousands of euros)	FY2022	FY2023
France	389,263	442,437
Europe (excl. France)	224,080	258,566
Rest of the World	174,654	196,296
TOTAL	**787,998**	**897,299**

Revenue by product

(in thousands of euros)	FY2022	FY2023
Private Cloud	**485,047**	**560,066**
Public Cloud	**126,297**	**154,603**
Web Cloud & Other	**176,654**	**182,631**
TOTAL	**787,998**	**897,299**

Almost all revenue generated under leases recognised in accordance with IFRS 16 "Leases" is derived from the Private Cloud operating segment. Revenue from other services, outside the Private Cloud operating segment, fall within the scope of IFRS 15 "Revenue from Contracts with Customers".

4.4 Personnel expenses

(in thousands of euros)	FY2022	FY2023
Wages and salaries	(141,725)	(166,304)
Social security charges	(55,274)	(49,757)
Share-based payments	(21,843)	(5,099)
Pension cost – defined-benefit pension plans and other benefits	(377)	(4,559)
Tax credits relating to personnel expenses	8,156	4,750
PERSONNEL EXPENSES	**(211,063)**	**(220,969)**

Share-based payments decreased year-on-year. In FY2022, they included the benefit granted to employees in connection with the "Employee Share Plan 2021" for an amount of €14.9 million. In FY2023, these payments (including equity and cash-settled transactions) included the Performance Share Plan for an amount of €3.7 million and the benefit granted in connection with the "Employee Share Plan 2022" for an amount of €0.9 million (see Note 4.24).

The Group introduced a long-service award scheme in FY2023, for a period of five years (see Note 3). A personnel expense of €4.2 million was recognised for this scheme in the financial statements at 31 August 2023 (see Note 4.21).

The purchase agreement for BuyDRM (acquired on 22 July 2021) provided for a contingent earn-out clause representing up to $14 million, based on the achievement of revenue and EBITDA margin targets for the periods ended 31 August 2022 and 2023, as well as the achievement of operational targets and subject to a presence condition. In FY2023, the Group recognised an expense of €1.6 million in respect of this earn-out in personnel expenses. At 31 August 2023, a social security payable of €4.5 million was recognised in the balance sheet.

Moreover, the purchase agreement for ForePaaS (acquired on 20 April 2022) provided for a contingent earn-out clause representing up to €4.6 million, based on the achievement of operational targets, of which €2.5 million is subject to a presence condition. In FY2023, the Group recognised an expense of €1.4 million in personnel expenses in respect of this earn-out with a presence condition. At 31 August 2023, a social security payable of €3.1 million was recognised in the balance sheet.

In France, the Group received €4.4 million in income from a Research Tax Credit (CIR) in FY2023 which was deducted from personnel expenses (€7.5 million in FY2022). This difference is mainly due to the recognition in FY2022 of €2.1 million of this amount related to projects identified during the period as eligible for the CIR but for which the costs were incurred during previous periods.

The Group's average headcount breaks down as follows:

	FY2022	FY2023
France	1,867	2,029
EMEA (excluding France) (1)	335	359
North America	374	407
Other	80	88
TOTAL	**2,657**	**2,883**

(1) Europe Middle East and Africa.

4.5 Operating expenses

(in thousands of euros)	FY2022	FY2023
Purchases consumed	(155,076)	(193,343)
External expenses	(130,816)	(148,281)
Taxes and duties	(9,091)	(8,947)
Impairment of trade receivables and other current assets and other provisions	(4,884)	(8,345)
OPERATING EXPENSES	**(299,867)**	**(358,916)**

The item "Purchases consumed" mainly includes purchases of supplies or services, licenses or subscriptions to third party technologies and domain names included in offers proposed to customers, as well as energy costs.

The breakdown of external expenses is as follows:

(in thousands of euros)	FY2022	FY2023
Subcontracting	(10,093)	(8,177)
Lease expenses	(28,574)	(30,728)
Maintenance	(13,954)	(20,005)
Professional fees	(27,145)	(32,945)
Advertising	(19,385)	(18,643)
Travel costs and expenses	(12,594)	(10,331)
Bank fees	(8,517)	(12,303)
Insurance expenses	(4,476)	(6,418)
Other external expenses	(6,078)	(8,730)
EXTERNAL EXPENSES	**(130,816)**	**(148,281)**

Lease expenses included in "external expenses" represent the portion of lease payments not recognised in accordance with IFRS 16 "Leases" (services portion included in lease payments, in particular for points of presence (POP) and datacenters, leases with low-value underlying assets and/or assets with a lease term of less than 12 months and for which OVHcloud can rapidly disengage without financial or economic constraints).

4.6 Depreciation, amortisation and impairment expenses

(in thousands of euros)	FY2022	FY2023
Amortisation of intangible assets	(21,044)	(34,032)
Depreciation of right-of-use assets	(16,041)	(25,724)
Depreciation and impairment of property, plant and equipment	(231,620)	(259,393)
DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSES	**(268,705)**	**(319,149)**

The year-on-year increase in amortisation of intangible assets is mainly due to the commissioning of development projects for which the costs have been capitalised since the period ended 31 August 2022. The increase in depreciation and impairment of property, plant and equipment mainly reflects an increase in the number of IT equipment start-ups in 2023 and to the scrapping of obsolete or defective IT components recognised in FY2023 for an amount of €25.5 million (€15.0 million in FY2022). The increase in depreciation of right-of-use assets reflects the increase in right-of-use assets in FY2023, mainly relating to a new office lease in Paris and new datacenter leases in connection with the Group's expansion in France and Asia.

4.7 Other non-recurring operating income and expenses

(in thousands of euros)	FY2022	FY2023
Other non-recurring operating income	**103**	**-**
Costs related to corporate actions	(7,628)	-
Claim costs	(3,926)	(3,780)
Other expenses mainly related to fixed assets and restructuring costs	(15,893)	(5,629)
Acquisition costs	(1,503)	(852)
Other non-recurring operating expenses	**(28,950)**	**(10,261)**
OTHER NON-RECURRING OPERATING INCOME AND EXPENSES	**(28,847)**	**(10,261)**

Costs related to corporate actions

This item corresponds to the costs incurred by the Group in connection with the IPO (mainly legal and advisory fees) in the course of FY2022.

Claim costs

At 31 August 2022 and 2023, claim costs correspond to the non-recurring costs directly incurred as a result of the Strasbourg incident. The liability proceedings filed by certain customers are covered by a provision. No additional amounts were recognised in this provision during FY2023 (see Note 4.21).

Other expenses (mainly related to non-current assets) and restructuring costs

Other expenses for the period ended 31 August 2022 mainly comprise capital losses on asset disposals, the scrapping and remeasurement of IT components assets, and, to a lesser extent, restructuring costs mainly related to the reorganisation of the Group's operational processes.

Other expenses for the period ended 31 August 2023 mainly comprise an exceptional impairment charge relating to the roll-out of an internal information system project and, to a lesser extent, remeasurement of IT components assets, following the migration of data into the new SAP system.

4.8 Net financial income (expense)

(in thousands of euros)	FY2022	FY2023
Interest expenses	(11,197)	(20,907)
Borrowing costs	**(11,197)**	**(20,907)**
Foreign exchange gains	28,963	10,028
Interest income	881	541
Other financial income	1,060	0
Other financial income	**30,904**	**10,569**
Foreign exchange losses	(17,856)	(16,272)
Other interest expenses	(1,157)	(1,803)
Other financial expenses	**(19,013)**	**(18,075)**
NET FINANCIAL INCOME (EXPENSE)	**694**	**(28,413)**

Net financial income (expense) includes borrowing costs, income from cash management and other financial income and expenses (including foreign exchange gains and losses and bank fees).

In FY2023, foreign exchange gains and losses mainly arose on foreign currency positions (US dollars and euros) in Group entities with a different functional currency. In FY2022, foreign exchange gains and losses primarily arose on US dollar positions held by the parent company.

Borrowing costs include interest expenses related to borrowings, financial liabilities and, to a lesser extent, lease liabilities.

The increase in interest expenses for the 12-month period ended 31 August 2023 was chiefly due to the increase in the interest rate applied to the term facility (increase of €7.0 million) and the full effect of interest expenses in FY2023, as the drawdown took place in October 2021.

Interest expenses on finance leases amounted to €1.6 million at 31 August 2023 (an increase of €0.8 million compared with 31 August 2022).

See Note 4.17 for more information on gross debt.

4.9 Income tax

The main components of the income tax expense for the periods ended 31 August 2022 and 2023 are as follows:

Income tax (expense)/benefit recognised in the income statement

(in thousands of euros)	FY2022	FY2023
Current taxes	(8,928)	(11,236)
• On income	(6,056)	(9,798)
• On French company added value contribution (CVAE)	(2,872)	(1,438)
Deferred tax	164	11,325
INCOME TAX (EXPENSE)/BENEFIT RECOGNISED IN THE INCOME STATEMENT	**(8,764)**	**89**

Income tax (expense)/benefit recognised in other comprehensive income

(in thousands of euros)	FY2022	FY2023
Deferred tax on changes in the fair value of cash flow hedging instruments	(3,001)	(3,492)
Deferred tax on remeasurement of the liability for defined-benefit plans (actuarial gains and losses)	(131)	(64)
INCOME TAX (EXPENSE)/BENEFIT RECOGNISED IN OTHER COMPREHENSIVE INCOME	**(3,132)**	**(3,556)**

Statement of financial position

Movements in net deferred tax in the consolidated statement of financial position break down as follows:

(in thousands of euros)	31 August 2022	31 August 2023
Deferred tax assets	*8,729*	*5,623*
Deferred tax liabilities	*(14,144)*	*(16,759)*
1 SEPTEMBER	**(5,415)**	**(11,136)**
Recognised in the income statement	164	11,325
Recognised in other comprehensive income (equity)	(3,132)	(3,556)
Transfers	-	(1,894)
Other movements	(957)	(187)
Translation differences	(1,796)	1,485
31 AUGUST	**(11,136)**	**(3,963)**
Deferred tax assets	*5,623*	*10,141*
Deferred tax liabilities	*(16,759)*	*(14,104)*

Net deferred tax by type of temporary differences

(in thousands of euros)	31 August 2022	31 August 2023
Leases	620	856
Tax losses carried forward	6,999	14,838
Defined-benefit obligations	524	560
Non-deductible provisions	2,446	2,658
Depreciation differences	335	-
Other temporary differences	5,033	2,623
Netting of deferred taxes	(10,334)	(11,394)
DEFERRED TAX ASSETS	**5,623**	**10,141**

(in thousands of euros)	31 August 2022	31 August 2023
Non-current assets remeasured in the context of business combinations	2,834	3,926
Depreciation, amortisation and impairment (differences in depreciation/amortisation rates)	14,922	10,951
Deferred recognition of insurance claim indemnity (1)	5,062	3,392
Remeasurement of financial instruments including derivatives	3,028	5,743
Tax risks	553	820
Other temporary differences	696	665
Netting of deferred taxes	(10,335)	(11,393)
DEFERRED TAX LIABILITIES	**16,759**	**14,104**

(1) Provision of the French General Tax Code relating to the deferred recognition of insurance claim indemnities.

Reconciliation of the income tax expense in respect of FY2022 and FY2023

(in thousands of euros)	FY2022	FY2023
Pre-tax income (loss)	(19,790)	(40,409)
Tax rate in France	28.41%	25.83%
THEORETICAL INCOME TAX BENEFIT/(EXPENSE)	**5,622**	**10,438**
Differences in tax rates between countries	**318**	**562**
Reconciliation with the effective rate:	**(14,705)**	**(10,911)**
Net impact of permanent differences (1)	(9,851)	(2,061)
Deferred tax assets unrecognised in respect of temporary differences and unused tax losses carried forward (2)	(4,594)	(7,581)
Tax credits (3)	2,277	1,360
French company added value contribution (CVAE)	(1,967)	(1,030)
Other items	(570)	(1,599)
EFFECTIVE INCOME TAX BENEFIT/(EXPENSE)	**(8,764)**	**89**

(1) Mainly corresponding to the non-deductibility of certain expenses, notably including expenses related to share-based payments and earn-outs.

(2) Includes tax losses for which no deferred tax assets have been recognised.

(3) As tax credits recognised in EBITDA are not taxable, the mechanically calculated income tax expense constitutes a reconciliation item.

To date, the Group only recognises deferred tax assets for its tax losses carried forward within the tax consolidation scope of France. On the basis of the net income generated over the last three financial years (FY2020 to FY2022) in this tax scope, the Group estimates that it will be able to utilise its tax losses carried forward within approximately five years.

The current macroeconomic environment does not have a significant impact on the outlook for tax losses carried forward.

At 31 August 2022 and 2023, tax losses for which no deferred tax assets were recognised mainly related to the United States tax scope for an amount of around €120 million at 31 August 2023 and €127 million at 31 August 2022. In the United States, tax losses can be carried forward for twenty years from the date they are recognised.

4.10 Intangible assets

Goodwill

(in thousands of euros)	31 August 2022	31 August 2023
GROSS VALUES		
At 1 September	**35,137**	**52,192**
Increases	20,054	-
Transfers	(5,498)	(5,831)
Translation differences	2,499	(1,090)
At the reporting date	**52,192**	**45,271**
IMPAIRMENT		
At 1 September	**(1,300)**	**(1,300)**
At the reporting date	**(1,300)**	**(1,300)**
NET VALUES	**50,892**	**43,971**

At 31 August 2023, the gross value of goodwill comprised goodwill related to the following: ForePaaS (company acquired on 20 April 2022) for €14.2 million; BuyDRM (company acquired in 2021) for €8.6 million; OpenIO for €18.5 million; and Exten for €4.0 million (companies acquired in 2020).

The increase in goodwill between 31 August 2022 and 31 August 2023, from €50.9 million to €44 million, primarily reflects the completion of the purchase price allocation process for ForePaaS, which led to the reclassification of €5.8 million (net of tax) to intangible assets in respect of technology, and currency translation effects.

Acquisition of ForePaaS

On 20 April 2022, OVH Groupe SA acquired ForePaaS, a French company that offers a unified platform specialising in data analytics, machine learning and artificial intelligence projects for companies, for consideration of €17.8 million.

Definitive ForePaaS purchase price allocation

(in thousands of euros)	Provisional allocation at 31 August 2022	31 August 2023
Consideration paid in cash	17,848	17,848
Contingent consideration	2,095	2,095
TOTAL CONSIDERATION	**19,943**	**19,943**

(in thousands of euros)	Provisional allocation at 31 August 2022	Allocation for technology	31 August 2023
Intangible assets	1,412	7,862	9,274
Property, plant and equipment	42		42
Non-current financial assets	69		69
Other receivables and current assets	610		610
Cash and cash equivalents	672		672
Non-current financial liabilities	(1,894)		(1,894)
Other non-current liabilities	(1,021)		(1,021)
Deferred tax		(2,031)	(2,031)
NET ASSETS AT DATE OF ACQUISITION OF CONTROL	**(110)**	**5,831**	**5,721**
GOODWILL	**20,054**	**(5,831)**	**14,223**

The contingent consideration identified is based on the achievement of targets, over an 18-month period, defined so as to guarantee the development and commissioning of various software. At 31 August 2023, the achievement of these objectives had not been reviewed.

Goodwill corresponds to technological synergies and will enable the Group to support an ever-increasing number of use cases for customers seeking solutions to make the most of their data.

Other intangible assets

(in thousands of euros)	Capitalised development costs	IP blocks	Other intangible assets	Total
GROSS VALUES				
1 September 2021	**108,455**	**31,051**	**31,723**	**171,229**
Increases	73,059	19,877	4,948	97,885
Changes in scope	1,408	-	-	1,408
Transfers	-	-	(924)	(924)
Other movements	(324)	-	(2,501)	(2,825)
Translation differences	120	931	2,891	3,942
31 August 2022	**182,718**	**51,860**	**36,138**	**270,716**
Increases	68,443	1,404	681	70,528
Decreases	(2,332)	-	-	(2,332)
Transfers	200	1,403	(1,603)	(0)
Other movements	660	-	7,856	8,516
Translation differences	(87)	(787)	(1,454)	(2,328)
31 AUGUST 2023	**249,603**	**53,880**	**41,618**	**345,100**
AMORTISATION AND IMPAIRMENT				
1 September 2021	**(10,261)**	**-**	**(24,084)**	**(34,344)**
Amortisation and impairment	(18,084)	-	(2,960)	(21,044)
Transfers	-	-	8,122	8,122
Other movements	-	-	2,222	2,222
Translation differences	-	-	(2,166)	(2,166)
31 August 2022	**(28,345)**	**-**	**(18,865)**	**(47,210)**
Amortisation and impairment	(29,070)	-	(4,961)	(34,032)
Transfers	(390)	-	389	(1)
Translation differences	-	-	921	921
31 AUGUST 2023	**(57,805)**	**-**	**(22,516)**	**(80,321)**
NET VALUES				
1 September 2021	**98,194**	**31,051**	**7,640**	**136,885**
31 August 2022	**154,374**	**51,860**	**17,273**	**223,506**
31 AUGUST 2023	**191,798**	**53,880**	**19,102**	**264,779**

OVHcloud's total research and development expenses in FY2023 amounted to €138.5 million and included €68.4 million in capitalised costs (€73.1 million were capitalised at 31 August 2022). These capitalised costs, which meet the criteria of IAS 38 "Intangible Assets", are fundamental for the development, manufacture, implementation and marketing of new or continuously improving technologies and software.

Of the capitalised costs at 31 August 2023, €43.2 million correspond to internal costs (personnel costs) (€32.3 million at 31 August 2022), and €25.1 million to external costs (software, services) (€39.8 million at 31 August 2022).

Capitalised internal costs mainly related to IT systems overhaul projects for €21.7 million (€16.2 million at 31 August 2022), including the implementation by the Group of performance monitoring software including SAP, and projects to develop new services for customers for €20.7 million (€16.1 million at 31 August 2022).

The purchase price allocation process for ForePaaS, acquired on 20 April 2022, led to the recognition of €7.9 million in intangible assets in respect of technology.

4.11 Property, plant and equipment

(in thousands of euros)	Land	Buildings and fixtures and fittings	Infrastructure equipment, facilities, industrial plant and equipment	IT equipment	Other property, plant and equipment	Right-of-use assets	Property, plant and equipment under construction	Total
GROSS VALUES								
1 September 2021	**6,663**	**53,132**	**245,281**	**888,551**	**221,236**	**95,982**	**146,540**	**1,657,384**
Increases	-	3,168	33,806	217,922	32,630	15,703	69,458	372,687
Decreases	-	(1,044)	10,147	(28,554)	(626)	(24,032)	(62)	(44,170)
Changes in scope	-	-	-	8	37	-	-	45
Transfers	-	(920)	17,816	(60,347)	10,313	-	(7,314)	(40,452)
Other movements	-	(86)	(5,586)	10,769	(0)	2,179	(12,336)	(5,060)
Translation differences	726	3,389	16,987	33,523	260	3,311	7,313	65,509
31 August 2022	**7,388**	**57,638**	**318,453**	**1,061,872**	**263,850**	**93,143**	**203,599**	**2,005,943**
Increases	5,301	10,977	30,072	168,025	50,181	110,142	24,208	398,907
Decreases	-	-	(1,221)	(66,548)	(2,488)	(4,679)	-	(74,936)
Transfers	-	(19)	13,544	(5,570)	(41)	-	(39,725)	(31,811)
Other movements	-	-	-	5,232	-	2	-	5,234
Translation differences	(515)	(2,114)	(14,149)	(26,482)	(174)	(2,781)	(5,692)	(51,908)
31 AUGUST 2023	**12,174**	**66,481**	**346,699**	**1,136,528**	**311,328**	**195,827**	**182,390**	**2,251,429**
DEPRECIATION AND IMPAIRMENT								
1 September 2021	**(692)**	**(14,436)**	**(107,331)**	**(465,375)**	**(164,235)**	**(46,705)**	**(12,287)**	**(811,060)**
Depreciation and impairment	(185)	(2,706)	(32,924)	(167,174)	(11,759)	(16,041)	(16,872)	(247,662)
Decreases	-	219	24	7,259	24	13,031	-	20,557
Transfers	-	920	(1,634)	39,175	(1,899)	-	4,493	41,055
Other movements	-	247	3,420	(5,170)	-	(1,046)	10,440	7,889
Translation differences	32	(921)	(6,844)	(16,414)	44	(2,036)	(724)	(26,863)
31 August 2022	**(845)**	**(16,679)**	**(145,289)**	**(607,698)**	**(177,826)**	**(52,798)**	**(14,950)**	**(1,016,085)**
Depreciation and impairment	(190)	(2,656)	(34,655)	(182,308)	(13,988)	(25,688)	(25,633)	(285,119)
Decreases	-	-	3,872	64,819	22	3,504	5	72,222
Transfers	-	5	406	8,129	20	-	23,239	31,800
Other movements	-	-	-	2	(0)	695	-	697
Translation differences	(56)	640	5,528	14,283	73	1,306	471	22,244
31 AUGUST 2023	**(1,091)**	**(18,689)**	**(170,139)**	**(702,773)**	**(191,699)**	**(72,982)**	**(16,868)**	**(1,174,242)**
NET VALUES								
1 September 2021	**5,971**	**38,696**	**137,950**	**423,176**	**57,001**	**49,277**	**134,253**	**846,324**
31 August 2022	**6,543**	**40,959**	**173,164**	**454,174**	**86,024**	**40,345**	**188,649**	**989,857**
31 AUGUST 2023	**11,084**	**47,792**	**176,560**	**433,755**	**119,629**	**122,846**	**165,522**	**1,077,187**

Land and buildings

Land and buildings with a carrying amount of €58.9 million at 31 August 2023 (at 31 August 2022: €47.5 million) mainly comprise datacenters and related land.

Infrastructure equipment, facilities, industrial plant and equipment

Machinery, equipment and IT equipment with a carrying amount of €610.3 million at 31 August 2023 (at 31 August 2022: €627.3 million) mainly comprise (i) industrial production lines (as OVHcloud carries out the production of IT servers used to provide Private and Public Cloud services to its customers), including the technical installations required for the treatment of electricity, water cooling, and network connections, and (ii) IT servers once commissioned.

Other property, plant and equipment

Other property, plant, and equipment with a carrying amount of €119.6 million at 31 August 2023 (at 31 August 2022: €86 million) are mainly composed of fittings carried out at OVH S.A.S.

Right-of-use assets

Right-of-use assets for a net carrying amount of €122.8 million at end-August 2023 (€40.3 million at 31 August 2022) mainly comprise leases on offices and housing, datacenters and points of presence (POP). The increase in right-of-use assets under leases mainly reflects a new office lease in Paris (net carrying amount of €32.1 million at 31 August 2023) and new datacenter leases in connection with the Group's expansion in France and Asia.

Property, plant and equipment under construction

Property, plant, and equipment under construction mainly represents production costs for servers and networks, and the fitting-out of buildings.

4.12 Impairment tests on goodwill, property, plant and equipment and intangible assets

As part of the assessment of the value of goodwill, an impairment test was carried out at 31 August 2023, in application of the procedure set up by the Group.

The result of these impairment tests did not lead to the recognition of any impairment losses at 31 August 2023.

The main assumptions used to estimate the value in use of each CGU are as follows:

(% per CGU)	31 August 2022	31 August 2023
BARE METAL		
Discount rate	8.5%	7.9%
Perpetual growth rate	3.0%	3.0%
HOSTED PRIVATE CLOUD		
Discount rate	8.5%	10.8%
Perpetual growth rate	3.0%	3.0%
PUBLIC CLOUD		
Discount rate	8.5%	10.8%
Perpetual growth rate	3.0%	3.0%
WEB CLOUD		
Discount rate	8.5%	9.0%
Perpetual growth rate	3.0%	1.5%

In order to better reflect market conditions and the specific characteristics of each CGU, the Group has fine-tuned its valuation model by applying a differentiated approach and a discount rate specific to each CGU from the 2023 financial year.

The targets concerning revenue, recurring EBITDA and capex included in the valuation model, for the first eight years of the model before the assumption of a return to normal, notably take into account growth assumptions for the global cloud market, consistent with the forecasts of independent external organisations, driven by the exponential growth of data usage and the growing adoption of hybrid and multi-cloud strategies by businesses. According to analysts' long-term forecasts, the perpetual growth rate remains the same as that used at 31 August 2022.

In addition, an analysis of the sensitivity of the calculation to a combined change in the following parameters did not show that any of the CGUs recoverable amounts would be lower than their carrying amounts:

- +/-1.5 points for the discount rate;
- +/-0.5 points for the perpetual growth rate;
- 10% for cash flows.

Over the past several years, the Group has put in place a number of measures aimed at mitigating the effects of its activities on the environment, notably its commitment to contribute to global Net Zero by 2030 across scopes 1, 2 and 3, by changing certain choices in terms of investments related to its business, particularly in terms of energy (target of using 100% low carbon energies by 2025) and water consumption. The inclusion of these measures in the model used to calculate the recoverable amount of the CGUs did not have a material impact on their recoverable amount.

4.13 Non-current financial assets

(in thousands of euros)	Shares in non-consolidated companies	Loans and securities	Total
GROSS VALUES			
1 September 2021	**99**	**1,236**	**1,335**
Acquisitions/Increases	30	241	271
Disposals/Decreases	-	(210)	(210)
Changes in scope	-	138	138
Other movements	(0)	(69)	(69)
Translation differences	-	17	17
31 August 2022	**129**	**1,353**	**1,482**
Acquisitions/Increases	-	117	117
Disposals/Decreases	-	(428)	(428)
Translation differences	-	(12)	(12)
31 AUGUST 2023	**129**	**1,031**	**1,159**
IMPAIRMENT			
1 September 2021	(32)	-	(32)
31 August 2022	**(32)**	**-**	**(32)**
31 AUGUST 2023	**(32)**	**-**	**(32)**
NET VALUES			
1 September 2021	67	1,236	1,303
31 August 2022	**97**	**1,353**	**1,450**
31 AUGUST 2023	**97**	**1,031**	**1,127**

Loans, securities, and other financial assets correspond to deposits and guarantees paid in connection with the leases of operating properties.

4.14 Trade receivables

Trade receivables break down as follows:

(in thousands of euros)	31 August 2022	31 August 2023
Trade receivables	64,370	66,519
Impairment of trade receivables	(32,162)	(34,549)
Contract assets	6,557	1,817
TRADE RECEIVABLES	**38,765**	**33,787**

The impairment of trade receivables breaks down as follows:

(in thousands of euros)	31 August 2022	31 August 2023
At 1 September	**(24,799)**	**(32,162)**
Additions	(7,625)	(9,629)
Reversals	931	6,376
Other movements	(30)	85
Translation differences	(639)	781
AT 31 AUGUST	**(32,162)**	**(34,549)**

The age of the receivables, after taking into account impairment, is as follows:

(in thousands of euros)	31 August 2022	31 August 2023
Net trade receivables	**38,765**	**33,787**
Not past due	29,680	21,755
< 30 days	5,559	6,551
> 30 days and < 90 days	1,505	1,382
> 90 days	2,021	4,099

4.15 Other receivables and current assets

Other receivables and current assets break down as follows:

(in thousands of euros)	31 August 2022	31 August 2023
Loans and securities	296	603
Supplier prepayments	9,071	9,590
Tax receivables (excluding current tax)	56,437	63,095
Prepaid expenses	11,990	19,627
Other receivables	2,117	393
OTHER RECEIVABLES AND CURRENT ASSETS	**79,911**	**93,308**

Tax receivables notably included a Research Tax Credit of €18.5 million at 31 August 2023 (€13.2 million at 31 August 2022), as well as refundable VAT. The first Research Tax Credit payment is due by the end of FY2023.

Movements in receivables and other receivables are explained below:

(in thousands of euros)	Trade receivables	Other receivables	Total
1 September 2021	**35,481**	**131,958**	**167,439**
Translation differences	659	3,416	4,075
Changes in scope	32	162	194
Other movements (transfers)	4,652	3,282	7,934
Change in net operating receivables and other receivables	(2,058)	(58,907)	(60,965)
31 August 2022	**38,765**	**79,911**	**118,676**
Translation differences	(806)	(376)	(1,181)
Changes in scope	0	(0)	(0)
Other movements (transfers)	(2,384)	(1,369)	(3,753)
Change in net operating receivables and other receivables	(1,788)	15,142	13,353
31 AUGUST 2023	**33,787**	**93,308**	**127,094**

4.16 Capital

Share capital at 31 August 2021

At 31 August 2021, the Company's share capital was composed of ordinary shares with a par value of €1 and two categories of preference shares (A and C) with a par value of €1.23 for A preference shares and €1 for C preference shares. It amounted to €170.8 million and consisted of 136,378,003 ordinary shares, 27,968,123 A preference shares and two C preference shares.

Share capital at 31 August 2022 and 31 August 2023

Following the various shareholding transactions of the Company that took place in connection with its IPO (merger of MANOVH and MENOVH into the Company, conversion of A preference shares and C preference shares into ordinary shares of the Company, shareholding offer reserved for Group employees and the vesting of free shares under the free share plans launched in February 2021 and July 2021, as detailed in Note 4.24), at 31 August 2023, the share capital was composed of 190,540,425 ordinary shares with a par value of €1.

Number of shares *(in thousands)*	Ordinary shares	A preference shares	Total
1 September 2021	**136,378**	**27,968**	**164,346**
Increases/(Decreases)	54,163	(27,968)	26,194
31 August 2022	**190,541**	**-**	**190,541**
Increases/(Decreases)	-	-	-
31 AUGUST 2023	**190,541**	**-**	**190,541**

(in thousands of euros)	Ordinary shares	A preference shares	Total share capital	Share premiums	Total
1 September 2021	**136,378**	**34,401**	**170,779**	**93,470**	**264,249**
Increases/(Decreases)	54,163	(34,401)	19,762	324,786	344,548
31 August 2022	**190,541**	**-**	**190,541**	**418,256**	**608,797**
Increases/(Decreases)	-	-	-	-	-
31 AUGUST 2023	**190,541**	**-**	**190,541**	**418,256**	**608,797**

Dividend

The Group did not declare or pay any dividends during FY2022 or FY2023.

4.17 Net debt

Net debt

Net debt includes all current and non-current financial liabilities, less cash and cash equivalents.

The following table presents a summary of the Group's net and gross debt:

(in thousands of euros)	31 August 2022	31 August 2023
Non-current financial liabilities	559,323	649,194
Current financial liabilities	2,209	7,360
GROSS DEBT (EXCLUDING LEASE LIABILITIES)	**561,532**	**656,554**
Cash and cash equivalents	(36,187)	(48,999)
NET DEBT	**525,345**	**607,555**
Lease liabilities	42,404	127,301
NET DEBT (INCLUDING LEASE LIABILITIES)	**567,749**	**734,856**

Group debt structure

EIB credit facility

On 8 November 2022, the Group was granted a €200 million credit facility by the European Investment Bank (EIB) (the "Facility Agreement"). The €200 million loan from the EIB will finance 50% of a package of investments located in Europe in datacenter infrastructure, servers and software R&D. This facility may be drawn down several times (with a maximum of five drawdowns), at a fixed or variable rate, or a combination of both. Drawdowns must be made within 18 months of the signature date of the Facility Agreement. Each drawdown is repayable within a maximum of nine years. The Facility Agreement was not subject to a guarantee given by the Company. An initial drawdown of €100 million was made on 24 November 2022.

This new credit facility contains a clause limiting the net debt/EBITDA ratio (leverage ratio) to 4.0x. This ratio was respected for the period ended 31 August 2023.

Previous loan agreement

The Loan Agreement contains a clause limiting the leverage ratio to 4.0x. This ratio was respected for the period ended 31 August 2023.

BPIfrance loans

The BPIfrance Term Loan A was refinanced in June 2021 in the form of a green loan of €5 million from BPIfrance, at an annual interest rate of 0.98%, repayable in 20 quarterly instalments between 30 September 2023 and 30 June 2028. This loan was granted by BPI to participate in the Group's investment programme as part of the France Relance Plan.

Breakdown of debt

(in thousands of euros)	Type of facility	Notional or maximum amount	Interest rate	Final maturity	Non-current	Current	31 August 2023
Term loan	Repayable at maturity	500,000	Euribor + 1.10% margin	23/10/26	494,532	2,936	497,468
Revolving credit facility	Revolving	420,000	Euribor + 0.70% margin	23/10/26	50,000	6	50,006
Credit facility (EIB)	Repayable at maturity	200,000	3.70%	08/11/31	99,701	2,851	102,552
Term loan B (BPI loan)	Repayable in equal instalments	530	0.96%	31/03/26	119	111	230
Green loan (BPI loan)	Repayable in equal instalments	5,000	0.98%	30/06/28	4,000	1,008	5,008
Other borrowings					842	447	1,290
TOTAL DEBT (1)					**649,194**	**7,360**	**656,554**

(1) All of the Group's debt is denominated in euros.

Movements in debt

On 8 November 2022, the Group was granted a €200 million credit facility by the EIB (the “Facility Agreement”). An initial drawdown of €100 million was made on 24 November 2022.

In addition, the drawdown on the revolving credit facility decreased during the period to €50 million at 31 August 2023 from €60 million at 31 August 2022. Repayable and revolving drawdowns are made periodically on the credit facility, depending on the Group’s needs.

Movements in debt in FY2022 and FY2023 are as follows:

(in thousands of euros)	1 September 2022	Bond issues	Repayments of borrowings	Capitalisation of borrowing costs	Amortisation of borrowing costs	Interest paid	Interest accrued	Change in bank overdrafts	Translation differences	Changes in scope	Transfers and other movements	31 August 2023
Bonds	190	-	(67)	-	-	-	-	-	-	-	-	123
Revolving credit facilities, term loans and other debt	559,133	100,014	(10,545)	(327)	1,762	-	-	-	-	(0)	(966)	649,071
Non-current debt	**559,323**	**100,014**	**(10,612)**	**(327)**	**1,762**	**-**	**-**	**-**	**-**	**(0)**	**(966)**	**649,194**
Lease liabilities	28,481	99,589	(8)	-	-	-	-	-	(913)	-	(18,608)	108,541
Non-current debt including lease liabilities	**587,804**	**199,603**	**(10,620)**	**(327)**	**1,762**	**-**	**-**	**-**	**(913)**	**(0)**	**(19,575)**	**757,735**
Revolving credit facilities, term loans and other debt	546	-	(4)	-	-	-	-	(4)	(2)	-	-	536
Interest on long-term borrowings	1,663	-	-	-	-	(14,686)	18,836	-	-	-	1,011	6,824
Current debt	**2,209**	**-**	**(4)**	**-**	**-**	**(14,686)**	**18,836**	**(4)**	**(2)**	**-**	**1,011**	**7,360**
Lease liabilities	13,923	10,746	(25,827)	-	-		1,695		(482)	-	18,705	18,760
Current debt including lease liabilities	**16,132**	**10,746**	**(25,831)**	**-**	**-**	**(14,686)**	**20,531**	**(4)**	**(484)**	**-**	**19,716**	**26,120**
DEBT INCLUDING LEASE LIABILITIES	**603,936**	**210,349**	**(36,451)**	**(327)**	**1,762**	**(14,686)**	**20,531**	**(4)**	**(1,397)**	**(0)**	**141**	**783,855**
Of which debt	561,532	100,014	(10,616)	(327)	1,762	(14,686)	18,836	(4)	(2)	(0)	45	656,554
Of which lease liabilities	42,404	110,335	(25,835)	-	-	-	1,695	-	(1,395)	-	97	127,301

(in thousands of euros)	1 September 2021	Bond issues	Repayments of borrowings	Capitalisation of borrowing costs	Amortisation of borrowing costs	Interest paid	Interest accrued	Change in bank overdrafts	Translation differences	Changes in scope	Transfers and other movements	31 August 2022
Bonds	-	-	(17)	-	-	-	-	-	-	207	-	190
Revolving credit facilities, term loans and other debt	639,583	560,000	(634,469)	(8,676)	1,473	-	-	-	-	1,222	-	559,133
Non-current debt	**639,583**	**560,000**	**(634,486)**	**(8,676)**	**1,473**	**-**	**-**	**-**	**-**	**1,429**	**-**	**559,323**
Lease liabilities	38,061	10,620	(368)	-	-	-	-	-	724	-	(20,556)	28,481
Non-current debt including lease liabilities	**677,644**	**570,620**	**(634,854)**	**(8,676)**	**1,473**	**-**	**-**	**-**	**724**	**1,429**	**(20,556)**	**587,804**
Bonds	67,000	642	(67,642)	-	-	-	-	-	-	-	-	-
Revolving credit facilities, term loans and other debt	562	-	(157)	-	-	-	-	(354)	69	426	-	546
Interest on long-term borrowings	2,198	-	-	-	-	(10,524)	8,411	-	-	-	1,578	1,663
Current debt	**69,760**	**642**	**(67,799)**	**-**	**-**	**(10,524)**	**8,411**	**(354)**	**69**	**426**	**1,578**	**2,209**
Lease liabilities	14,837	4,892	(16,835)	-	-	-	939	-	752	-	9,338	13,923
Current debt including lease liabilities	**84,597**	**5,534**	**(84,634)**	**-**	**-**	**(10,524)**	**9,350**	**(354)**	**821**	**426**	**10,916**	**16,132**
DEBT INCLUDING LEASE LIABILITIES	**762,241**	**576,154**	**(719,488)**	**(8,676)**	**1,473**	**(10,524)**	**9,350**	**(354)**	**1,545**	**1,855**	**(9,640)**	**603,936**
Of which debt	709,343	560,642	(702,285)	(8,676)	1,473	(10,524)	8,411	(354)	69	1,854	1,578	561,532
Of which lease liabilities	52,898	15,512	(17,203)	-	-	-	939	-	1,476	-	(11,218)	42,404

4.18 Financial instruments

Classification of financial instruments

Financial assets and liabilities are classified as follows:

(in thousands of euros)	Notes	Accounting category	Level in the fair value hierarchy	31 August 2022 Total net carrying amount	31 August 2022 Fair value	31 August 2023 Total net carrying amount	31 August 2023 Fair value
Loans and guarantees and other financial assets	2	Amortised cost	Level 2	1,353	1,353	1,031	1,031
Non-current derivative financial assets	7	Hedging instruments		-	-	22,236	22,236
Non-consolidated equity investments	3	Fair value through profit or loss	Level 3	97	97	97	97
TOTAL NON-CURRENT FINANCIAL ASSETS				**1,450**	**-**	**23,363**	**-**
Trade receivables	1	Amortised cost		38,765	38,765	33,787	33,787
Current derivative financial assets	7	Hedging instruments	Level 2	11,798	11,798	2,730	2,730
Cash and cash equivalents	1	Amortised cost		36,187	36,187	48,999	48,999
TOTAL CURRENT FINANCIAL ASSETS				**86,750**	**-**	**85,516**	**-**
TOTAL FINANCIAL ASSETS				**88,200**	**-**	**108,879**	**-**
Debt (excluding lease liabilities)	5	Amortised cost	Level 2	559,323	559,323	649,193	649,193
Lease liabilities	4	Amortised cost		28,481	28,481	108,541	108,541
Other non-current financial liabilities	6	Fair value through profit or loss or hedging instruments	Level 2	15,898	15,898	15,573	15,573
TOTAL NON-CURRENT FINANCIAL LIABILITIES				**603,702**	**-**	**773,306**	**-**
Debt (excluding lease liabilities)	4	Amortised cost	Level 2	2,209	2,209	7,360	7,360
Lease liabilities	4	Amortised cost		13,923	-	18,760	-
Accounts payable	1	Amortised cost		115,111	115,111	139,595	139,595
Derivatives	6	Fair value through profit or loss or hedging instruments	Level 2	280	280	93	93
TOTAL CURRENT FINANCIAL LIABILITIES				**131,523**	**-**	**165,807**	**-**
TOTAL FINANCIAL LIABILITIES				**735,225**	**-**	**939,113**	**-**

Note 1 - The net carrying amount of non-derivative current financial assets and liabilities is considered as an approximation of their fair value.

Note 2 - The difference between the net carrying amount and the fair value of loans and guarantees in non-current financial assets and security deposits in non-current financial liabilities is not considered significant.

Note 3 - The fair value of non-consolidated equity investments is not significant.

Note 4 - As permitted by IFRS, the fair value of lease liabilities and their level in the fair value hierarchy are not provided.

Note 5 - The fair value of borrowings and financial liabilities has been estimated using the discounted future cash flow method.

Note 6 - Derivatives are measured at their fair value in the statement of financial position. Fair value is based on market data and commonly used valuation models. It can be confirmed in the case of complex instruments by reference to securities listed by independent financial institutions. The changes in the fair value of these instruments are recorded in the income statement.

Note 7 - Derivative financial assets are measured at their fair value in the statement of financial position. Interest rate swaps were recognised in non-current derivative financial assets at 31 August 2023.

4.19 Derivative financial instruments

The Group's risk management strategy and its application in terms of risk management are explained in Note 4.20.

In order to limit the risk due to interest rate fluctuations on the cost of its €500 million term loan, the Group set up two interest rate swaps in the previous financial year (exchanging the variable rate of the term loan for fixed rates) for a total notional amount of €375 million, maturing on 30 September 2026. At 31 August 2023, the fair value of the interest rate swaps was €22.2 million (€11.8 million at 31 August 2022), with changes in fair value recognised in other comprehensive income.

FAIR VALUE OF HEDGING INSTRUMENTS

(in thousands of euros)	31 August 2022	31 August 2023
Derivative financial instruments – assets	11,798	24,966
Derivative financial instruments – liabilities	280	93

4.20 Risk management

Financial risk management

The Group is exposed to foreign exchange risk, interest rate risk, credit risk, liquidity risk and raw material risk.

The Group's risk management focuses on the unpredictability of financial markets and seeks to minimise the potential negative effects of these risks on its financial performance. The Group may use derivative financial instruments to hedge certain exposures to these risks.

Foreign exchange risk management

The Group's international activities generate flows in many currencies. In order to mitigate exposure to foreign exchange risk, the Group uses forward currency contracts to hedge:

- Purchases of components and non-current assets in US dollars. These transactions are highly probable and may be designated as hedged items. The Group enters into forward currency contracts to hedge the cost of non-current assets against foreign exchange risk and qualifies these transactions as cash flow hedges. Forward currency contract balances vary depending on the level of expected investments in US dollars. Changes in the projected amount of cash flows for hedged items and hedging contracts may be a source of ineffectiveness.
- Financial assets and liabilities in foreign currencies: in the context of intra-group financing, financing facilities are set up between the parent company whose functional currency is the euro, and subsidiaries whose functional currency is a foreign currency. In order to centralise the foreign exchange risk, the financing is set up in the functional currency of the subsidiary. This financing may generate an exposure to foreign exchange risk that is not eliminated in the consolidated financial statements. The Group therefore uses cross-currency swaps to hedge its exposure to foreign exchange risk linked to the nominal amount and interest on the financing. Currency swaps are not qualified as hedging instruments under IFRS. The Group classifies certain intra-group financing as net investments in foreign operations. In this case, remeasurement gains and losses linked to changes in exchange rates are recognised in other comprehensive income.

In addition, the Group centralises cash surpluses and cash requirements in currencies other than the euro for the Group's subsidiaries. The risk related to non-euro current accounts between the central treasury department and the subsidiaries is hedged by short-term currency swaps. These swaps do not qualify as hedges.

Since 2018, the Group has limited the hedging derivatives used to currency swaps and forward currency contracts.

All fair values of derivatives are measured using significant observable data (level 2).

Translation differences

The change in translation differences recorded in other comprehensive income corresponds to an unrealised exchange loss of €21.7 million for the period ended 31 August 2023 (unrealised gain of €14.1 million for the period ended 31 August 2022), chiefly reflecting the impact of the depreciation of the Canadian and US dollar on the translation into euros of the statements of financial position of the Canadian and US subsidiaries, denominated in local currency, for their consolidation by OVH Groupe S.A.

Effect of cash flow hedges on the income statement and other comprehensive income

For purchases in US dollars, OVHcloud recognises expenses in US dollars included in the price of the non-current asset at the hedging rate. The effective portion of the hedging instrument, qualified as a cash flow hedge and initially recognised in other comprehensive income, is recycled from the cash flow hedging reserve to non-current assets. The effect of hedging instruments is then recycled to profit or loss based on the amortisation and impairment of these non-current assets over the estimated useful life of the equipment.

Sensitivity of foreign exchange rates

A change in exchange rates would have impacted consolidated equity or net income, due to the hedging strategies, as follows:

- Future acquisitions of non-current assets in US dollars: the hedging instruments used in these hedging strategies are considered as 100% effective. The effects on other comprehensive income of a 10% change in the US dollar spot rate at the reporting date would not have generated any impact in FY2022 or FY2023.
- Financial assets and liabilities denominated in foreign currencies and cash pooling: assets and liabilities denominated in foreign currencies resulting from the financing of non-euro subsidiaries generate currency effects that are not eliminated in the consolidated financial statements. The effects of derivatives in foreign currencies offset these changes in the financial statements. A change in the spot rate applied to these hedging strategies would therefore have no impact on consolidated net income or equity.

Interest rate risk management

The Group is exposed to changes in the Euribor rate on its term loan and revolving credit facility which totalled €550 million at 31 August 2023. These financial liabilities mature in October 2026.

In order to protect against the effect of an increase in interest rates on the cost of its new €500 million term loan, the Group has set up two interest rate swaps (exchanging the variable rate on the term loan for fixed rates) for a total notional amount of €375 million, maturing on 30 September 2026.

The Group is exposed to IBORs through its financial instruments which will have to be replaced or modified as part of the IBOR reform that concerns all markets. There are still uncertainties about the timing and methods of transition that will be adopted in the different countries in which the Group operates. However, the Group believes that the IBOR reform will have no impact on its risk management and hedge accounting.

Sensitivity analysis

A quantitative sensitivity analysis at 31 August shows that changes in interest rates would result in the following additional expenses in the income statement:

(in thousands of euros)	31 August 2022	31 August 2023
Euribor interest rate fluctuation assumptions		
+100 basis points	2,468	1,760
-100 basis points	-	(1,534)

Liquidity risk management

Liquidity risk is the risk to which the Group is exposed if it experiences difficulties in meeting its obligations relating to financial liabilities that will be settled by remitting cash or other financial assets. The Group's target in managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to honour its liabilities when they fall due without incurring unacceptable losses or adversely affecting its reputation.

The available resources enable the Group to manage its liquidity risk (cash and available bank credit facilities).

The table below shows the residual contractual maturities of the Group's financial liabilities, including interest payments:

	31 August 2023				
(in thousands of euros)	Carrying amount	Contractual amount	< 1 year	> 1 year < 5 years	> 5 years
Term loan	497,468	584,133	25,407	558,727	-
Credit facility (EIB)	102,552	124,069	3,703	47,528	72,838
Revolving credit facility	50,006	57,397	2,354	55,043	-
Term loan B (BPI loan)	230	230	111	119	-
Green loan (BPI loan)	5,008	5,129	1,045	4,083	-
Other borrowings	1,290	1,394	444	934	15
Lease liabilities	127,301	127,301	18,760	108,541	-
Other non-current financial liabilities	15,573	15,573	-	-	15,573
Accounts payable	139,592	139,592	139,592	-	-
Derivatives: liabilities	93	93	93	-	-
FINANCIAL LIABILITIES	**939,113**	**1,054,911**	**191,510**	**774,975**	**88,426**

	31 August 2022				
(in thousands of euros)	Carrying amount	Contractual amount	< 1 year	> 1 year < 5 years	> 5 years
Term loan	494,368	523,131	5,576	517,554	-
Revolving credit facility	60,058	70,297	2,058	68,238	-
Term loan B (BPI loan)	330	330	100	230	-
Green loan (BPI loan)	5,008	5,178	49	4,123	1,006
Other borrowings	1,763	1,970	468	1,425	77
Bank overdrafts	5	5	5	-	-
Lease liabilities	42,404	42,404	13,923	28,481	-
Other non-current financial liabilities	15,898	15,898	-	-	15,898
Accounts payable	115,111	115,111	115,111	-	-
Derivatives: liabilities	280	280	280	-	-
FINANCIAL LIABILITIES	**735,225**	**774,603**	**137,570**	**620,051**	**16,981**

Credit risk management

Credit risk is managed at Group level. Credit risk arises from cash, cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including receivables outstanding and committed transactions.

OVHcloud currently provides services to more than 1.6 million customers worldwide and delivers the service to its customer portfolio once payment for the service has been made in the majority of cases. Credit risk is therefore very low within the Group.

In the event that customer credit is required, the credit control department assesses the credit-worthiness of the customer, considering both their financial position and payment track record.

No individual customer of the Group represented more than 10% of total sales in FY2022 or FY2023.

Management of raw material risk (energy contracts)

Most of the Group's energy supplies are made through forward purchase contracts at a fixed or indexed price. The forward purchase contracts are not qualified as hedging instruments under IFRS. IFRS 9 provides that forward purchase and sale transactions of any non-financial assets fall within its scope of application when these transactions have similar features to derivatives. However, IFRS 9 provides that forward contracts concerning non-financial assets should not be considered as derivatives if they are entered into to meet the entity's own expected purchase, sale or usage requirements (own-use exemption), i.e., when delivery of the underlying asset is taken at maturity to use it in the entity's industrial process. OVHcloud does not buy electricity for the purposes of speculation or arbitrage in relation to changes in commodity prices. Its energy contracts are entered into in the ordinary course of business for use in its industrial process. They do not meet the definition of a derivative and are not sold on to any third parties.

On 30 November 2021, the Group signed a power purchase agreement with the EDF Renouvelables France group. The agreement provides for the supply by EDF Renouvelables France of electricity from an agrivoltaic farm. OVHcloud plans to consume 100% of the green energy produced by this farm as from January 2025. The minimum term is 15 years (renewable for three-year terms after 15 years, representing a total term of up to 24 years). This agreement is currently being renegotiated.

On 5 July 2023, the Group also signed a power purchase agreement with Sunnic Lighthouse GmbH to supply electricity from a solar energy farm in Germany for a term of 10 years, starting in January 2025.

This agreement will be accounted for in accordance with the own-use exemption.

4.21 Provisions and contingent liabilities

Provisions and contingent liabilities break down as follows:

(in thousands of euros)	31 August 2022	31 August 2023
Defined-benefit pension plans and other benefits	2,188	4,894
Litigation and claims	2,160	641
Non-current provisions	**4,348**	**5,535**
Defined-benefit pension plans and other benefits	72	1,751
Litigation and claims	24,529	21,119
Current provisions	**24,601**	**22,871**
CURRENT AND NON-CURRENT PROVISIONS	**28,949**	**28,406**

Change in provisions and contingent liabilities

(in thousands of euros)	Defined-benefit pension plans	Other benefits	Litigation and claims	Other provisions	Total
1 September 2021	**2,370**	**-**	**34,818**	**184**	**37,372**
Additions	427	-	350	213	990
Reversals/Benefits paid	(28)	-	(8,609)	(396)	(9,033)
Actuarial gains and losses	(510)	-	-	-	(510)
Transfers	-	-	54	-	54
Translation differences	-	-	76	-	76
31 August 2022	**2,258**	**-**	**26,689**	**2**	**28,949**
Additions	471	4,182	1,321	-	5,974
Reversals/Benefits paid	(18)	-	(6,253)	3	(6,268)
Actuarial gains and losses	(249)	-	-	-	(249)
31 AUGUST 2023	**2,462**	**4,182**	**21,757**	**5**	**28,406**

Provisions for litigation and claims

Following the fire at the Strasbourg site, a provision was recorded to cover the consequences of the incident in respect of appraisal costs, legal costs and liability claims.

At 31 August 2023, this provision amounted to €20.3 million (compared to €24.5 million at 31 August 2022). No new facts have called into question the calculation assumptions for this provision.

Defined-benefit pension plans for employees

Defined-benefit post-employment plans mainly concern employees in France.

These commitments are not covered by plan assets.

In France, in accordance with the legal regime governed by the collective bargaining agreements applicable to employees of French entities, a lump sum is paid to employees upon retirement, the amount of which depends on their length of service and their salary at the time of their departure according to a scale defined in the collective bargaining agreement.

Other benefits

The Group introduced a long-service award scheme in FY2023, for a period of five years (see Note 3). A personnel expense of €4.2 million was recognised for this scheme in the financial statements at 31 August 2023.

Main assumptions

The main assumptions used to determine the Group's obligations under defined-benefit pension plans are as follows:

	31 August 2022	31 August 2023
Discount rate	3.20%	3.75%
Salary inflation rate	3.0%	3.0%
Average staff turnover rate	6.5%	6.6%
Average payroll tax rate	39%-47%	39%-48%
Duration of the pension commitment	24 years	24 years
Mortality table	INSEE 2013-2015	INSEE 2013-2015

The average tax rate on salaries corresponds to the average rate of employer contributions.

The duration of the retirement commitment corresponds to the average remaining working life of employees.

Change in defined-benefit obligations

(in thousands of euros)	FY2022	FY2023
At 1 September	**2,370**	**2,258**
Interest cost	23	75
Service cost	377	377
Current service cost	449	455
Past service cost	(73)	(78)
Income statement impact	**400**	**452**
Other changes	27	19
Benefits paid	(28)	(18)
Actuarial gains and losses	(510)	(249)
AT 31 AUGUST	**2,258**	**2,462**

Past service cost corresponds to the effect of employee departures.

The pension reform in France, which came into force in April 2023, means that employees will have to work extra years to qualify for retirement benefits, with the minimum retirement age gradually rising from 62 to 64. The non-material effects of this reform are recognised as a change to the obligations, i.e., they are recognised immediately as an expense for the year.

As no new collective bargaining agreements have been adopted, the Group applies the legal scale for calculating pension benefits.

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions at 31 August 2022 and 2023 is shown below:

(in thousands of euros)	31 August 2022	31 August 2023
Change in discount rate		
+25 basis points	1,895	2,067
-25 basis points	2,125	2,324
Change in salary inflation		
+25 basis points	2,127	2,327
-25 basis points	1,892	2,064

The amount of contributions that OVHcloud expects to pay into the plan in FY2024 is €0.5 million.

4.22 Other current and non-current liabilities

Other current and non-current liabilities break down as follows:

(in thousands of euros)	31 August 2022	31 August 2023
Employee-related payables	69	3,562
Deferred income	6,806	6,469
Other non-current payables	4,051	1,079
Other non-current liabilities	**10,926**	**11,110**
Employee-related payables	42,391	44,010
Deferred income	64,478	65,780
Advances received	17,791	14,289
Tax liabilities (other than current taxes)	39,883	53,344
Other current payables	6,651	8,930
Other current liabilities	**171,194**	**186,353**
OTHER CURRENT AND NON-CURRENT LIABILITIES	**182,120**	**197,463**

The year-on-year change in accounts payable and other current payables breaks down as follows:

(in thousands of euros)	Accounts payable	Amounts due to suppliers of non-current assets	Other current liabilities	Total
1 September 2021	**133,626**	**15,877**	**156,825**	**306,328**
Translation differences	(557)	-	15,014	14,457
Changes in scope	398	-	1,461	1,859
Other changes (transfers)	8,153	-	(8,353)	(199)
Changes in operating payables and other payables	(43,808)	-	6,247	(37,562)
Change in amounts due to suppliers of non-current assets	-	1,421	-	1,421
31 August 2022	**97,812**	**17,298**	**171,194**	**286,305**
Translation differences	(1,526)	-	(985)	(2,511)
Changes in scope	(0)	-	0	0
Other changes (transfers)	(2,943)	-	1,131	(1,812)
Changes in operating payables and other payables	27,457	-	15,014	42,471
Change in amounts due to suppliers of non-current assets	-	1,496	-	1,496
31 AUGUST 2023	**120,800**	**18,794**	**186,353**	**325,948**

4.23 Leases

The carrying amounts of right-of-use assets recognised and the movements for the period are presented in the following tables:

(in thousands of euros)	Offices and accommo-dation	Datacenters	Networks	Points of presence	Other assets	Total
GROSS VALUES						
1 September 2021	**63,737**	**3,737**	**6,299**	**20,507**	**1,701**	**95,982**
Increases	6,554	5,040	761	3,116	232	15,703
Ends of contracts	(12,774)	(197)	(484)	(10,281)	(296)	(24,032)
Translation differences	754	513	720	1,323	-	3,311
Other movements	1,156	-	296	727	-	2,179
31 August 2022	**59,427**	**9,094**	**7,593**	**15,392**	**1,637**	**93,143**
Increases	40,537	63,871	846	4,606	281	110,142
Ends of contracts	(176)	-	(816)	(3,581)	(105)	(4,679)
Translation differences	(296)	(1,420)	(523)	(542)	-	(2,781)
Other movements	(2,113)	1,600	315	200	-	2
31 AUGUST 2023	**97,380**	**73,145**	**7,416**	**16,074**	**1,813**	**195,828**
DEPRECIATION AND IMPAIRMENT						
1 September 2021	**(26,608)**	**(1,007)**	**(4,074)**	**(14,073)**	**(942)**	**(46,705)**
Additions	(7,792)	(1,799)	(1,509)	(4,423)	(519)	(16,041)
Ends of contracts	3,672	164	484	8,456	254	13,031
Other movements	(829)	(1)	(12)	(206)	-	(1,047)
Transfers	(430)	(224)	(438)	(943)	(0)	(2,036)
31 August 2022	**(31,987)**	**(2,866)**	**(5,549)**	**(11,190)**	**(1,207)**	**(52,798)**
Additions	(12,038)	(7,334)	(1,291)	(4,544)	(516)	(25,724)
Ends of contracts	151	-	633	2,614	105	3,504
Other movements	1,128	-	(433)	0	35	731
Translation differences	155	342	409	400	-	1,306
31 AUGUST 2023	**(42,591)**	**(9,858)**	**(6,231)**	**(12,720)**	**(1,582)**	**(72,982)**
NET VALUES						
31 August 2022	**27,441**	**6,228**	**2,044**	**4,202**	**430**	**40,345**
31 AUGUST 2023	**54,789**	**63,287**	**1,185**	**3,354**	**231**	**122,845**

The impacts of the restatement of leases in the consolidated income statement for FY2022 and FY2023 are as follows:

(in thousands of euros)	FY2022	FY2023
Restated lease payments	17,325	25,420
Depreciation of right-of-use assets	(16,041)	(25,724)
Interest expenses	(939)	(1,695)
Net expenses on contract exits	913	(427)
PRE-TAX INCOME (LOSS)	**1,257**	**(2,426)**

The €25.4 million in lease payments recognised for the period ended 31 August 2023 concern:

- datacenters for €6 million;
- Points of Presence (POP) for €4.6 million;
- offices for €12.5 million;
- networks for €1.3 million;
- other non-current assets, such as fittings and cars, for €1 million.

4.24 Share-based payments

(in thousands of euros)	FY2022	FY2023
Expenses for equity-settled compensation plans	(20,978)	(2,720)
Expenses for cash-settled compensation plans	-	(1,567)
Social security charges related to share-based payments	(865)	(812)
SHARE-BASED PAYMENTS	**(21,843)**	**(5,099)**

Personnel expenses recognised in respect of equity-settled compensation plans decreased in FY2023 compared to FY2022, which included the benefit granted to employees in connection with the “Employee Share Plan 2021” for an amount of €14.9 million and the expense of €6.0 million recognised in respect of the fair value of free shares.

At 31 August 2023, expenses related to share-based payments included (i) the performance share plan authorised by the General Meeting and the Board of Directors on 15 December 2022 for an amount of €3.7 million, and (ii) the benefit granted to employees in connection with the “Employee Share Plan 2022” for an amount of €0.9 million.

Performance share plan

At the Combined General Meeting of 14 October 2021, the Company's shareholders authorised the Board of Directors to allocate shares to a defined number of employees on one or more occasions over a period of 18 months, subject to performance and presence conditions. The Board of Directors approved the terms and conditions of the plan and the list of beneficiaries on 15 December 2022. The list was then revised by the Board of Directors on 18 April 2023.

	December 2022 plan
Maximum number of shares that may be awarded	1,100,000
% of capital at the date of the Board of Directors' decision	0.58%
Total number of shares awarded	1,100,000
Date of the Board of Directors' decision	15 December 2022, revised on 18 April 2023
Performance measurement period	three years for the three conditions
Duration of the vesting period	3 years from grant date
Lock-up period for shares after vesting (France only)	None
Performance condition(s)	Yes (see below)
Effective presence at the vesting date	Yes
Range of fair values (in euros)	
Free shares (per share and in euros)	€9.39-€14.28
Performance shares (per share and in euros)	€9.39-€14.28
Number of vestable shares held at 31 August 2023	
subject to the achievement of performance and/or presence conditions	1,100,000
Movements during the period	
Number of shares subject to performance and/or presence conditions awarded during the financial year	1,100,000
Number of shares forfeited or cancelled during the financial year	-
Number of shares vested during the financial year	-
Weighted average number of shares	190,296,804
Share price at the grant date (in euros)	14.28

Internal performance conditions

The performance conditions are mainly based on internal indicators, i.e., revenue generation and profitability improvement (as defined in the share plan) over a three-year period covering the financial years 2023 to 2025.

CSR performance condition

The Group has chosen to include a performance condition that reflects its CSR strategy and commitment.

Employee shareholding offer

In 2023, the Group gave its employees the opportunity to subscribe to a shareholding offer reserved solely for Group employees ("Employee Share Plan 2022" or "ESP 2022"). This offer was open to Group employees in France and abroad, with a contribution covered by the Company.

Note 5 Other information

5.1 Off-balance sheet commitments

Guarantees

On 31 January 2023, the Group signed a 24-month service contract with its partner VMware, committing to a minimum of €39 million in “pay as you go” licences and €0.9 million in services.

Leases

Lease commitments include property lease payments relating to lease contracts for which the Group applies the exemptions permitted by IFRS 16 (see Note 3), for which the future lease payments are estimated at less than €1 million.

Long-term power purchase agreement

On 30 November 2021, the Group signed a power purchase agreement with the EDF Renouvelables France group according to the conditions described in Note 4.20. This contract gave rise to a guarantee of €6 million.

5.2 Statutory Auditors’ fees

The Statutory Auditors’ fees break down as follows:

	Grant Thornton		KPMG		TOTAL	
(in thousands of euros)	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023
Certification of financial statements	**538**	**599**	**455**	**424**	**993**	**1023**
OVH Groupe	262	345	245	323	507	668
Fully consolidated subsidiaries	276	254	211	101	487	355
Services other than the certification of financial statements	**-**	**55**	**157**	**106**	**157**	**161**
OVH Groupe	-		25	25	25	25
Fully consolidated subsidiaries	-	55	132	81	132	136
TOTAL	**538**	**654**	**612**	**530**	**1,150**	**1,184**

5.3 Transactions with associated companies and other related parties

Transactions with related parties correspond to transactions carried out with:

- SCI OVH, a non-consolidated entity that is 14%-owned by the Group, which leases premises to the Group and is controlled by one of its executives;
- AixMétal, a non-consolidated entity controlled by Group shareholders (the Klaba family), which is a supplier of metal parts to the Group;
- SCI Immostone, a non-consolidated entity controlled by Group shareholders (the Klaba family), which leases premises to the Group;
- KOSC, an associated company which is accounted for under the equity method and is an XDSL service provider;
- SCI Immolys, a non-consolidated entity controlled by Group shareholders (Halina and Henryk Klaba), which leases premises to the Group. The impacts of these leases in the consolidated financial statements are not material;
- Hubic SAS (now Shadow), an entity sold by the Group to Jezby Venture SAS, and controlled by a Group shareholder (Octave Klaba), which is also a customer of the Group.

All related-party transactions and balances are presented below.

(in thousands of euros)	SCI OVH	AixMetal	SCI Immostone	Paolo SAS	SCI Immolys	Hubic - Shadow	Other	31 August 2023
Statement of financial position								
Assets	2,176	2,507	1,377	3,032	296	4,792	-	14,181
Liabilities	2,075	480	1,580	815	306	15	-	5,270
Income statement								
Revenue	-	-	-	-	-	21,405	192	21,597
Operating expenses	(58)	(4,672)	(448)	(21)	(30)	(1,216)	-	(6,446)
Net financial income (expense)	(54)	-	(43)	-	(10)	-	-	(107)
Depreciation and amortisation expenses	(882)	-	(359)	-	(43)	-	-	(1,284)

(in thousands of euros)	SCI OVH	AixMetal	SCI Immostone	Paolo SAS	SCI Immolys	Hubic - Shadow	Other	31 August 2022
Statement of financial position								
Assets	2,958	3,768	1,664	400	339	4,152	-	13,281
Liabilities	2,933	1,912	1,895	178	346	252	-	7,515
Income statement								
Revenue	-	-	-	-	-	16,513	4	16,517
Operating expenses	46	(8,142)	(540)	(21)	(39)	(5,142)	(56)	(13,895)
Net financial income (expense)	(63)	(0)	(50)	-	(11)	-	-	(125)
Depreciation and amortisation expenses	(768)	-	(345)	-	(43)	-	-	(1,156)

5.4 Compensation of key executives

The Group's key executives correspond to the management team, which includes the following people:

- Chairman
- Chief Executive Officer
- Chief Financial Officer
- Chief Digital Marketing Officer
- Chief Technology Officer
- Chief Industrial Officer
- Chief Service Delivery Officer
- Chief Legal Officer
- Chief Human Resources Officer
- Chief Sales Officer
- Chief Customer Officer
- Chief Information Systems Officer
- Vice-Chief Executive Officers

The compensation of the key executives recorded in the income statement during the period (including social security charges and excluding social security contributions on the allocation of free shares) is as follows:

(in thousands of euros)	FY2022	FY2023
Short-term employee benefits	8,887	7,757
Post-employment benefits	5	(8)
Termination benefits	577	450
Share-based payments	2,436	1,521
Executive compensation	**11,905**	**9,720**

5.5 Scope of consolidation

The Group's scope of consolidation at 31 August 2023 is detailed below.

		31 August 2022		31 August 2023	
Country	List of consolidated companies	Percentage interest	Consolidation method (1)	Percentage interest	Consolidation method (1)
Australia	Data Center Sydney Pty Ltd.	100%	FC	100%	FC
	OVH Australia Pty Ltd.	100%	FC	100%	FC
Belgium	OVHCloud Belgium	-	-	100%	FC
Canada	OVH Serveur Inc.	100%	FC	100%	FC
	Technologies OVH Inc.	100%	FC	100%	FC
	Hébergement OVH	100%	FC	100%	FC
	OVH Infrastructure Canada Inc.	100%	FC	100%	FC
	Holding OVH Canada Inc.	100%	FC	100%	FC
Czech Republic	OVH CZ Sro	100%	FC	100%	FC
Finland	OVH Hosting OY	100%	FC	100%	FC
France	**OVH Groupe SA**	**100%**	**Parent company**	**100%**	**Parent company**
	OVH SAS	100%	FC	100%	FC
	Media BC	100%	FC	100%	FC
	KOSC	41%	EM	41%	EM
	ForePaaS SAS	100%	FC	100%	FC

		31 August 2022		31 August 2023	
Country	List of consolidated companies	Percentage interest	Consolidation method (1)	Percentage interest	Consolidation method (1)
Germany	OVH DCD Data Center Deutschland GmbH	100%	FC	100%	FC
	OVH BSG GmbH	100%	FC	100%	FC
	OVH GmbH	100%	FC	100%	FC
India	OVHTECH R&D Private Ltd	100%	FC	100%	FC
	Altimat Data Center Private Limited	100%	FC	100%	FC
Ireland	OVH Hosting Ltd.	100%	FC	100%	FC
	OVH BSI Ltd.	100%	FC	100%	FC
Italy	OVH Srl	100%	FC	100%	FC
Lithuania	OVH UAB	100%	FC	100%	FC
Morocco	OVH Hosting SARL	100%	FC	100%	FC
Poland	OVH Sp. Zoo	100%	FC	100%	FC
	Data Center Ozarow Sp. Zoo	100%	FC	100%	FC
Portugal	OVH Hosting Sistemas Informaticos Unipessoal Lda	100%	FC	100%	FC
Senegal	OVH SARL	100%	FC	100%	FC
Singapore	Altimat Data Center Singapore Pte Ltd.	100%	FC	100%	FC
	OVH Singapore Pte Ltd.	100%	FC	100%	FC
Spain	OVH Hispano S.L.	100%	FC	100%	FC
	Altimat Spain S.L.	100%	FC	100%	FC
The Netherlands	OVH B.V.	100%	FC	100%	FC
Tunisia	OVH SARL	100%	FC	100%	FC
	OVH Tunisie SARL	100%	FC	100%	FC
United Kingdom	OVH Ltd.	100%	FC	100%	FC
	Data Center Erith Ltd.	100%	FC	100%	FC
	OVH BSUK Ltd.	100%	FC	100%	FC
United States	Data Center Vint Hill LLC	100%	FC	100%	FC
	OVH Holding US Inc.	100%	FC	100%	FC
	OVH Data US LLC	100%	FC	100%	FC
	OVH US LLC	100%	FC	100%	FC
	Data Center West Coast LLC	100%	FC	100%	FC
	OpenIO Inc.	100%	FC	100%	FC
	ForePaaS Inc.	100%	FC	-	-
	NFA Group	100%	FC	100%	FC
	BuyDRM Inc.	100%	FC	-	-

(1) FC: Full consolidation/EM: Equity method.

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5.2.3 Statutory Auditors' report on the consolidated financial statements

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

OVH Groupe S.A.

For the year ended 31 August 2023

To the Annual General meeting of OVH Groupe,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of OVH Groupe for the year ended 31 August 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 August 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (Code de déontologie) for statutory auditors for the period from 1st September 2022, to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N°537/2014.

Justification of assessments – Key audit matters

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to justification of our assessments, we draw your attention to the key audit matters which, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on specific items of the consolidated financial statements.

Capitalisation of development costs

Identified risk

As stated in Note 4.10 to the consolidated financial statements, the consolidated balance sheet includes under "Other intangible assets" capitalised development costs with a net book value of €191.8 million at 31 August 2023, of which €68.4 million euros were capitalised during the year ended 31 August 2023. Capitalised development costs correspond mainly to direct labor and subcontracting expenses relating to the development, manufacture and implementation of IT solutions, software and services for the Group's customers, as well as internal information systems.

As indicated in the "Other intangible assets" section of Note 3 to the consolidated financial statements, the capitalisation of these development costs is subject to compliance with the criteria set out in IAS 38 "Intangible assets".

We considered the capitalisation of development costs a key audit matter given management's judgment in assessing compliance with the capitalisation criteria.

Audit procedures implemented to address the identified risk

Our procedures mainly consisted in:

- reconciling accounting data with data extracted from project management tools, which provide detailed information on capitalised projects, in order to assess the consistency of recorded amounts,
- on a sample of projects:
  - interviewing project managers and reviewing documentation to assess compliance with capitalisation criteria under IAS 38,
  - reconciling hours charged to capitalised projects with timesheets logged by developers and other contributors,
  - analyzing subcontracting costs allocated to projects,
- assessing the hourly rates used to value capitalised labor hours,
- assessing the correct calculation of amortization charges on the basis of the durations established project by project by Group management,
- assessing the overall consistency of the amortization periods estimated by your company;
- finally, assessing the absence of any indication of impairment of projects capitalised at year-end.

We also assessed the appropriateness of the information provided in Notes 3 and 4.10 to the consolidated financial statements

Measurement of servers and components

Identified risk

As indicated in Note 4.11 to the consolidated financial statements, property, plant and equipment, with a net value of €954.3 million at 31 August 2023 (i.e. 60% of total assets), mainly comprise of industrial production lines, computer servers and the production cost of servers and networks under construction.

In accordance with the accounting principles described in the "Servers and components" section of Note 3 to the consolidated financial statements, servers are recognized at production cost, including the purchase cost of components valued at weighted average cost, and direct and indirect production costs. They are amortized on a straight-line basis over 5 years from the date of commissioning. When servers are dismantled, the components are reclassified under "Assets under construction" at their depreciated value. If a component is reinstalled on a server, it is valued at weighted average cost and depreciated on a straight-line basis over 3 years from the date of commissioning.

We considered the measurement of servers and components a key audit matter, given the volume and complexity of the associated production flows, and the significant weight of these assets in the balance sheet.

Audit procedures implemented in response to the identified risk

Our procedures mainly consisted in:

- examining the physical and logical inventory procedures for servers and components, ensuring their reliability and consistency, and taking part in counting operations on a sample basis,
- examining the processes and internal controls implemented by the company to monitor the production of capitalised servers, and test the operating effectiveness of key manual and automated controls,
- testing the correct measurement of components and direct and indirect costs included in the production cost of servers,
- assessing the conformity of the amortization period used with the accounting principles and methods applied, and recalculating servers' amortizations using Data & Analytics.

We also assessed the appropriateness of the information given in Notes 3 and 4.11 to the consolidated financial statements.

Impairment tests on goodwill, intangible assets and property, plant and equipment

Identified risk

As indicated in the "Impairment of goodwill and fixed assets" section of Note 3 to the consolidated financial statements, OVH Groupe tests goodwill and fixed assets for impairment annually and whenever there is an indication that they may be impaired.

For the purposes of impairment testing, assets to which it is not possible to directly attribute independent cash flows are grouped together at the level of the cash-generating unit (CGU) representing the smallest group of assets for which independent identifiable cash flows exist.

There are 4 CGUs within the OVHcloud Group: Baremetal and Hosted Private Cloud (these 2 CGUs are grouped together in the Private Cloud segment), Public Cloud and Webcloud & Other.

This impairment test is based on the utility value of each cash-generating unit (CGU), determined as the current value of future cash flows generated by the use of the assets. The determination of value in use requires management to make judgments and estimates, as described in Notes 3 and 4.12 to the consolidated financial statements.

Cash flows are derived from the budget approved by the Group's Board of Directors for the year following the current one. Cash flows are extrapolated over an 8-year period to take account of the company's growth before the normative year is reached, to which a perpetual growth rate is applied. The latter is defined on the basis of analysts' market growth forecasts. The assumptions used to produce these cash flow forecasts are based on economic growth assumptions defined by Group management, and are consistent with past performance.

Cash flows are discounted at the sector's weighted average cost of capital for each CGU.

We considered the valuation of goodwill and fixed assets a key audit matter, given the sensitivity to the assumptions made by management and the significant amount of intangible assets, property, plant and equipment and goodwill in the consolidated financial statements.

Audit procedures implemented in response to the identified risk

We analyzed the methods used to perform impairment tests on goodwill, intangible assets and property, plant and equipment.

In particular, we examined the principles used by the Group to identify cash-generating units (CGUs).

In addition, we performed the following procedures on the impairment testing of each CGU:

- reconciling forecast cash flows for fiscal year 2024 with the Budget 2024 approved by the Board of Directors,
- assessing, with the support of our valuation specialists:
  - the consistency of the operating assumptions used (sales, EBITDA and CAPEX) with the results achieved in fiscal year 2023 and the growth forecasts for the global Cloud market issued by independent third-party organizations,
  - the reasonableness of the discount rate and perpetual growth rate used in relation to comparable companies and analyst forecasts,
  - the appropriateness of the valuation model,
- reconciling net asset data used for impairment testing with accounting data, and testing of the arithmetic accuracy of the valuation model,
- performing our own sensitivity calculations on key assumptions, to corroborate the analyses performed by management and assess the potential impact of a significant change in these assumptions on the conclusions of the impairment tests.

We also assessed the appropriateness of the information provided in Notes 3 and 4.12 to the consolidated financial statements.

Impact of the Strasbourg incident

Identified risk

As presented in Note 3 to the consolidated financial statements, a provision was recorded to cover all the effects of the Strasbourg fire in March 2021, in particular the liability claims that OVHcloud has been and may continue to be subject to, alleging the existence of prejudice following the fire, notably claims for damages for interruption of services or loss of data. This provision, which amounted to €31 million at 31 August 2021, has been updated at 31 August 2022 and 2023 in the light of transactions concluded and judgments rendered, and now stands at €20.3 million. This provision is intended to cover the full impact of the claim in terms of expert appraisal fees, legal costs and liability claims.

The overall estimated cost of expert appraisal fees, procedural costs and liability claims relating to this incident did not change overall during the year.

We considered the valuation and accounting treatment of the provision relating to the Strasbourg incident a key audit matter, given the use of significant estimates, assumptions and judgments by management in valuing the provision at 31 August 2023.

Audit procedures implemented in response to the identified risk

Our work on the provision intended to cover the costs of expert appraisals, proceedings and liability claims by OVHcloud's customers consisted in:

- reviewing the memorandum relating to the estimate of the provision, updated by the company at 31 August 2023 with the help of its advisors,
- assessing the consistency of changes in the risk categories to which customer claims are allocated for the purpose of estimating the provision, based on transactions and judgments occurred during the year;
- reconciling the amounts of claims and transactions indicated in this memorandum, used as a basis for estimating the provision, with claims received and transactions already carried out,
- assessing the consistency, by risk category, between the amount provisioned and the average amount transacted as at 31 August 2023, in relation to the amounts claimed, once specific cases have been analyzed and excluded from the calculation.

We conducted interviews with management to assess the absence of events that might call into question the estimates and assumptions used to calculate the provision at 31 August 2023.

We also assessed the appropriateness of the information provided in Notes 3, 4.7 and 4.21 to the consolidated financial statements.

Revenue recognition

Identified risk

As stated in Note 3 "Significant accounting policies - Revenue recognition" and Note 4.1 "Segment information", OVH Groupe generates almost all its sales through three service offerings: (i) Private Cloud, which offers services and solutions hosted on customer-dedicated resources, (ii) Public Cloud, which offers pay-per-use cloud solutions, (iii) Webcloud & Other, which offers peripheral solutions for online website creation and hosting, such as domain name search and renewal, website creation and online stores. OVH Groupe also offers collaboration solutions such as professional messaging, telecommunications and SMS. At 31 August 2023, sales reported in the consolidated income statement amounts to €897.3 million.

As indicated in Note 3 mentioned above, lease income under IFRS 16 "Leases" corresponds to almost all the activities of the Private Cloud operating segment. Other services outside this operating segment fall within the scope of IFRS 15 "Revenue from contracts with customers". Revenue is recognized over the life of the contract to the extent that customers simultaneously receive and consume the benefits of the entity's performance as the services are performed.

Revenue is a key performance indicator in the technology sector, and for OVH Groupe in particular. In addition, recognition of the Group's revenues requires knowledge of the IFRS 15 and IFRS 16 accounting standards and related interpretations. Finally, sales are made up of large number of low unit-value transactions generated by several IT applications. For all these reasons, we considered revenue a key audit matter.

Audit procedures implemented in response to the identified risk:

We examined the revenue recognition accounting principles described above and verified the correct application of IFRS 15 and IFRS 16 for revenue relating to Private Cloud, Webcloud & Other and Public cloud respectively. Our work mainly involved verifying the existence and accuracy of sales.

We reviewed the processes by offer type, from purchase order to collection, to identify areas of risk and the related key automatic and manual controls. We tested the design and implementation of these controls, and their operational effectiveness.

We also performed the following procedures:

- using Data & Analytics procedures, based on extractions from the OVHcloud billing application:
  - we reconciled, at the transaction level, the invoices and associated collections (transfers, SEPA direct debits, bank cards and Paypal),
  - we reconstituted the amount of deferred income booked at year-end,
- on a sample basis, we reconciled purchase orders, invoices and performance of services for transactions not covered or reconciled by the aforementioned Data & Analytics procedure,
- we tested the revenue recorded outside the OVHcloud billing application through substantive analytical procedures, tests of detail or Data & Analytics procedures,
- through discussions with Management, we carried out an analytical review of the monthly revenues of the main customers.

We also assessed the appropriateness of the information given in Notes 3, 4.1 and 4.3 to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group’s information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial performance statement required by Article L. 225-102-1 of the French Commercial Code (*code de commerce*) is included in the Group’s management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported on by an independent third part.

Report on other legal and regulatory requirements

Format of the presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of Chief executive officer, complies with the single electronic format defined in Commission Delegated Regulation 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the markup of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent in the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the consolidated financial statements attached to this report.

It is not our responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of OVH Groupe by the annual general meetings held on 10 January 2018 for KPMG S.A. and on 13 October 2011 for Grant Thornton, it being specified that OVH Groupe became a public interest entity at the time of its listing on the stock exchange on 15 October 2021.

As of 31 August 2023, KPMG S.A. was in its seventh year of uninterrupted engagement and Grant Thornton was in its thirteenth year of uninterrupted engagement, of which, for each firm, one year had elapsed since the company’s shares had been admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with French accounting principles and for such internal control as management deems necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Assesses the overall presentation of the consolidated financial statements, and whether they give a true and fair view of the underlying transactions and events;

Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense and Neuilly-sur-Seine, 17 November 2023

French original signed by the statutory auditors

KPMG Audit		**Grant Thornton**	
Division of KPMG S.A.		**French member of Grant Thornton International**	
Jacques Pierre	Stéphanie Ortega	Vincent Papazian	Pascal Leclerc
Partner	*Partner*	*Partner*	*Partner*

5.3 ANNUAL FINANCIAL STATEMENTS OF THE COMPANY

5.3.1 Financial statements

Statement of financial position: assets

(in thousands of euros)	Gross amount	Deprec., amort. & imp.	Net 31 August 2023	Net 31 August 2022
Intangible assets				
Development costs				
Concessions, patents and similar rights	1,059	1,059		
Goodwill				
Other intangible assets				3,114
Advances and downpayments on intangible assets				
Property, plant and equipment				
Land				
Buildings				
Technical installations, equipment and tooling				
Other property, plant and equipment				
Property, plant and equipment in progress				
Advances and downpayments				
Non-current financial assets				
Equity-accounted investments				
Other investments	477,425	60,353	417,071	415,095
Loans and advances to equity investments				
Other long-term investments				
Loans	512,407		512,407	528,966
Other non-current financial assets	8,018	2,057	5,961	975
NON-CURRENT ASSETS	**998,908**	**63,469**	**935,440**	**948,150**
Inventories and work-in-progress				
Raw materials and supplies				
Work-in-progress – goods				
Work-in-progress – services				
Semi-finished and finished products				
Goods held for resale				
Advances and downpayments on orders				
Receivables				
Trade receivables	20,707		20,707	21,999
Other receivables	465,497		465,497	274,154
Share capital subscribed, called and unpaid				
Miscellaneous				
Marketable securities				
(o/w treasury shares):				
Cash at bank and on hand	17,125		17,125	7,618
Accruals				
Prepaid expenses	502		502	341
CURRENT ASSETS	**503,831**		**503,831**	**304,112**

(in thousands of euros)	Gross amount	Deprec., amort. & imp.	Net 31 August 2023	Net 31 August 2022
Deferred loan issuance costs	5,767		5,767	7,202
Bond redemption premiums				
Unrealised foreign exchange losses	4,510		4,510	5,873
TOTAL ASSETS	**1,513,017**	**63,469**	**1,449,548**	**1,265,337**

Statement of financial position: equity and liabilities

(in thousands of euros)	31 August 2023	31 August 2022
Share or individual capital (o/w paid-up: 190,540)	190,540	190,540
Share, merger and contribution premiums	422,529	422,529
Revaluation reserve (o/w difference due to equity accounting:		
Legal reserves	18,990	18,990
Statutory reserves		
Regulated reserves (o/w reserve for exchange rate fluctuations:)		
Other reserves	7,358	7,358
Retained earnings/(Accumulated losses)	(20,202)	(69,335)
NET INCOME FOR THE FINANCIAL YEAR	**44,715**	**49,133**
Investment subsidies		
Tax-driven provisions	320	85
EQUITY	**664,249**	**619,300**
Proceeds from issues of equity securities		
Conditional advances		
OTHER EQUITY		
Provisions for risks	4,510	5,873
Provisions for expenses		
PROVISIONS	**4,510**	**5,873**
Financial liabilities		
Convertible bond issues		
Other bond issues		
Bank loans and borrowings	660,804	566,634
Miscellaneous loans and borrowings	89,518	42,014
Advances and downpayments received on orders in progress		
Operating liabilities		
Trade payables	3,697	2,255
Tax and social security payables	8,060	4,276
Miscellaneous liabilities		
Amounts payable on non-current assets		5,643
Other liabilities	16,591	9,983
Accruals		
Deferred income		
LIABILITIES	**778,870**	**630,806**
Unrealised foreign exchange gains	2,119	9,358
TOTAL EQUITY AND LIABILITIES	**1,449,548**	**1,265,337**

Income statement

(in thousands of euros)	France	Exports	FY2023	FY2022
Sales of goods held for resale				
Sales of goods produced				
Sales of services provided	28,532		28,532	36,554
Net revenue	**28,532**		**28,532**	**36,554**
Inventoried production				
In-house production				
Operating subsidies				
Reversals of depreciation, amortisation, impairment and provisions, expense transfers			383	8,736
Other income			3	81
Operating income			**28,918**	**45,372**
Purchases of goods held for resale (including customs duties)				
Change in inventories (goods held for resale)				
Purchases of raw materials and other supplies				
Change in inventories (raw materials and supplies)				
Other purchases and external expenses			17,126	31,992
Taxes, duties and other levies			394	322
Wages and salaries			5,266	6,262
Social security contributions			1,958	2,479
Operating provisions:				
On non-current assets: depreciation and amortisation expense			1,762	1,507
On non-current assets: impairment expense				
On current assets: impairment expense				
Provisions				
Other expenses			496	448
Operating expenses			**27,002**	**43,010**
NET OPERATING INCOME			**1,916**	**2,362**
Financial income			**84,385**	**137,516**
Financial income from investments				1,388
Income from other securities and receivables from non-current assets			17,643	17,760
Other interest and similar income			47,259	14,027
Reversals of provisions, expense transfers			5,965	68,933
Foreign exchange gains			13,518	35,407
Net income on disposals of marketable securities				
Financial expenses			**41,066**	**86,638**

(in thousands of euros)	France	Exports	FY2023	FY2022
Financial depreciation, amortisation and provision expense			8,920	63,965
Interest and similar expense			19,459	11,029
Foreign exchange losses			12,687	11,644
Net expenses on disposals of marketable securities			0	
NET FINANCIAL INCOME			**43,318**	**50,878**
RECURRING INCOME BEFORE TAX			**45,234**	**53,239**
Non-recurring income			**1,677**	**12,072**
Non-recurring income on management transactions				4
Non-recurring income on capital transactions			1,677	12,068
Reversals of provisions, expense transfers				
Non-recurring expenses			**2,197**	**12,301**
Non-recurring expenses on management transactions			6	
Non-recurring expenses on capital transactions			1,956	12,216
Non-recurring depreciation, amortisation and provision expense			235	85
NET NON-RECURRING INCOME (LOSS)			**(520)**	**(230)**
Employee profit-sharing				
Income tax benefit				3,877
TOTAL INCOME			**114,980**	**194,959**
TOTAL EXPENSES			**70,265**	**145,826**
NET INCOME			**44,715**	**49,133**

5.3.2 Notes to the annual financial statements

Note 1 Significant events during the financial year

The financial statements below cover the 12-month period from 1 September 2022 to 31 August 2023.

At 31 August 2023, the statement of financial position total amounted to €1,449,548 thousand. Revenue for FY2023 was €28,531 thousand.

1.1 New credit facility with the European Investment Bank (EIB)

On 8 November 2022, the Group was granted a €200 million credit facility by the EIB (the "Facility Agreement"). This facility may be drawn down several times (with a maximum of five drawdowns), at a fixed or variable rate, or a combination of both. Drawdowns must be made within 18 months of the signature date of the Facility Agreement. Each drawdown is repayable within a maximum of nine years. This new credit facility is subject to compliance with a net debt/EBITDA ratio of 4x, which was respected at 31 August 2023. The Facility Agreement was not subject to a guarantee given by the Company.

1.2 Company shareholding

In FY2023, the Group gave its employees the opportunity to subscribe to a shareholding offer reserved solely for Group employees ("Employee Share Plan 2022" or "ESP 2022"). The offer was open to Group employees in France and abroad, with a contribution by the Group for the same amount as the employees' investment.

1.3 Macroeconomic environment

The current macroeconomic environment remains degraded by inflationary trends, particularly around energy costs.

1.4 Free share awards

At the Combined General Meeting of 14 October 2021, the Company's shareholders authorised the Board of Directors to allocate shares to a defined number of employees on one or more occasions over a period of 18 months, subject to performance and presence conditions. The Board of Directors approved the terms and conditions of the plan and the list of beneficiaries on 15 December 2022. The list was then revised by the Board of Directors on 18 April 2023.

Note 2 Significant events since the end of the financial year

None.

Note 3 Accounting policies and principles

The financial statements have been prepared in accordance with the provisions of ANC Regulation No. 2020-09 amending ANC Regulation No. 2014-03 on the French General Chart of Accounts.

General accounting rules have been applied in accordance with the principle of prudence, pursuant to the following basic assumptions: going concern basis, consistency of accounting methods and the accruals basis of accounting, pursuant to the general rules of preparing and presenting annual financial statements.

3.1 Property, plant and equipment and intangible assets

Property, plant and equipment are measured at their acquisition cost less reductions, rebates and discounts or at their production cost.

Impairment is recognised when the present value of an asset is less than the net carrying amount.

Depreciation and amortisation of property, plant and equipment and intangible assets is calculated according to the straight-line or declining-balance method, depending on the type of asset and its expected useful life.

Software and software packages: straight-line over three years.

3.2 Non-current financial assets

The Company recognises equity investments (including the related acquisition cost) and loans and advances to equity investments at historical cost.

At the reporting date, the Company examines the value of the net investment in each subsidiary, which includes the equity investment and the principal amount of loans and current account advances granted. For each subsidiary, the Company compares the net carrying amount of the investment with its value in use. Value in use is calculated according to the business of each subsidiary, either based on its net cash flow adjusted for net debt (or net available cash position) or the Company's share in its net assets, or by reference to the market value of comparable transactions.

When value in use falls below the net investment, an impairment loss is calculated, which is charged first to equity investments and then to loans and advances to equity investments and current account advances. If value in use is negative, a provision for risks may be recognised.

The impairment loss is reversed when the value in use of the subsidiary exceeds the net investment and its financial position improves over the long term, with a return to equilibrium.

3.3 Receivables

Receivables are measured at their nominal value. Impairment is recognised when their recoverable amount is less than their carrying amount.

3.4 Income tax

OVH Groupe is at the head of a tax consolidation group.

The member companies of the tax group are:

- ForePaaS;
- Mediabc SAS;
- OVH SAS;
- OVH Groupe SA (head of the group).

Corporate income tax is recognised taking into account the tax consolidation group.

Note 4 Notes to the statement of financial position: assets

4.1 Property, plant and equipment and intangible assets

Property, plant and equipment are measured at their acquisition cost less reductions, rebates and discounts or at their production cost.

Impairment is recognised when the present value of an asset is less than the net carrying amount.

4.1.1 Acquisitions and disposals during the period

(in thousands of euros)	31 August 2022	Acquisitions	Item-to-item transfers (decreases and corrections)	Disposals	31 August 2023
Start-up and development costs					
Other intangible assets (1)	4,173			3,114	1,059
Total intangible assets	**4,173**	**0**	**0**	**3,114**	**1,059**
Land					
Buildings					
General facilities, fixtures and fittings					
Technical installations, equipment and tooling					
Vehicles					
Office and IT equipment and furniture					
Recoverable packaging and other					
Total property, plant and equipment	**0**	**0**	**0**	**0**	**0**
Property, plant and equipment in progress					
Total property, plant and equipment in progress	**0**	**0**	**0**	**0**	**0**
Advances and downpayments					
TOTAL	**4,173**	**0**	**0**	**3,114**	**1,059**

(1) Of which:

- *Software: €1,059 thousand in FY2023, no change over the financial year.*
- *Intangible assets in progress: €0 thousand in FY2023, compared to €3,114 thousand in FY2022.*

4.1.2 Depreciation and amortisation

Depreciation and amortisation of property, plant and equipment and intangible assets is calculated according to the straight-line or declining-balance method, depending on the type of asset and its expected useful life.

Software and software packages: straight-line over three years.

(in thousands of euros)	31 August 2022	Additions	Decreases or reversals	31 August 2023
Start-up and development costs				
Other intangible assets	1,059			1,059
Total 1	**1,059**	**0**	**0**	**1,059**
Land				
Buildings				
General facilities, fixtures and fittings				
Technical installations, equipment and tooling				
Vehicles				
Office and IT equipment and furniture				
Recoverable packaging and other				
Total 2	**0**	**0**	**0**	**0**
TOTAL	**1,059**	**0**	**0**	**1,059**

4.2 Non-current financial assets

MOVEMENTS DURING THE PERIOD:

(in thousands of euros)	Gross value at 31 August 2022	Acquisitions and item-to-item transfers	Disposals and item-to-item transfers	Gross value at 31 August 2023	Provisions	Net value at 31 August 2023
Equity-accounted investments						
Other investments (1)	473,095	4,330		477,425	60,353	417,072
Other long-term investments						
Loans and other non-current financial assets (1) (2)	530,033	145,182	154,790	520,425	2,057	518,368
TOTAL	**1,003,128**	**134,401**	**151,126**	**986,403**	**60,373**	**928,383**

(1) Concerns related companies. See table below.

(2) Other non-current financial assets, amounting to €8 million, include €7.7 million of treasury share accounts at 31 August 2023.

In FY2020, OVH Groupe set up financing agreements in the form of a Loan Facilities Agreement for a period of seven years for the following subsidiaries:

Subsidiaries	**Financing cap**	**Outstanding at 31 August 2023 (in local currency)**	**Outstanding at 31 August 2023 in €M (excluding accrued interest)**
OVH SAS	EUR 420 M	EUR 351.5 M	EUR 351.5 M
Data Center Limburg	EUR 70 M	EUR 61.4 M	EUR 61.4 M
Data Center Erith	EUR 60 M	EUR 47.3 M	EUR 47.3 M
Data Center Ozarow	EUR 35 M	EUR 25.5 M	EUR 25.5 M
Data Center Sydney	EUR 10 M	EUR 9.3 M	EUR 9.3 M
Data Center Sydney	AUD 3 M	AUD 0.8 M	EUR 0.5 M
Data Center Sydney	USD 7 M	USD 0.6 M	EUR 0.5 M
Data Center Singapore	EUR 10 M	EUR 6.5 M	EUR 6.5 M
Data Center Singapore	USD 10 M	USD 5.3 M	EUR 4.9 M
OVH Holding Canada	USD 50 M	-	-
Data Center Erith	GBP 10 M	-	-
Data Center Ozarow	PLN 40 M	-	-
TOTAL			**EUR 507.4 M**

SECURITIES AND EQUITY INVESTMENTS

Subsidiaries	**Local currency**	**Date of most recent reporting period**	**Capital** *(in local currency)*	**Reserves and retained earnings before appropriation of income** *(in local currency)*	**Share of capital held**	**Gross** *(in euros)*	**Net** *(in euros)*	**Loans and advances granted** *(in euros)*	**Amount of guarantees and endorse-ments** *(in euros)*	**Revenue excluding taxes for the most recent financial year** *(in euros)*	**Income or loss for the most recent financial year**	**Dividends received by the Company during the financial year**
OVH SAS	EUR	31/08/2023	EUR 10,175	EUR 27,790	100%	150,358	150,358	351,479		789,757	(70,382)	-
OVH Holding Canada	CAD	31/08/2023	CAD 36,306	CAD 3,747	100%	26,256	26,256	-	-	-	(2,137)	-
OVH Holding US	USD	31/08/2023	USD 259,750	USD (2,171)	100%	254,306	196,306	-	-	-	(351)	-
OVH India Tech R&D	INR	31/03/2023	INR 10	INR 16,741	75.26%	0	0	-	-	3,252	836	-
OVH Data Center India	INR	31/03/2023	INR 330,000	INR 330,000	99.99%	4,173	4,173	-	-	-	-	-
NFA Group	USD	31/08/2023	USD 2	USD (407)	100%	20,122	17,799	-	-	5,652	1,310	-
FOREPAAS	EUR	31/08/2023	EUR 566	EUR (1,444)	100%	22,180	22,180	-	-	603	(3,735)	-
						477,395	**417,072**	**351,479**	**-**			

Note: The data are taken from the internal reporting system (excluding OVH SAS).

The revenue and income of the foreign subsidiaries included in the table have been converted based on the closing rates at 31 August 2023.

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4.3 Maturity of receivables

Receivables are measured at their nominal value. Impairment is recognised when their recoverable amount is less than their carrying amount.

The receivables held by the Company amounted to €1,007,129 thousand in gross value at 31 August 2023 and break down as follows:

(in thousands of euros)	Gross amount	Within one year	More than one year
Non-current assets	**520,425**	**12,753**	**507,673**
Loans and advances to equity investments			
Loans	512,407	4,984	507,424
Other non-current financial assets	8,018	7,769	249
Current assets	**486,704**	**37,002**	**449,702**
Trade receivables	20,707	20,707	
Doubtful trade receivables			
Employee-related receivables			
Social security organisations			
French State: income tax and other levies	15,793	15,793	
Group and partners	449,702		449,702
Miscellaneous debtors			
Prepaid expenses	502	502	
TOTAL	**1,007,129**	**49,755**	**957,375**
Amount of loans granted during the financial year	145,182		
Amount of repayments collected during the financial year	154,790		
Loans and advances granted to partners (natural persons)			

The "Loans" item relates to financing agreements in the form of a Loan Facilities Agreement, granted by OVH Groupe to certain subsidiaries held directly or indirectly, mainly OVH SAS (€351 million).

The "Group and partners" item includes cash made available to subsidiaries under a "Daily loans and investments – cash management centralisation" contract. The cash pooling current account evolves according to the cash requirements of, or cash generated by, the Group's entities.

4.4 Trade receivables

Receivables *(in thousands of euros)*	Gross amount	Deprec., amort. & imp.	Net at 31 August 2023	Net at 31 August 2022
Trade receivables	20,707		20,707	21,999
Other receivables	465,497		465,497	274,154
Share capital subscribed, called and unpaid				
TOTAL	**486,204**	**0**	**486,204**	**296,153**

The "Other receivables" item mainly comprises:

- *income tax receivables: €15,763 thousand;*
- *current accounts in debit: €445,149 thousand ("Daily" loans to Group subsidiaries).*

4.5 Accrued income

The amount of accrued income recorded in the statement of financial position under the following items is as follows:

(in thousands of euros)	31 August 2023	31 August 2022
Discounts, rebates and deductions to be obtained		
Accrued interest on loans	4,984	1,674
Unbilled receivables	6,598	13,661
Receivables from the French State	0	0
Accrued interest on current accounts	4,544	6,199
TOTAL	**16,126**	**21,534**

The "Unbilled receivables" item relates to intragroup receivables for €5,959 thousand.

4.6 Accruals

4.6.1 Prepaid expenses

Prepaid expenses amounted to €502 thousand.

(in thousands of euros)	31 August 2023	31 August 2022
Operating expenses	502	341
Financial expenses		
Non-recurring expenses		
TOTAL	**502**	**341**

4.6.2 Translation differences

(in thousands of euros)	Unrealised foreign exchange losses
Decrease in receivables	1,562
Increase in payables	2,948
TOTAL	**4,510**

(in thousands of euros)	Unrealised foreign exchange gains
Decrease in payables	1,782
Increase in receivables	337
TOTAL	**2,119**

4.6.3 Deferred expenses

In FY2021, deferred expenses amounted to €8,675 thousand and related to the signature of a bank financing agreement in FY2021. The issuance costs on the loan are amortised over the term of the loan, i.e., five years.

The amount of amortisation recorded during the financial year was €1,762 thousand. At 31 August 2023, the balance of the expenses to be deferred was €5,767 thousand.

4.7 Receivables from related companies

(in thousands of euros)	31 August 2023	31 August 2022
Loans and advances to equity investments		
Other long-term investments		
Loans	512,407	528,966
Trade receivables	20,707	21,999
Other receivables	449,704	266,229
TOTAL GROUP AND PARTNERS	**982,818**	**817,194**

Note 5 Notes to the statement of financial position: liabilities

5.1 Equity

5.1.1 Changes in equity

(in thousands of euros)	Y-1	+	-	Y
Capital	**190,540**			**190,540**
Share premiums	355,241			355,241
Special reserves	67,287			67,287
Legal reserves	18,990			18,990
Other reserves	7,358			7,358
Retained earnings/(Accumulated losses)	(69,335)	49,133		(20,202)
Net income	49,133	44,715	49,133	44,715
Investment subsidies				
Tax-driven provisions	85	235		320
Other				
TOTAL	**619,300**	**94,083**	**49,133**	**664,250**

Appropriation of net income for FY2022

The financial statements for the year ended 31 August 2022 showed net income of €49,133 thousand. According to a decision of the Ordinary General Meeting called to approve the financial statements, the net income for FY2022 was allocated in full to accumulated losses.

5.1.2 Composition of the share capital

(in euros)	Number of shares	Par value	Capital value
Position at the beginning of the period			
Ordinary shares	190,540,425	1	190,540,425
MOVEMENTS:			
Ordinary shares			
POSITION AT THE END OF THE PERIOD	**190,540,425**		**190,540,425**

Share capital at 31 August 2023

At 31 August 2023, the Company's share capital was composed of 190,540,425 ordinary shares with a par value of €1.

5.2 Changes in provisions

(in thousands of euros)	31 August 2022	Additions	Reversals	31 August 2023
Provisions for foreign exchange losses	5,873	4,510	5,873	4,510
TOTAL	**5,873**	**4,510**	**5,873**	**4,510**

5.3 Maturity of payables

Payables *(in thousands of euros)*	**Gross amount at 31 August 2023**	**< 1 year**	**> 1 year < 5 years**	**> 5 years**
Convertible bond issues				
Other bond issues				
Bank loans and borrowings:				
originally due within 1 year				
originally due in more than 1 year	660,804	6,804	587,333	66,667
Miscellaneous loans and borrowings				
Trade payables	3,697	3,697		
Employee-related payables	1,727	1,727		
Social security and other organisations	**1,191**	**1,191**		
French State and other public authorities:				
Income tax payables				
VAT payables	4,951	4,951		
Payables on guaranteed bonds				
Other taxes, duties and similar levies payable	191	191		
Amounts payable on non-current assets				
Group and partners	**89,518**		**89,518**	
Other liabilities	16,591	16,591		
Payables on loaned securities or securities used as collateral				
Deferred income				
TOTAL	**778,670**	**35,152**	**676,851**	**66,667**
Loans subscribed during the financial year	100,014			
Loans repaid during the financial year	10,616			

The "Miscellaneous loans and borrowings" item corresponds to intragroup current accounts, mainly including the following subsidiaries:

- *OVH US for a total of €36 million;*
- *OVH Ireland for a total of €12 million;*
- *OVH Spain for a total of €9 million;*
- *OVH Germany for a total of €7.8 million.*

On 8 November 2022, the Group was granted a €200 million credit facility by the EIB (the "Facility Agreement"). An initial drawdown of €100 million was made on 24 November 2022.

In addition, the drawdown on the revolving credit facility decreased during the period to €50 million at 31 August 2023 from €60 million at 31 August 2022. Repayable and revolving drawdowns are made periodically on the credit facility, depending on the Group's needs.

5.4 Trade payables

(in thousands of euros)	31 August 2023	31 August 2022
Trade payables	294	391
Notes payable		
Unbilled payables	3,403	1,864
NET CARRYING AMOUNT	**3,697**	**2,255**

5.5 Accrued expenses

The amount of accrued expenses recorded in the statement of financial position under the following items is as follows:

(in thousands of euros)	31 August 2023	31 August 2022
Operating liabilities		
Trade payables	3,403	1,142
Tax and social security payables	2,836	3,353
Financial liabilities		
Convertible bond issues		
Other bond issues		
Bank loans and borrowings		
Miscellaneous loans and borrowings (including equity loans)	5,816	1,659
Advances and downpayments received on orders in progress		
Miscellaneous liabilities		
Amounts payable on non-current assets		1,471
Other liabilities		
Accruals		
Deferred income		
LIABILITIES	**12,055**	**7,625**

5.6 Liabilities with related companies

Amounts for related companies correspond to:

(in thousands of euros)	31 August 2023	31 August 2022
Liabilities with consolidated related companies in France		
Liabilities with consolidated related companies	89,518	42,013
Group suppliers	117	401
Unbilled payables		
Credit notes to be issued		
TOTAL	**89,635**	**42,414**

Note 6 Notes to the income statement

6.1 Breakdown of net revenue

Revenue for FY2023 breaks down as follows:

(in thousands of euros)	Total 2022	France	FY2023 EEC + Export	Total 2023
Sales of goods held for resale				
Sales of goods produced				
Sales of services provided	36,554	28,532		28,532
REVENUE	**36,554**	**28,532**		**28,532**
%	100%	100%		100%

Revenue relates to management fees rebilled to OVH SAS.

6.2 Other operating income

(in thousands of euros)	FY2022	FY2023
Inventoried production		
In-house production		
Other miscellaneous management income and operating subsidies	81	3
Reversals of depreciation, amortisation, impairment and provisions, expense transfers	8,737	383
TOTAL	**8,817**	**386**

6.3 Net financial income

Net financial income for the period amounted to €45,355 thousand and breaks down as follows:

(in thousands of euros)	FY2022	FY2023
Financial income	**137,516**	**84,385**
Financial income from investments	1,388	
Income from other securities and receivables from non-current assets[(1)]	17,760	17,643
Other interest and similar income	14,027	47,259
Reversals of provisions, expense transfers[(2)]	68,933	5,965
Foreign exchange gains	35,407	13,518
Net income on disposals of marketable securities		
Financial expenses	**86,638**	**41,066**
Financial depreciation, amortisation and provision expense[(3)]	63,965	8,920
Interest and similar expense	11,029	19,459
Foreign exchange losses	11,644	12,687
Net expenses on disposals of marketable securities		
NET FINANCIAL INCOME	**50,878**	**43,318**

(1) Interest on current accounts and intragroup revolving loans.

Of which:

- *Financial income with related companies: €17,643 thousand.*

(2) The "Reversals of provisions, expense transfers" line comprises:

- *In FY2023:*
  - *reversals of provisions for unrealised foreign exchange losses for €5,873 thousand;*
  - *reversals of provisions for impairment of treasury shares for €92 thousand.*
- *In FY2022:*
  - *reversals of provisions for unrealised foreign exchange losses for €10,192 thousand;*
  - *the reversal of the provision for impairment of the US current accounts for €58,740 thousand.*

(3) The "Financial depreciation, amortisation and provision expense" line comprises:

- *In FY2023:*
  - *additions to provisions for unrealised foreign exchange losses for €4,510 thousand;*
  - *additions to the provision for impairment of shares for €2,353 thousand;*
  - *additions to the provision for impairment of treasury shares for €2,057 thousand.*
- *In FY2022:*
  - *additions to provisions for unrealised foreign exchange losses for €5,873 thousand;*
  - *additions to the provision for impairment of US holding company shares for €58,000 thousand., which was maintained in FY2023.*

6.4 Net non-recurring income (loss)

The net non-recurring loss for the period amounted to €520 thousand and breaks down as follows:

(in thousands of euros)	FY2022	FY2023
NON-RECURRING INCOME	**12,072**	**1,677**
Non-recurring income on management transactions	4	
Non-recurring income on capital transactions(1)	12,068	1,677
Reversals of provisions, expense transfers		
NON-RECURRING EXPENSES	**12,301**	**2,197**
Non-recurring expenses on management transactions		6
Non-recurring expenses on capital transactions(1)	12,216	1,956
Non-recurring depreciation, amortisation and provision expense	85	235
NET NON-RECURRING INCOME (LOSS)	**(230)**	**(520)**

(1) Including the disposal of non-current assets to OVH SAS for a total of €1,471 thousand.

6.5 Income tax

OVH Groupe is at the head of a tax consolidation group.

The member companies of the tax group are:

- Mediabc SAS;
- ForePaaS;
- OVH SAS;
- OVH Groupe SA (head of the group).

Corporate income tax is recognised taking into account the tax consolidation group.

Overall taxable income breaks down as follows:

Overall taxable income *(in thousands of euros)*	FY2023
MEDIA BC	5
FOREPAAS	(4,945)
OVH SAS	(72,334)
OVH Groupe	39,953
Tax consolidation restatement	0
Prior year losses set off against net income for the financial year	0
TOTAL	**(37,321)**

6.6 Breakdown of corporate income tax

The income tax due on net recurring and non-recurring income is calculated by multiplying the effective tax rate by net recurring and non-recurring accounting income, adjusted for tax add-backs and deductions of recurring and non-recurring expenses.

	Recurring	Non-recurring	Total
Net income (loss) before tax	45,234	(520)	44,714
Taxable income (loss)	40,473	(520)	39,953
Income tax	(10,118)	130	(9,988)
Net income (loss) after tax	**30,355**	**(390)**	**29,965**

Note 7 Miscellaneous information

7.1 Average number of employees and temporary staff

For FY2023, the average number of employees breaks down as follows:

FY2023	Headcount
Executives	12
Supervisors, technicians and employees	
Workers	
TOTAL	**12**

7.2 Commitments given

At 31 August 2023, the off-balance sheet commitments given by OVH Groupe are as follows:

- Deposits, guarantees and bank guarantees vis-à-vis Société Générale:

Amount	Reason	Maturity
EUR 719,000	Suravenir lessor lease agreement	07/04/2027
EUR 46,000	Generali España lessor lease agreement	31/12/2023
EUR 114,000	GMP Property SOCIMI lessor lease agreement	31/10/2028
EUR 1,167,000	EDF letter of credit	Open-ended

- Deposits, guarantees and bank guarantees vis-à-vis HSBC:

Amount	Reason	Maturity
EUR 70,000	Compagnie Générale Immobilière lessor lease agreement	11/03/2029
EUR 51,000	SCPI Notapierre lessor lease agreement	Lease expired
EUR 60,000	Eurosic lessor lease agreement	30/09/2025
EUR 159,000	Deka Immobilien Investment GmbH lessor lease agreement	14/10/2025
EUR 67,000	Roma Central Pte Ltd lessor lease agreement	30/12/2023
EUR 63,000	Société Epargne Foncière lease agreement	Lease expired
EUR 54,000	Helios lessor lease agreement	15/07/2030
EUR 75,000	Roma Central Pte Ltd lessor lease agreement	12/01/2027
EUR 122,000	Sitework LLC lessor lease agreement	21/07/2024
EUR 12,000	Alrisa-Sociedade Imobiliaria lessor lease agreement	31/08/2024

Autonomous guarantees granted by OVH Groupe to HSBC France in respect of HSBC France counter-guarantees for the issue by a local HSBC subsidiary of a guarantee in favour of a local third party as counterparty to the local OVH subsidiary.

7.3 Foreign exchange transactions

At 31 August 2023, the total amount of commitments related to financial instruments was €133,520 thousand, with a positive fair value of €2,638 thousand.

They break down as follows:

- **Investment hedges in USD:** Capital expenditure by Group subsidiaries is chiefly denominated in USD. To hedge these investment flows against foreign exchange risk, derivatives are regularly set up by OVH Groupe with bank counterparties. At 31 August 2023, these derivatives corresponded to USD forward purchases only. They are brought down to the subsidiaries by setting up transactions in the opposite direction. The total amount of EUR/USD forward purchases traded with banks at the closing rates on 31 August 2023 was €75,824 thousand, with a positive fair value of €2,730 thousand. This amount is fully offset by transactions carried out in the opposite direction with the subsidiaries concerned.
- **Hedging of foreign currency accounts:** To optimise the Group's cash management, when a subsidiary has cash surpluses, they are repatriated at the level of OVH Groupe, and are subject to short-term currency swaps when they are in a currency other than EUR. The total amount of currency swaps at the closing rates on 31 August 2023 was €54,389 thousand, with a negative fair value of €93 thousand.

7.4 Interest rate transactions

At 31 August 2023, the amount of commitments related to interest rate hedging instruments was €375 million, with a positive fair value of €22,236 thousand. These hedging instruments correspond to interest rate swaps, exchanging the variable rate of the term loan for fixed rates. The Group has set up these instruments to limit the risk resulting from interest rate fluctuations on the cost of its €500 million term loan maturing in October 2026.

7.5 Executive compensation

The compensation of key executives recorded in the income statement for FY2023 (including social security charges and excluding social security contributions on free share awards) amounted to €7,055 thousand. The amount awarded to non-salaried corporate officers amounted to €266 thousand for FY2023.

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7.6 Free share plan

The Combined General Meeting of 14 October 2021 authorised the Board of Directors, with the option of subdelegation under the conditions set by law, to purchase or cause to be purchased, shares of the Company, in particular for the purpose of awarding free shares.

At its meeting on 15 December 2022, the Board of Directors approved the plan and set the first award date, which was revised by the Board of Directors on 18 April 2023.

Vesting conditions for the shares

A 3-year presence condition and performance conditions were set.

Main characteristics of the plan

	31 August 2023
Number of free shares	1,100,100
Number of beneficiaries	100
Vesting period	3 years
Turnover rate assumption	10% per year
Estimated number of free shares at the end of the period	947,786
Value of free shares at the award date	€14.3
Expected dividends	0

Movements during the period

The following table shows the number of free shares outstanding and movements during the period:

	31 August 2023
Position at the beginning of the period	**0**
Movements:	
Awarded during the period	1,100,100
Lapsed during the period	(55,156)
OUTSTANDING AT THE END OF THE PERIOD	**1,044,844**

Social security contributions in respect of free shares and payable by OVH Groupe S.A. amounted to €202 thousand for FY2023.

7.7 Contingent liabilities

At 31 August 2023, the Company had not decided to allocate its treasury shares to the free share plan set up for the year. If it were to do so, a provision of €5,711 thousand would have to be recorded for the entire term of the plan.

7.8 Retirement benefit obligations

Retirement benefit obligations *(in thousands of euros)*	**Provisioned**	**Not provisioned**	**Total**
Retirement benefits		27	27
TOTAL		**27**	**27**

Pension obligations are calculated using the projected unit credit method:

- Discount rate: 3.75%
- Average annual salary increase rate: 3%
- Employee turnover rate: 6.61%
- Retirement age: Managers/Non-managerial staff: 64 years
- Social security contributions: 48%
- Collective agreement used to calculate benefits: Technical consulting firms

7.9 Information on transactions with related parties

No information on transactions with related parties is disclosed in accordance with the exclusion provided for in Article 833-16 of the French General Chart of Accounts, which allows information relating to transactions carried out by the Company with wholly-owned subsidiaries not to be disclosed.

5.3.3 Statutory Auditors' report on the parent company financial statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 August 2023

OVH Groupe S.A.

2 rue Kellermann - 59100 Roubaix

To the Annual General meeting of OVH Groupe,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying annual financial statements of OVH Groupe for the year ended 31 August 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 August 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (Code de déontologie) for statutory auditors for the period from 1st September 2022, to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N°537/2014. We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for statutory auditors for the period from 1 September 2021, to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N°537/2014.

Justification of assessments – Key audit matters

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to justification of our assessments, we draw your attention to the key audit matters which, in our professional judgement, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on specific items of the financial statements.

Valuation of equity investments, loans and receivables from equity investments

Identified risk

As at 31 August 2023, equity investments, loans and receivables from equity investments were recorded in the balance sheet for a net amount of €417.1 million, €512.4 million and €449.7 million respectively, i.e. 95% of total assets. They were recorded at acquisition cost. Impairment is recognised when a carrying amount including equity investments, loans and receivables from equity investments is higher than utility value, measured as one of the following depending on each subsidiary's activity:

- share of underlying profit or loss,
- business value based on forecast net debt adjusted cash flow, or
- market value based on comparable transactions.

We considered the measurement of the carrying amount of equity investments, loans and receivables from equity investments a key audit matter, given the relative weight of these assets on the balance sheet and the importance of Management judgments concerning them, particularly as regards to cash flow assumptions or market values.

Audit procedures implemented to address the identified risk

Our work involved:

- for measurements based on share of profit or loss, verifying that the share used was consistent with the financial statements of the individual entities,
- for measurements based on forecasts:
  - assessing the appropriateness of the valuation model,
  - obtaining the entities' cash flow forecasts and analysing them by asking Management about growth expectations,
  - analysing the appropriateness of the discount rate and the perpetual growth rate used, compared to market benchmarks,
  - for measurements based on market values, analysing the consistency of comparable companies used to determine valuation multiples.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the annual financial statements provided to Shareholders.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

In accordance with French law, we inform you that the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (*code de commerce*) is fairly presented and consistent with the financial statements.

Information relating to corporate governance

We attest to the existence of the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code in the section of the Board of Directors' management report dealing with corporate governance.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest that this information is fairly presented and accurate.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code (code de commerce), we have verified that this information is consistent with the source documents communicated to us. Based on these procedures, we have no matters to report on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting has been properly disclosed in the management report.

Report on other legal and regulatory requirements.

Format of the presentation of the annual financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier) complies with the single electronic format defined in Commission Delegated Regulation 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic report format.

It is not our responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of OVH Groupe by the annual general meetings held on 10 January 2018 for KPMG S.A. and on 13 October 2011 for Grant Thornton, it being specified that OVH Groupe became a public interest entity at the time of its listing on the stock exchange on 15 October 2021.

As of 31 August 2023, KPMG S.A. was in its seventh year of uninterrupted engagement and Grant Thornton was in its thirteenth year of uninterrupted engagement, of which, for each firm, one year had elapsed since the company's shares had been admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management deems necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense and Neuilly-sur-Seine, 17 November 2023

French original signed by, the statutory auditors

KPMG Audit		Grant Thornton	
Division of KPMG S.A.		**French member of Grant Thornton International**	
Jacques Pierre	Stéphanie Ortega	Vincent Papazian	Pascal Leclerc
Partner	*Partner*	*Partner*	*Partner*

5.4 OTHER INFORMATION

5.4.1 Five-year financial summary

	FY2019	FY2020	FY2021	FY2022	FY2023
SHARE CAPITAL AT END OF PERIOD					
Share capital *(in millions of euros)*	176.1	170.4	170.8	190.5	190.5
Number of shares outstanding	168.2	164.0	164.3	190.5	190.5
COMPREHENSIVE INCOME FROM TRANSACTIONS *(in millions of euros)*					
Revenue (excluding taxes)	18.3	23.4	40.1	36.6	28.5
Income (loss) before tax, profit-sharing, depreciation, amortisation, provisions and impairment	6.7	3.8	10.7	49.6	49.7
Income tax benefit (expense)	(0.7)	(1.6)	(0.1)	3.9	-
Employee profit-sharing			-	-	-
Income (loss) after tax, profit-sharing, depreciation, amortisation, provisions and impairment	(52.6)	(9.5)	4.9	49.1	44.7
Dividends paid	-	-	-	-	-
EARNINGS PER SHARE *(in euros)*					
Income (loss) after tax and profit-sharing, but before depreciation, amortisation, provisions and impairment	0.04	0.03	0.07	0.24	0.26
Income (loss) after tax and profit-sharing, depreciation, amortisation, provisions and impairment	(0.03)	(0.06)	0.03	0.26	0.23
Net dividend awarded	-	-	-	-	-
EMPLOYEES					
Number of employees (average headcount)	9	9	10	14	12
Payroll *(in millions of euros)*	5.8	4.9	4.7	6.3	5.3
Amounts paid for employee benefits *(in millions of euros)*	4.1	3.4	1.8	2.5	2.0

5.4.2 Payment terms for suppliers and customers

	Article D.441 I.-1: Past due invoices received but not settled at the reporting date						Article D.441 I.-1: Past due invoices issued but not settled at the reporting date					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
Days late												
Number of invoices concerned	16	4	7	3	81	**95**	64	1	2		4	**7**
Total amount of invoices concerned (incl. VAT in *€ million*)	0.2	0.0	0.1	0.0	0.5	**0.6**	18.4	0.2	0.0		0.0	**0.2**
Provisioned amount:												
Of which Group												
Percentage of the total amount of purchases for the financial year (incl. VAT)	1.3%	(0.1)%	0.4%	0.0%	3.3%	**3.6%**						
Percentage of revenue for the financial year (incl. VAT)							50.2%	0.6%	0.0%	0.0%	0.0%	**0.6%**

5.4.3 Amount of intercompany loans

The Company did not grant any intercompany loans in FY2023 (loans of less than two years granted to micro-enterprises, SMEs and mid-sized companies with which OVH Groupe SA has economic links).

5.4.4 Additional tax information

In FY2023, the expenses and charges referred to in Article 39-4 of the French General Tax Code (*Code général des impôts*) amounted to €31 thousand. In accordance with Article 223 *quater* of the French General Tax Code, this amount will be submitted to the Company's Ordinary General Shareholders' Meeting for approval.

5.5 DATE OF LATEST FINANCIAL INFORMATION

31 August 2023.


OVHcloud
OVHcloud

6

CAPITAL AND SHAREHOLDERS /AFR/

6.1 SHAREHOLDERS

6.1.1 Shareholding structure and voting rights

Shareholders

As of the date of this Universal Registration Document, the Company is a public limited company (*société anonyme*) with a Board of Directors controlled by the Klaba family.

The table below shows the breakdown of the Company's share capital at the date of this Universal Registration Document. There have been no significant changes in capital ownership since the end of the 2023 financial year.

Shareholder	Number of shares	% of the share capital	Number of voting rights	% of voting rights
Klaba family[(1)]	18,196,292	9.55%	18,196,292	9.55%
Digital Scale SAS[(2)]	25,838,953	13.56%	25,838,953	13.56%
Yellow Source SAS[(3)]	24,026,666	13.13%	24,026,666	13.13%
Deep Code SAS[(4)]	25,416,067	13.34%	25,416,067	13.34%
Bleu Source SAS[(5)]	25,026,666	13.13%	25,026,666	13.13%
Innolys SAS[(6)]	13,146,668	6.90%	13,146,668	6.90%
Invest Bleu SAS[(7)]	432,433	0.23%	432,433	0.23%
TOTAL KLABA FAMILY AND ENTITIES CONTROLLED BY THE KLABA FAMILY	**132,083,745**	**69.32%**	**132,083,745**	**69.32%**
Spiral Holdings B.V.[(8)]	12,023,570	6.31%	12,023,570	6.31%
Spiral Holdings S.C.A.[(9)]	12,023,570	6.31%	12,023,570	6.31%
Executives and directors[(10)]	850,356	0.45%	850,356	0.45%
Employees[(11)]	5,034,045	2.64%	5,034,045	2.64%
Treasury shares	622,140	0.33%	-	-
Float	27,902,999	14.64%	27,902,999	14.64%
TOTAL	**190,540,425**	**100.0%**	**189,918,285**	**100.0%**

(1) The Klaba family includes Henryk, Octave, Miroslaw and Halina Klaba. The Klaba family acts in concert. A new shareholders' agreement was signed on 6 May 2022 and published by the AMF on 11 May 2022 (document no. 222C1076).

(2) (3) Entities controlled by Octave Klaba and members of his family.

(4) (5) Entities controlled by Miroslaw Klaba and members of his family.

(6) Entity held by Octave and Miroslaw Klaba.

(7) Entity held by Henryk and Halina Klaba.

(8) Entity indirectly owned by investment funds managed or advised by TowerBrook Capital Partners.

(9) Entity indirectly owned by investment funds and other entities managed or advised by KKR.

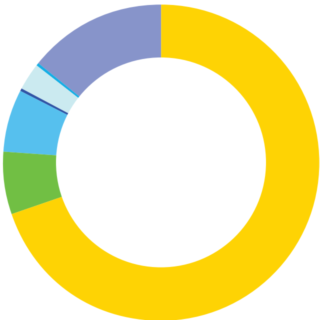
(10) Excluding directors representing the Klaba family.

(11) Including 1,235,075 shares held by employees via the OVHcloud Shares mutual fund (FCPE).

No significant change at 30 October 2023.

6.1.2 Shareholding structure at 31 August 2023

SHAREHOLDING STRUCTURE (NUMBER OF SHARES)



69.32% Klaba family[1]

6.31% Spiral Holdings BV.[2]

6.31% Spiral Holdings S.C.A.[3]

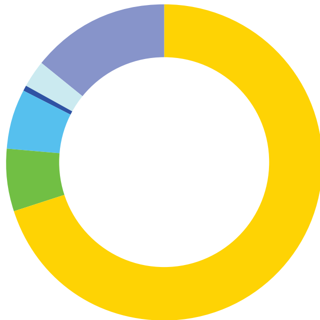
0.45% Executives and directors[4]

2.64% Group employees[5]

0.33% OVH Groupe[6]

14.64% Public and other investors

SHAREHOLDING STRUCTURE (EXERCISABLE VOTING RIGHTS)



69.32% Klaba family[1]

6.31% Spiral Holdings BV.[2]

6.31% Spiral Holdings S.C.A.[3]

0.45% Executives and directors[4]

2.64% Group employees[5]

14.64% Public and other investors

(1) The Klaba family includes Henryk, Octave, Miroslaw and Halina Klaba, as well as entities controlled by Octave and Miroslaw Klaba and members of their families.

(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.

(4) Excluding directors representing the Klaba family.

(5) Including 1,235,075 shares held by employees via the OVHcloud Shares mutual fund (FCPE).

(6) Treasury shares without voting rights.

Shares held by the Klaba family

The Klaba family includes Henryk, Octave, Miroslaw and Halina Klaba, as well as entities controlled by the Klaba family. As of the date of this Universal Registration Document, these entities include Digital Scale SAS, Deep Code SAS, Yellow Source SAS, Bleu Source SAS, Innolys SAS and Invest Bleu SAS. Digital Scale SAS and Yellow Source SAS are controlled by Octave Klaba. Deep Code SAS and Bleu Source SAS are directly controlled by Miroslaw Klaba, Octave Klaba and Miroslaw Klaba each hold 50% of the share capital and voting rights of Innolys SAS.

Shares held by Spiral Holdings B.V.

Spiral Holdings B.V is a Dutch company indirectly owned by investment funds managed or advised by TowerBrook Capital Partners.

TowerBrook Capital Partners is a purpose-driven investment management firm with registered offices in London and New York. The firm has raised several billion dollars to date and invests in private equity and structured opportunities through its range of funds. As a disciplined investor with a commitment to fundamental value, the firm seeks to consistently and responsibly deliver superior, risk-adjusted returns to investors. TowerBrook Capital Partners' value creation strategy aims to transform the possibilities and prospects of the businesses in which it invests. TowerBrook Capital Partners is the first mainstream private equity firm to be certified as a B Corporation. B Corporation certification is administered by the non-profit B Lab and is awarded to companies that demonstrate leadership in their commitment to environmental, social and governance (ESG) standards and responsible business practices.

Spiral Holdings B.V. acquired an interest in the Company in 2016.

Shares held by Spiral Holdings S.C.A.

Spiral Holdings S.C.A. is a Luxembourg-based company indirectly owned by investment funds and other entities managed or advised by KKR.

KKR is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined approach, employing high-quality people and growing its portfolio companies and their environments. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. Its insurance subsidiaries offer retirement, life insurance and reinsurance products under the management of The Global Atlantic Financial Group. The interest held by KKR in the Company's capital was acquired in 2016.

To the Company's knowledge, no other partner holds, directly or indirectly, alone or in concert, more than 5% of the Company's capital and/or voting rights.

Voting rights of the shareholders

As of the date of this Universal Registration Document, all of the Company's shares are ordinary shares. Each ordinary share gives the right to one vote at General Meetings. The double voting right provided for in Article L. 22-10-46 of the French Commercial Code is expressly excluded in the Company's Articles of Association.

6.1.3 Control of the Company and shareholders’ agreement

Control of the Company

As of the date of this Universal Registration Document, the Company is controlled by members of the Klaba family acting in concert. They hold approximately 70% of the share capital and voting rights of the Company directly and indirectly through their companies Bleu Source, Deep Code, Digital Scale, Innolys, Invest Bleu and Yellow Source.

The Company believes that there is no risk that such control will be exercised in an abusive manner. In fact, since the Company’s shares were listed on the Euronext Paris regulated market on 15 October 2021, five independent directors have been appointed in accordance with the criteria set forth in the AFEP-MEDEF Code. These independent directors represent more than a third of the directors, which is in compliance with AFEP-MEDEF recommendations. In addition, the roles of Chairman of the Board of Directors and Chief Executive Officer are separate and performed by two different people, namely Octave Klaba and Michel Paulin.

Agreements likely to result in a change of control

At the date of this Universal Registration Document, the Company was not aware of any agreement that, if implemented, might, at a later date, lead to a change in its control.

Shareholders’ agreements

On 6 May 2022, Octave Klaba, Miroslaw Klaba, Henryk Klaba and Halina Klaba née Wachel, either directly or via their personal holding companies, Bleu Source, Deep Code, Digital Scale, Innolys, Invest Bleu and Yellow Source, signed a new family agreement (the “**Extended Family Agreement**”), replacing the one signed on 26 October 2021. The purpose of the new Agreement is to set out how the founders’ rights are exercised with respect to the Company’s governance (in compliance with AFEP-MEDEF recommendations) and to define certain restrictions on the transfer of the Company’s shares held directly or indirectly by the Parties to the Agreement.

The Agreement was entered into for a period of 25 years. The main provisions of the Agreement are presented below.

Governance

The Parties undertake to ensure that the Board of Directors of OVH Groupe is composed of at least three directors appointed by the Holding Companies Bleu Source, Deep Code, Digital Scale, Innolys, Invest Bleu and Yellow Source by simple majority from among the legal representatives of the Holding Companies (the “**Directors Appointed by the Family**”).

The Parties undertake to vote at OVH Groupe General Meetings in favour of the appointment or renewal of the term of office of the Directors Appointed by the Family.

The Agreement provides that the Parties undertake to ensure that the Directors Appointed by the Family consult each other on the appointment of the Chairman of the Board of Directors in order to unanimously appoint the candidate of their choosing. The Parties undertake to ensure that the Directors Appointed by the Family vote in favour of the person thus appointed.

Should Michel Paulin cease to be Chief Executive Officer, the Parties undertake to ensure that the Directors Appointed by the Family consult each other on the proposals for the appointment of the Chief Executive Officer by the Board of Directors’ Appointments, Compensation and Governance Committee in order to unanimously adopt a common position on the candidate(s) proposed by the Committee and vote in accordance with the common position thus adopted.

The Agreement also stipulates that the Directors Appointed by the Family are to be consulted in advance in order to seek a common position on the decisions to be adopted by the Board of Directors. For decisions to be taken by the General Shareholders' Meeting, the Agreement provides for prior consultation either with the Directors Appointed by the Family for ordinary decisions (other than those relating to the dividend distribution policy), or with the Holding Companies for other decisions. The Parties undertake to vote in the General Meeting in line with the agreed upon decisions.

Transfers of securities

Pre-emptive right: except in the case of unrestricted transfers, in the event of transfer of OVH Groupe shares by a Party to a third party or another Party, the Agreement provides for a first-tier right of first refusal in favour of the other holder of the divided rights (in the event of the transfer of shares subject to division), and a second-tier right of first refusal in favour of the other Parties, under the same terms and conditions as those offered to the potential buyer.

Unrestricted transfers: the Agreement provides that transfers of OVH Groupe shares (i) by a Party other than a Holding Company to a Holding Company or (ii) by a Party to their direct descendants in the event of death will not be subject to pre-emptive rights but will be subject to the condition precedent that the person or persons to whom the shares are transferred join the Agreement (if they are not already Parties).

Promise to sell in the event of the death of a Party: the Agreement provides for a promise to sell for the benefit of the other Parties in the event of the death of a Party, for a price equal to the weighted average price over the last twenty (20) trading days exercisable for a period of six (6) months from the date of death. As an exception, transfers of securities in the event of the death of a Party to his/her direct descendants will not be subject to this promise, provided that the descendants concerned join the Agreement within three (3) months from the date of death. In the absence of acceptance within this period, the promise to sell may be exercised for a period of six (6) months from the expiry of the aforementioned three (3) month period.

Breach of the Agreement

Promise to sell sanction: the Agreement provides that in the event of Default or a Change of Control, the Holding Company concerned irrevocably promises to sell all of the OVH Groupe shares it holds to the other Holding Companies for a price equal to the weighted average price over the last twenty (20) trading days preceding the exercise of the promise. This promise to sell will be exercisable for a period of ten (10) years from the Default or Change of Control, on one or more occasions, by each Holding Company up to the amount of its share. In addition, the Holding Company concerned will be deprived of its rights under the Agreement for the adoption of the decisions referred to in the Governance section.

For the purposes of this section, the “**Default**” of a Holding Company results from a material breach that has not been remedied within thirty (30) days after formal notice (if the breach can be remedied) of the commitments under the Agreement.

The "**Change of Control**" of a Holding Company refers to the transfer of securities issued by the Holding Company for the benefit of, the subscription of securities issued by a Holding Company by, or the award of securities issued by a Holding Company for the benefit of a person other than (i) Henryk Klaba, Halina Wachel (a member of the Klaba family by marriage), Octave Klaba, Miroslaw Klaba, (ii) the direct descendants of the persons referred to in (i) above, (iii) a Holding Company, or (iv) any legal entity wholly owned, directly or indirectly, by the persons referred to in (i) and (ii) above.

On 11 April 2023, Octave Klaba, Miroslaw Klaba, Henryk Klaba and Halina Klaba née Wachel, either directly or via their personal holding companies, Bleu Source, Deep Code, Digital Scale, Innolys, Invest Bleu and Yellow Source, entered into a new family agreement, the Extended Family Agreement, under which the legal representative of each of the Family Holding Companies has the capacity to express the holding company’s position with regard to the governance of OVH, in certain situations.

In this context, the shareholders of each of the Family Holding Companies held discussions to enter into shareholders' agreements (the "**Holding Company Agreements**") aimed more generally at organising the decision-making process relating to OVH and certain other shareholdings of the Family Holding Companies with a view to ensuring that the Klaba family continues to have significant influence over OVH for generations to come.

In particular, the conclusion of the Holding Company Agreements must ensure the consistency of the decisions taken by each of the Family Holding Companies within OVH and the other shareholdings.

On 18 October 2023, Henryk Klaba and Halina Wachel, the Donors, made a shared transgenerational gift to their grandchildren, including part of the bare ownership of the Transferred Securities resulting from the gift-sharing agreement of 24 December 2003 transferred to their children, Octave and Miroslaw Klaba.

(i) full ownership of the one hundred and eighty-nine million two hundred and forty-one thousand five hundred and fifty-one (189,241,551) shares, comprising part of the capital of Digital Scale SAS, constituting partial representation, in the hands of Octave Klaba, of full ownership of the one hundred and twenty-five (125) OVH shares transferred to him under the terms of the gift-sharing agreement dated 24 December 2003 referred to above;

(ii) full ownership of the one hundred and eighty-nine million two hundred and forty-one thousand five hundred and fifty-one (189,241,551) shares referred to above, which form part of the capital of Deep Code SAS, constituting partial representation, in the hands of Miroslaw Klaba, of full ownership of the one hundred and twenty-five (125) OVH shares transferred to him under the terms of the gift-sharing agreement dated 24 December 2003 referred to above.

As a result:

- the one hundred and eighty-nine million two hundred and forty-one thousand five hundred and fifty-one (189,241,551) shares referred to above, comprising part of the share capital of Digital Scale SAS, constitute partial representation to date of the Transferred Securities transferred to Octave Klaba;
- the one hundred and eighty-nine million two hundred and forty-one thousand five hundred and fifty-one (189,241,551) shares referred to above, comprising part of the share capital of Deep Code SAS, constitute partial representation to date of the Transferred Securities transferred to Miroslaw Klaba.

As permitted by the provisions of Article 1078-4 of the French Civil Code, Henryk Klaba and Halina Wachel, the Donors, therefore made a shared transgenerational gift to their grandchildren, including part of the bare ownership of the Transferred Securities resulting from the gift-sharing agreement of 24 December 2003 transferred to their children.

The shares will be split between the two branches of the family as follows:

- Octave Klaba and his descendants (his three daughters),
- Miroslaw Klaba and his descendant (his only daughter).

The assets received by the children and/or their descendants will be deducted together, on the day of the death of each of the Donors, from the portion of the estate attributable to their branch and then from the disposable portion, whatever the degree of kinship with him.

As a reminder and for the information of the parties, if a branch has received less than their rightful share or has received nothing, when the succession of each of the Donors opens, they may either take action to make up their rightful share of the estate or action to reduce the disposable portion if it renders the estate insufficient at that date.

In accordance with the provisions of the second paragraph of Article 1078-5 of the French Civil Code, these agreements require the consent of the children who renounce all or part of their rights, as well as the descendants who benefit from them (grandchildren in this case).

6.1.4 Threshold crossing

No declaration of threshold crossing was brought to the attention of the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF) during the 2023 financial year.

6.1.5 Employee shareholding in the Company's share capital

Employee shareholding

On the occasion of its initial public offering in 2021, the Company proposed an offer reserved for employees, as part of the Group savings plan and the OVH Groupe international Group savings plan. The subscription of shares was possible through the OVHcloud Shares mutual fund (FCPE) or, depending on the applicable local regulations, through the subscription of shares directly by employees.

Around 1,900 employees became Company shareholders through the OVHcloud Shares mutual fund and around 340 employees in a personal capacity.

In December 2023, an "ESP" employee shareholding plan was proposed to all employees entitled to the incentive payment, paid in respect of the results for the 2022 financial year. Some 1,732 of the 2,473 eligible employees have signed up, representing a take-up rate of 70%, with 81% of French employees taking part, and 41% internationally.

These excellent results were achieved thanks to our communication plan. Of the employees taking part, 25% of them chose a mix of cash payments and investments in shares, Group Retirement Savings Plan (*plan d'épargne retraite collectif* – PERCO) and other Group Savings Plan (*plan d'épargne groupe* – PEG) funds.

Shares held by employees via the OVHcloud Shares mutual fund (FCPE) or directly are subject to a lock-up period of five years, except in the event of early release in accordance with the rules applicable to savings plans.

This operation will be renewed for the incentive bonus, which will be paid in respect of the results for the 2023 financial year.

An "LTIP" free share plan has also been set up for beneficiaries or categories of beneficiaries chosen from among employees of the Company and companies or groups affiliated to it under the conditions set out in Article L.225-197-2 of the French Commercial Code and/or from among the corporate officers of the Company or of companies or groups affiliated to it who meet the conditions set out in Article L.225-197-1, II of the said Code (companies or groups affiliated to the Company within the meaning of Articles L.225-197-1, II and L.225-197-2 of the French Commercial Code. Beneficiaries of this plan received free shares under the terms of the plan approved by the Board of Directors on 15 December 2022. The vesting of these shares is subject primarily to a presence condition and to performance criteria.

At 31 August 2023, employees and former employees held approximately 2.64% of the Company's share capital, i.e., 5,034,045 shares of which 1,235,075 shares held by employees through the OVHcloud Shares mutual fund (FCPE).

Shares held by employees via the OVHcloud Shares mutual fund (FCPE) or directly are subject to a lock-up period of five years, except in the event of early release in accordance with the rules applicable to savings plans.

Employee savings plans and similar plans

The following social and economic unit plans are available in France:

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

6.2 STOCK MARKET DATA

OVHcloud shares are listed on compartment A of Euronext Paris and are included in the following indices: Euronext Tech Leaders, CAC Technologie and CAC All-Shares.

At end-August 2023, at the end of the Company's financial year, the share price was €9.39.

The change in the price of the OVHcloud share (ISIN code FR0014005HJ9) on Euronext during the 2023 financial year is set out below.

(in euros)	Number of trading sessions	Average closing price	Highest	Lowest
2022				
September	22	11.81	12.97	9.89
October	21	11.29	13.37	9.72
November	22	14.26	16.45	12.15
December	21	14.93	16.24	13.23
2023				
January	22	15.26	16.47	14.44
February	20	14.96	16.10	13.73
March	23	12.25	15.08	10.37
April	18	10.51	11.88	8.95
May	22	10.11	11.00	9.23
June	22	9.55	10.54	8.58
July	21	9.58	10.45	9.01
August	23	9.59	10.39	8.86

Source: Euronext

6.3 DIVIDENDS

OVHcloud intends to invest its profits in the growth of its business, and does not plan to distribute dividends in the medium term.

In line with its strategy, the Company does not plan to distribute dividends in respect of the financial year ended 31 August 2023. It did not pay any dividends in respect of the financial years ended 31 August 2020, 2021 and 2022.

6.4 RELATIONS WITH THE FINANCIAL COMMUNITY

Relations with the OVHcloud financial community are managed by the financial communications team.

OVHcloud seeks to establish long-term trusted relationships with its financial community. This objective is based in particular on the values of transparency, consistency and clarity about the Company's activities.

Communication with the financial community takes the form of quarterly revenue publications as well as the publication of half-yearly and annual results. For these publications, OVHcloud issues a press release, in French and English, and organises a conference call for financial analysts and investors with its Chief Executive Officer and Chief Financial Officer.

In addition to this regular communication, OVHcloud participates in several conferences and roadshows throughout the year in order to meet its existing shareholders or present the Company to new investors.

In addition, all of OVHcloud's financial information is available on its website https://corporate.ovhcloud.com.

6.5 INFORMATION ON THE SHARE CAPITAL

6.5.1 Subscribed share capital and authorised but not yet issued share capital

As of the date of this Universal Registration Document, the Company's share capital amounts to €190,540,425, divided into 190,540,425 ordinary shares (the **"Ordinary Shares"**).

With regard to the authorised share capital not yet issued, the General Shareholders' Meeting of the Company, which met on 14 October 2021, adopted the following financial delegations:

Type of delegation	Maximum duration	Maximum nominal amount	Use during the financial year ended 31 August 2023
Authorisation to be given to the Board of Directors to trade in the Company's shares, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	18 months	Maximum purchase price: 200% of the share offer price in the context of the IPO €50 million	None
Authorisation to be given to the Board of Directors to reduce the share capital through the cancellation of treasury shares, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	26 months	Within the limit of 10% of the share capital per 24-month period	None
Delegation of authority to the Board of Directors to increase the share capital of the Company or another company by issuing shares and/or securities giving access to the share capital immediately or in the future, with preferential subscription rights	26 months	€70 million(1) €1 billion with regard to debt securities giving access to the share capital issued on the basis of this delegation	None
Delegation of authority to the Board of Directors to increase the share capital of the Company by issuing shares and/or securities giving access to the share capital immediately or in the future, with cancellation of preferential subscription rights, by way of a public offering other than the public offerings mentioned in Article L. 411-2 -1 of the French Financial and Monetary Code	26 months	€35 million(1) €1 billion with regard to debt securities giving access to the share capital issued on the basis of this delegation	None
Delegation of authority to the Board of Directors to increase the share capital of the Company by issuing shares and/or securities giving access to the share capital immediately or in the future, with cancellation of preferential subscription rights by way of a public offering mentioned in Article L. 411-2-1 of the French Financial and Monetary Code, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	26 months	€35 million(1)(2) €1 billion with regard to debt securities giving access to the share capital issued on the basis of this delegation	None
Possibility of issuing shares and/or securities giving access immediately or in the future to shares to be issued by the Company as consideration for contributions in kind consisting of equity securities or securities giving access to the share capital, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	26 months	10% of the share capital(1)	None
Determination of the issue price, up to a limit of 10% of the share capital per year, as part of an increase in the share capital through the issue of equity securities with cancellation of preferential subscription rights, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	12 months	10% of the share capital per year(3)	None

Type of delegation	Maximum duration	Maximum nominal amount	Use during the financial year ended 31 August 2023
Delegation of authority to the Board of Directors to increase the share capital by incorporation of premiums, reserves, profits or any other sums, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	26 months	€100 million	None
Delegation of authority to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights	26 months	15% of the initial issue(1)(3)	None
Delegation of authority to the Board of Directors to increase the Company's share capital by issuing shares and/or securities giving access to the share capital immediately or in the future, with cancellation of preferential subscription rights, reserved for members of savings plans	26 months	1% of the share capital(1)	None
Authorisation to be given to the Board of Directors to grant stock subscription or purchase options to the Group's employees and corporate officers, or some of them, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	38 months	10% of the share capital(1) Subject to not exceeding 0.10% of the share capital for the corporate officers	Purchase of shares issued to employees (ESP – Group Savings Plan): issue of 15,140 new shares, representing approximately 0.008% of the share capital at that date
Authorisation to be given to the Board of Directors to award free existing shares or shares to be issued to employees and corporate officers of the Group or to some of them, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	38 months	10% of the share capital(1)(4) Subject to not exceeding 0.10% of the share capital for the corporate officers	At its meeting of 15 December 2022, the Board of Directors decided to allocate 520,000 performance shares with effect from the same date to around 97 beneficiaries, representing around 0.03% of the share capital at that date

(1) The maximum aggregate amount of capital increases that may be carried out pursuant to this delegation shall be deducted from the overall limit set at €70 million.

(2) The total maximum amount of capital increases that may be carried out under this delegation is deducted from the ceiling of €35 million provided for the Company's capital increase through the issuance of shares and/or securities giving access to the share capital immediately or in the future, with cancellation of preferential subscription rights, by way of public offering other than the public offerings mentioned in Article L. 411-2 1° of the French Financial and Monetary Code.

(3) The maximum overall amount of capital increases that may be carried out under this delegation is deducted from the ceiling stipulated in the resolution under which the initial issue is decided.

(4) The maximum aggregate amount of capital increases that may be carried out under this delegation is deducted from the ceiling stipulated in the resolution under which stock subscription or purchase options are granted in favour of the Group's employees and corporate officers, or some of them, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market.

6.5.2 Changes in share capital

Over the last three financial years, changes in the Company's share capital were as follows:

- a share capital increase of an aggregate nominal amount of €316,135.83 by incorporation of part of the special reserve through the issue of 257,021 A Preference Shares with a par value of €1.23 each, pursuant to a written consultation dated 7 October 2019;
- a share capital reduction by way of share cancellations of an aggregate nominal amount of €7,705,994.28 relating to the 6,265,036 cancelled A Preference Shares with a par value of €1.23 each, pursuant to a General Meeting held on 6 October 2016, and decisions of the Chairman dated 5 November 2019 and 4 December 2019;
- a share capital increase of a nominal amount of €1,733,779 by incorporation of share premiums through the issue of 1,733,779 Ordinary Shares with a par value of €1 each, pursuant to a General Meeting held on 10 October 2017 and a decision of the Chairman dated 17 February 2020;
- a share capital increase of a nominal amount of €371,952 by incorporation of share premiums, through the issue of 371,952 Ordinary Shares with a par value of €1 each, pursuant to a General Meeting held on 23 July 2020 and a decision of the Chairman dated 22 July 2021;
- a share capital increase of a nominal amount of €3,018,487 through the issue of 3,018,487 Ordinary Shares with a par value of €1 each, to be allocated to the shareholders of MANOVH and a capital reduction of a nominal amount of €3,018,669, through the cancellation of 3,018,669 Ordinary Shares in the Company contributed by MANOVH as a merger, pursuant to the decisions of a General Meeting held on 14 October 2021 and of the Board of Directors dated 18 October 2021;
- a share capital increase of a nominal amount of €925,494 through the issue of 925,494 Ordinary Shares with a par value of €1 each, to be allocated to the shareholders of MENOVH and a capital reduction of a nominal amount of €925,264, through the cancellation of 925,264 Ordinary Shares in the Company contributed by MENOVH as a merger, pursuant to the decisions of a General Meeting held on 14 October 2021 and of the Board of Directors dated 18 October 2021;
- a share capital reduction of a nominal amount of €6,432,668.29 following the reduction in the par value of A Preference Shares from €1.23 to €1 per A Preference Share, pursuant to a written consultation with the Company's shareholders finalised on 16 August 2021 and a decision of the Board of Directors dated 18 October 2021 and a capital increase of a nominal amount of €5,267,621 through the issue of 33,235,744 Ordinary Shares with a par value of €1 each following the conversion of all Preference Shares into Ordinary Shares, pursuant to the decision of a General Meeting held on 14 October 2021 and of the Board of Directors dated 18 October 2021;
- a share capital increase of a nominal amount of €18,918,919 through the issue of 18,918,919 new Ordinary Shares with a par value of €1 each, issued on 18 October 2021 by way of a public offering carried out as part of the admission of the Company's shares to trading on the Euronext Paris regulated market;
- a share capital increase of €702,266 through the issue of shares subscribed by the persons eligible for an offer reserved for employees concerning 702,266 Ordinary Shares with a par value of €1 each, and of €663,074 through the incorporation of reserves, compensated by the issue of 663,074 Ordinary Shares with a value of €1 each, in respect of the matching contribution paid in addition to the subscriptions, issued on 9 November 2021;
- a share capital increase of a nominal amount of €442,186 by incorporation of share premiums, through the issue of 442,186 Ordinary Shares with a par value of €1 each, pursuant to a General Meeting held on 13 July 2020 and a decision of the Chief Executive Officer dated 23 February 2022;
- a share capital increase of a nominal amount of €200,183 by incorporation of share premiums, through the issue of 200,183 Ordinary Shares with a par value of €1 each, pursuant to a General Meeting held on 13 July 2020 and a decision of the Chief Executive Officer dated 20 July 2022.

6.5.3 Non-equity securities

No bonds were issued during the 2023 financial year and all the previously-issued senior secured bonds in the form of Euro PP were redeemed in 2022.

6.5.4 Shares held in treasury by the Company or for its account

The General Meeting of 16 February 2023 renewed the authorisation given to the Board of Directors for a period of 18 months with the option of subdelegation under the conditions set by law, to purchase or cause to be purchased, shares of the Company. As the financial authorisations granted at the General Shareholders' Meeting of 14 October 2021 are due to expire, shareholders will be asked to renew them at the Annual General Meeting of 15 February 2024.

6.5.4.1 Share buybacks completed in 2022

PERCENTAGE OF CAPITAL HELD IN TREASURY AT 31 AUGUST 2022

PERCENTAGE OF CAPITAL HELD IN TREASURY AT 31 AUGUST 2022	**0.029%**
NUMBER OF TREASURY SHARES HELD AT 31 AUGUST 2022	**57,000**
Valuation of the portfolio's equity position at 31 August 2022	725,895
Cash outstanding R/L at 31 August 2022	4,006,886
TOTAL	**4,732,781**
Number of shares cancelled during the last 24 months	0

PERCENTAGE OF CAPITAL HELD IN TREASURY AT 30 NOVEMBER 2022

PERCENTAGE OF CAPITAL HELD IN TREASURY AT 30 NOVEMBER 2022	**0.026%**
NUMBER OF TREASURY SHARES HELD AT 30 NOVEMBER 2022	**50,600**
Cash outstanding at 30 November 2022	914,405.20
TOTAL	**1,594,975.20**
Number of shares cancelled during the last 24 months	0

6.5.4.2 Summary of transactions carried out under the liquidity contract valid in 2023

PERCENTAGE OF CAPITAL HELD IN TREASURY AT 31 AUGUST 2023

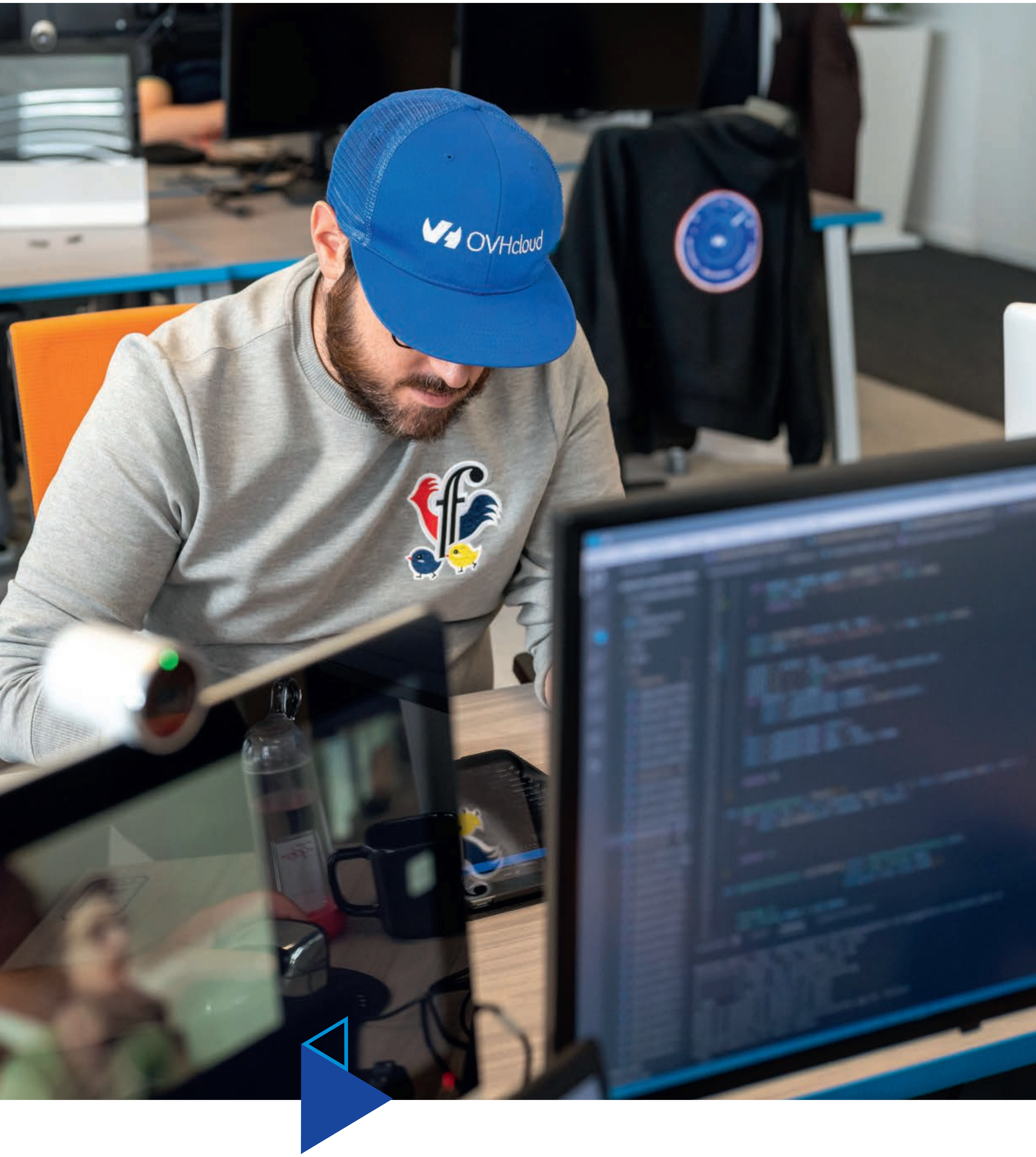
PERCENTAGE OF CAPITAL HELD IN TREASURY AT 31 AUGUST 2023	**0.33%**
NUMBER OF TREASURY SHARES HELD AT 31 AUGUST 2023	**622,140**
Valuation of the portfolio's equity position at 31 August 2023	**815,557**
Cash outstanding R/L at 31 August 2023	3,710,324
TOTAL	**4,525,880**
Number of shares cancelled during the last 24 months	0

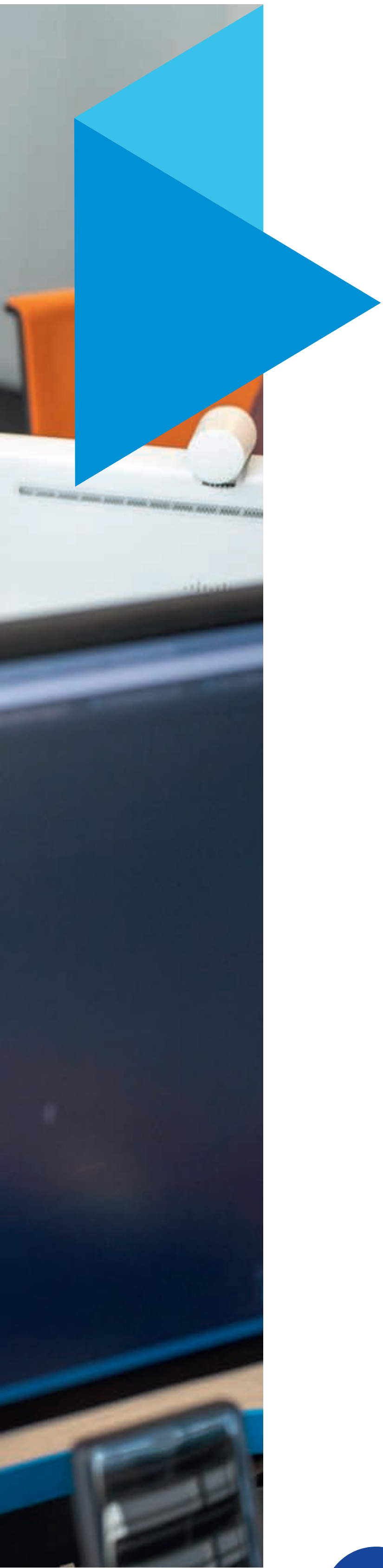
PERCENTAGE OF CAPITAL HELD IN TREASURY AT 31 OCTOBER 2023

PERCENTAGE OF CAPITAL HELD IN TREASURY AT 31 OCTOBER 2023	**0.33%**
NUMBER OF TREASURY SHARES HELD AT 31 OCTOBER 2023	**635,741**
Evaluation of equity portfolio position at 31 October 2023	675,936
Cash outstanding at 31 October 2023	3,610,142
TOTAL	**4,286,079**
Number of shares cancelled during the last 24 months	0

Free share awards

As of the date of this Universal Registration Document, the General Meeting of the Company has authorised the award of free shares (see also Chapter 4 – Compensation and benefits, subsection 4.5.3 of this Universal Registration Document).


OVHcloud



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ADDITIONAL INFORMATION

7.1 MAIN PROVISIONS UNDER THE LAW AND THE ARTICLES OF ASSOCIATION CONCERNING OVHCLOUD

7.1.1 Company name, registered office, website, legal form, applicable legislation, financial year, date of incorporation, term, trade and companies register, legal entity identifier and corporate purpose

Company name	OVH Groupe
Name of its main brand	OVHcloud
Registered office	2 rue Kellermann, 59100 Roubaix, France
Website	https://corporate.ovhcloud.com(1) Telephone: +33(0) 3 20 82 73 32
Legal form	*Société anonyme* with a Board of Directors
Applicable legislation	French law
Corporate purpose	Pursuant to Article 2 of the Company's Articles of Association, OVH Groupe's purpose, in France and all countries, is as follows: all holding activities, including the management of interests, development of the Group's policy and participation in the control of its subsidiaries, performance of all administrative, legal, accounting or financial services for its subsidiaries; the acquisition of interests in all businesses or companies, whether existing or to be created, that may be directly or indirectly related to the corporate purpose, or to any similar or connected purposes, and in particular businesses or companies whose corporate purpose may contribute to the fulfilment of the corporate purpose, by all means, in particular by way of the creation of new companies, mergers, alliances or joint ventures; and more generally, all commercial, financial, real estate, or movable property transactions directly or indirectly related to the corporate purpose or to any similar or connected purposes.
Financial year	From 1 September to 31 August each year
Date of incorporation	10 October 2011
Term	99 years
Expiry of term under the Articles of Association	19 October 2110
Registration	Lille Trade and Companies Registry (RCS Lille Métropole) under number 537 407 926
APE code	6420Z
Legal Entity Identifier (LEI) number	9695001J8OSOVX4TP939

(1) The information on the website does not form part of this Universal Registration Document.

7.1.2 Distribution of income under the Articles of Association

Each share entitles its holder to a share of income proportional to the percentage of capital it represents.

Distributable income corresponds to net income for the financial year, less losses carried forward from the previous financial year and any amounts to be transferred to the Company's reserves in accordance with the law, plus any retained earnings.

The General Meeting may decide to distribute amounts deducted from the reserves available for distribution, expressly indicating the reserve accounts from which the amounts are to be deducted.

After approving the financial statements and noting the existence of amounts available for distribution (including distributable income and any amounts deducted from the above-mentioned reserves), the General Meeting resolves to fully or partially distribute them to shareholders as dividends, to allocate them to reserves or to carry them forward as retained earnings.

The General Meeting may grant shareholders the option to receive all or part of the dividend or interim dividend in cash or in shares, in accordance with the conditions set by law. In addition, the General Meeting may decide that all or part of the distributions due to shareholders in respect of dividends, interim dividends, reserves or premiums or in the event of a capital reduction may be paid in kind in the form of Company assets.

The Board of Directors may distribute interim dividends before the financial statements for the financial year are approved, in accordance with the conditions set by law.

7.1.3 General Meetings

Notice of meetings

General Meetings are convened and deliberate under the conditions provided for by law. Meetings are held either at the registered office or at any other place stated in the notice of meeting.

Shareholders take decisions at Ordinary, Extraordinary, Special or Combined General Meetings, depending on the type of decision they are called to take.

Participation in meetings – Conditions

All shareholders, regardless of the number of shares they own, have the right to take part in General Meetings in accordance with the applicable laws and regulations, either by attending in person, by being represented, by voting remotely or by giving a proxy to the Chairman of the Meeting.

In accordance with Article R. 22-10-28 of the French Commercial Code (*Code de commerce*), only shareholders who can prove that their shares are registered in their own name, or in the name of the intermediary duly registered on their behalf, either in a registered share account or in a bearer share account held by their authorised intermediary, by midnight (Paris time) on the second business day prior to the General Meeting (hereinafter "D-2") may take part in General Meetings.

For registered shareholders, registration in the registered share accounts on D-2 is sufficient proof to take part in General Meetings.

For bearer shareholders, the authorised intermediaries with whom the shares are registered provide proof of their clients' status as shareholders directly to the meeting registrar appointed by OVHcloud, by attaching a share ownership certificate to the remote/proxy voting or admission card request form drawn up in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary.

Procedures

Shareholders who wish to attend the General Meeting in person must request an admission card, as follows:

- registered shareholders should make their request directly to the meeting registrar appointed by OVHcloud (hereinafter the "meeting registrar");
- bearer shareholders should make their request to their financial intermediary.

If a bearer shareholder who wishes to attend the Meeting in person has not received their admission card by D-2, they should ask their financial intermediary to issue them with a share ownership certificate proving their status as a shareholder on D-2 in order to be admitted to the Meeting.

A notice of meeting including a remote/proxy voting or admission card request form is sent automatically to all registered shareholders. Bearer shareholders should contact the financial intermediary with whom their shares are registered in order to obtain a remote/proxy voting or admission card request form.

Remote voting

Shareholders who are unable to attend the General Meeting in person may choose one of the following options:

- give proxy to another shareholder, to their spouse or partner, or to any other natural or legal person of their choice;
- give proxy to the Chairman of the Meeting;
- vote remotely.

Remote or proxy votes will only be taken into account if the forms, duly completed and signed (and, for bearer shares, with the share ownership certificate attached), are received by the meeting registrar at least three days before the date of the Meeting.

In accordance with Articles R. 225-79 and R. 22-10-24 of the French Commercial Code, notification of the appointment or revocation of a proxy may also be made by electronic means.

Only notifications of the appointment or revocation of proxies that are duly signed, completed and received no later than two days before the date of the Meeting will be taken into account.

In accordance with Article R. 22-10-28 of the French Commercial Code, any shareholder who has already voted remotely, given proxy or requested an admission card may not choose another way of participating in the Meeting, but may nevertheless sell all or some of their shares. However, if the sale takes place before D-2, the Company will, as appropriate, cancel or amend the remote vote, proxy, admission card or share ownership certificate. In such event, the authorised intermediary with whom the shares are registered must notify the sale to the Company or its representative and provide the necessary information. No sale or other transaction carried out after D-2, by whatever means, will be notified by the authorised intermediary with whom the shares are registered or taken into consideration by the Company, notwithstanding any agreement to the contrary. If a shareholder gives proxy without naming a specific person, the Chairman of the Meeting will vote in favour of the draft resolutions presented or approved by the Board of Directors, and against all other draft resolutions. To cast any other vote, the shareholder must choose a proxy who agrees to vote in accordance with their wishes.

Pursuant to Article 22, paragraph 10 of the Company's Articles of Association, the Board of Directors may decide that shareholders may participate in a General Meeting by videoconference or other means of telecommunication and remote transmission. If the Board of Directors decides to exercise said option for a given meeting, such decision will be stated in the notice of meeting. Shareholders attending meetings by videoconference or by any of the other means of telecommunication referred to above, at the discretion of the Board of Directors, are deemed to be present for the purposes of calculating the quorum.

At the date of filing of this Universal Registration Document, the Company has not yet used the above option.

Main powers and quorum at General Meetings

Ordinary General Meeting

The Ordinary General Meeting takes all decisions that do not amend the Articles of Association. It meets at least once a year, within six months of the end of each financial year, to approve the financial statements for that year. On first call, the Meeting may only validly deliberate if the shareholders present, represented or voting remotely hold at least one-fifth of the shares carrying voting rights. On second call, no quorum is required. Resolutions at Ordinary General Meetings are adopted by a majority of the votes cast by the shareholders present, represented or voting remotely.

Extraordinary General Meeting

Only an Extraordinary General Meeting is authorised to amend the provisions of the Articles of Association. On first call, the Meeting may only validly deliberate if the shareholders present, represented or voting remotely hold at least one-quarter of the shares carrying voting rights, and on second call, one-fifth of the shares carrying voting rights. Resolutions at Extraordinary General Meetings are adopted by a two-thirds majority of the votes cast by shareholders present, represented or voting remotely.

Shareholders' rights

Inclusion of items or draft resolutions on the agenda

Requests for items or draft resolutions to be included on the agenda must be sent to 2 rue Kellermann, 59100 Roubaix, France (OVH Groupe, Legal Department) by registered letter with acknowledgement of receipt or by electronic telecommunication to the following address: vu.corporate-legal@interne.ovh.net, no later than 25 days before the Meeting, and no later than 20 days after the date of the notice of meeting published in the French legal gazette (*Bulletin des annonces légales et obligatoires*).

Any request to include an item on the agenda must state the reason for the request. Any request to include a draft resolution must be accompanied by the text of the draft resolution, which may be supplemented by a brief explanatory statement. Any shareholders making such requests must prove that their shares (i) are registered in a registered share account or in a bearer share account held by an authorised intermediary and (ii) represent the percentage of share capital required under the regulations. The review of any item or draft resolution submitted in accordance with the regulatory conditions is subject to the submission, by the persons making the request, of a new certificate proving that the shares are registered in the same accounts on D-2.

Written questions

In accordance with Article R. 225-84 of the French Commercial Code, any shareholder wishing to submit written questions must send them to the Chairman of the Board of Directors at 2 rue Kellermann, 59100 Roubaix, France (OVH Groupe, Legal Department) by registered letter with acknowledgement of receipt, no later than four business days before the Meeting. In order to be taken into account, the questions must be accompanied by a share ownership certificate. Answers to written questions may be published directly on the Company's website at the following address:

https://corporate.ovhcloud.com/en-gb/investor-relations/, under Annual General Meeting.

Documents made available to shareholders

The documents and information relating to General Meetings are made available to shareholders in accordance with the applicable laws and regulations. In particular, the information referred to in Article R. 22-10-23 of the French Commercial Code is published on the Company's website at the following address:

https://corporate.ovhcloud.com/en-gb/investor-relations/, under Annual General Meeting, no later than 21 days before the Meeting.

7.1.4 Identification of shareholders

Fully paid-up shares may be held in registered or bearer form, at the shareholder's discretion, subject to the applicable laws and regulations and the Company's Articles of Association. They must be held in registered form until they are fully paid up.

The Company's shares are registered in accordance with the terms and conditions set out in the applicable laws and regulations. However, owners of Company shares who do not reside in France, within the meaning of Article 102 of the French Civil Code (*Code civil*), may register their shares with any intermediary on their behalf, in accordance with the provisions of Article L. 228-1 of the French Commercial Code.

Pursuant to the Articles of Association, the Company may also take the necessary measures to identify any holder of securities conferring immediate or future voting rights at its General Meetings, in accordance with the procedure set out in Articles L. 228-2 *et seq*. of the French Commercial Code. In accordance with the foregoing provisions, the Company examines its shareholder base four times a year on average.

Failure by shareholders or intermediaries to comply with their obligations to provide information under Articles L. 228-2 *et seq*. of the French Commercial Code may result in the temporary suspension of voting rights or even of the right to payment of dividends attached to the shares, in accordance with the law.

7.1.5 Threshold crossings

In addition to the thresholds provided for by the applicable laws and regulations, any natural person or legal entity, acting alone or in concert, who acquires or ceases to hold, directly or indirectly, a fraction equal to or greater than one percent (1%) of the Company's share capital or voting rights or any multiple of such percentage, including beyond the reporting thresholds provided for by the laws and regulations and up to 50% of the share capital or voting rights, must inform the Company of the total number of shares and voting rights they possess as well as any securities giving access to the share capital and voting rights potentially attached thereto, by registered letter with return receipt requested sent to the Company's management at the registered office no later than the close of the fourth trading day following the day on which the threshold is crossed.

The thresholds referred to above shall be determined also taking into account indirectly held shares or voting rights and shares or voting rights conferring the same rights as the shares or voting rights held, as defined in Articles L. 233-7 *et seq*. of the French Commercial Code.

In the event of non-compliance with the above provisions, the penalties provided for by law for failure to comply with the obligation to disclose the crossing of legal thresholds shall apply to the thresholds set forth in the Articles of Association only upon the request (recorded in the minutes of the General Shareholders' Meeting) of one or more shareholders holding at least five percent (5%) of the Company's share capital or voting rights.

The Company reserves the right to inform the public and the shareholders either of the information provided to it or the non-compliance by any person with the obligation set forth above.

7.1.6 Amendments to the Articles of Association, share capital and rights attached to shares

Any amendments to the Articles of Association, the share capital or the voting rights attached to the shares comprising the share capital are subject to the applicable legal provisions, as the Articles of Association do not contain any specific provisions in this respect.

The Company's Articles of Association can be consulted (in French only) on the Company's website:
https://corporate.ovhcloud.com/fr/investor-relations/regulated-information/ under *Statuts juridiques* (Articles of Association).

7.1.7 Main provisions of the Articles of Association and the internal regulations of the Board of Directors and the Company's management

a) Provisions relating to the Board of Directors (Articles 13, 14, 15 and 16 of the Articles of Association)

Composition

The Company is governed by a Board of Directors composed of at least three and no more than eighteen members elected by the Ordinary General Meeting pursuant to and subject to the exceptions provided for by law.

The Board of Directors shall ensure that at least one third of its members, at least two thirds of the Audit Committee members and more than half of the Appointments, Compensation and Governance Committee members are independent.

Appointment

During the Company's existence, directors shall be appointed, re-appointed or removed from office under the conditions laid down by applicable laws and regulations and by the Articles of Association.

Each member of the Board of Directors must hold at least 1,000 shares throughout his/her term of office and in any event within six (6) months of his/her appointment.

Directors are appointed for a maximum four-year term.

Directors representing employees

The Board of Directors also includes one director representing employees when the number of members of the Board of Directors, calculated in accordance with Article L. 225-27-1, II of the French Commercial Code (*Code de commerce*), is less than or equal to eight, or two directors representing employees when it exceeds eight. The number of members of the Board of Directors to be taken into account to determine the number of directors representing employees is assessed on the date of appointment of the said director(s).

The director(s) representing employees are appointed by the Company's Social and Economic Committee or, when the Company belongs to an economic and social unit, by the common Social and Economic Committee of the economic and social unit to which the Company belongs, under the conditions provided for by Articles L. 225-27-1 *et seq*. of the French Commercial Code and by this Article. In accordance with Article L. 225-27-1, II of the French Commercial Code, where the Social and Economic Committee appoints two directors representing employees, it must appoint a woman and a man.

The term of office of directors representing employees is four years from the date of their appointment and is renewable without limitation.

Subject to the provisions of this Article and the laws and regulations in force, the directors representing employees have the same status, the same rights and the same responsibilities as the other directors, with the exception of the obligation to hold one thousand (1,000) Company shares.

Chairperson of the Board of Directors

The Board of Directors elects a Chairperson from among the members who are natural persons. The Chairperson may not be older than 70.

The Chairperson shall be appointed for a term that cannot exceed that of his or her term of office as director. He/she may be re-appointed indefinitely, subject to the application of the age limit provision above. The Chairperson may be removed from office by the Board of Directors at any time.

The Board of Directors shall determine the amount, method of calculation and payment of the Chairperson's compensation.

The Chairperson organises and manages the work of the Board of Directors, and reports on such work to the General Meeting. He/she oversees the proper functioning of the Company's governing bodies and ensures, in particular, that the directors are able to carry out their duties.

Non-voting members

The Board of Directors may appoint one or more non-voting members.

Non-voting members may be natural or legal persons. The term of office of non-voting members is determined by the Board of Directors in the decision appointing them. The duties of non-voting members, as well as any compensation, shall be decided by the Board of Directors. The Board of Directors may entrust specific tasks to non-voting members. Non-voting members shall be eligible for re-appointment indefinitely. They shall be invited as observers to meetings of the Board of Directors and shall participate in discussions in an advisory capacity.

Powers of the Board of Directors

The Board of Directors shall perform the duties and exercise the powers conferred on it by law, by the Company's Articles of Association and by the internal regulations of the Board of Directors. The Board of Directors shall determine and monitor the implementation of the Company's overall business strategy. It shall examine any and all matters pertaining to the efficient operation of the Company and make decisions about any and all issues concerning the Company, within the limits of the Company's corporate purpose and except for those issues which, by law, can only be decided upon by shareholders at a General Meeting. The Board of Directors shall perform any inspections and audits it deems necessary.

Compensation of members of the Board of Directors

The General Shareholders' Meeting may allocate a fixed annual amount of compensation to the directors, which it shall determine for the current period and/or subsequent periods until a new decision replaces it. The Board of Directors may freely distribute such compensation among its members.

It may also allocate exceptional compensation, subject to the approval of the Ordinary General Shareholders' Meeting, for specific assignments or mandates given to directors (in addition to compensation for participating in specialised Board committees).

b) Chief Executive Officer (Article 17 of the Articles of Association)

Method of management

The Company is managed under the responsibility of the Chairman of the Board of Directors, or another natural person, appointed by the Board from among its members or from outside the Board, who holds the title of Chief Executive Officer.

The Board of Directors may choose between these two methods of management at any time and at least whenever the term of office of the Chief Executive Officer or the Chairman expires when the Chairman is also responsible for the management of the Company.

Shareholders and third parties shall be informed of this choice under the conditions required by the applicable regulations.

When the Company is managed by the Chairman of the Board of Directors, the following provisions concerning the Chief Executive Officer shall apply to the Chairman. In this case, he holds the title of Chairman and Chief Executive Officer.

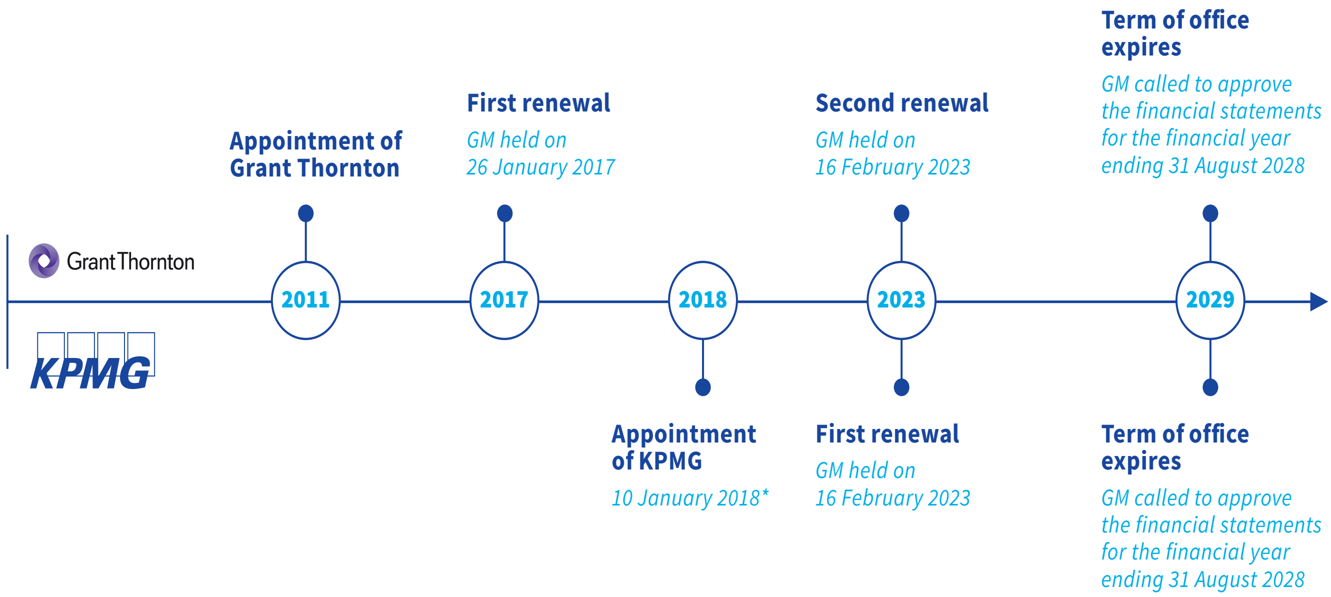
Powers of the Chief Executive Officer

The Chief Executive Officer is vested with the broadest powers to act in all circumstances in the name of the Company. He/she shall exercise those powers within the limits of the corporate purpose and subject to the powers attributed expressly to General Meetings and to the Board of Directors by law and subject to the limitations provided for in the internal regulations of the Board of Directors.

He or she represents the Company in its relations with third parties. The Company is committed by the acts of the Chief Executive Officer which do not fall within the corporate purpose, unless it proves that the third party knew that the act exceeded this purpose or that the third party could not have been unaware of this fact given the circumstances; simple publication of the Articles of Association is not sufficient to establish such proof.

Decisions of the Board of Directors limiting the powers of the Chief Executive Officer are not enforceable against third parties.

7.2 INFORMATION CONCERNING THE STATUTORY AUDITORS



* *Appointment for the remainder of the term of office of the previous incumbent Statutory Auditor, who resigned, i.e., until the GM called to approve the financial statements for the year ended 31 August 2022.*

7.2.1 Principal Statutory Auditors

Grant Thornton

Represented by Pascal Leclerc and Vincent Papazian

29 rue du Pont

92200 Neuilly-sur-Seine

France

Grant Thornton is a member of *Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre* (the Regional Association of Auditors of Versailles and Centre).

Appointed Statutory Auditor by decision of the General Meeting of 26 January 2017, and reappointed by decision of the General Meeting of 16 February 2023, for a period of six financial years, i.e., until the Ordinary General Meeting called to approve the financial statements for the financial year ended 31 August 2028.

KPMG

Represented by Jacques Pierre and Stéphanie Ortega

2 avenue Gambetta

Tour Eqho

92066 Paris La Défense Cedex

France

KPMG is a member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre* (the Regional Association of Auditors of Versailles and Centre).

Appointed Statutory Auditor by decision of the General Meeting of 10 January 2018, and reappointed by decision of the General Meeting of 16 February 2023, for a period of six financial years, i.e., until the Ordinary General Meeting called to approve the financial statements for the financial year ended 31 August 2028.

7.3 DOCUMENTS AVAILABLE TO THE PUBLIC

The Company's Articles of Association, minutes of General Meetings and other statutory documents, as well as any valuation or statement made by an independent expert at the Company's request which must be made available to shareholders in accordance with applicable regulations, may be consulted at the Company's registered office.

Regulated information, within the meaning of the provisions of the AMF's General Regulations, is also available on the Company's website:
https://corporate.ovhcloud.com/en/investor-relations/regulated-information/

7.4 PERSONS RESPONSIBLE /AFR/

7.4.1 Persons responsible for the Universal Registration Document and the annual financial report

Michel Paulin, Chief Executive Officer of the Company

7.4.2 Statement by the persons responsible for the Universal Registration Document

"I certify that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and of all the companies included in the scope of consolidation, and that the management report, comprising the items referred to in the cross-reference table in Chapter 8 of this Universal Registration Document, presents a true and fair view of the development of the business, results and financial position of the Company and all the companies included in the scope of consolidation and describes the main risks and uncertainties with which they are faced."

20 November 2023

Michel Paulin, Chief Executive Officer of the Company

7.5 THIRD-PARTY INFORMATION

This Universal Registration Document contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets. Unless otherwise indicated, this information is based on the Company's analysis of multiple sources, including market research conducted by Bain & Company, Inc. ("Bain") at the request of the Company and information obtained from International Data Corporation (IDC) and Forrester Research, Inc. IDC MarketScape's vendor assessment model is designed to provide an overview of the competitive fitness of ICT (information and communications technology) suppliers in a given market. The research methodology uses a rigorous scoring methodology based on both qualitative and quantitative criteria that results in a single graphical illustration of each supplier's position within a given market. IDC MarketScape provides a clear framework in which the product and service offerings, capabilities and strategies, and current and future market success factors of IT and telecommunications vendors can be meaningfully compared. The framework also provides technology buyers with a 360-degree assessment of the strengths and weaknesses of current and prospective suppliers. To the best of the Company's knowledge, information extracted from third-party sources has been faithfully reproduced in this Universal Registration Document and no fact has been omitted that would make this information inaccurate or misleading. However, the Company cannot guarantee that a third party using different methods to collect, analyse or calculate data on these markets would obtain the same results.


OVHcloud

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APPENDIX

GLOSSARY

Adjusted EBITDA	recurring EBITDA restated to exclude share-based compensation expenses. In the future, the Group intends to exclude expenses resulting from the payment of earn-outs from its adjusted EBITDA.
Bare Metal Cloud	a high-performance Private Cloud solution with fully automated access to dedicated servers where the customer operates and manages all software layers.
Cloud	a technology for the remote use of execution and storage resources.
Cloud computing	providing on-demand, fully automated access, via the internet, to computing, storage and networking resources.
Containerisation	the encapsulation of software code and its dependencies in a virtual container to improve response time and performance of cloud solutions.
CPU (central processing unit)	the component of a server that runs computer programs.
Datacenter	a physical site where the infrastructure made available to customers by OVHcloud as part of its services are located.
DCaaS (Datacenter-as-a-Service)	a hosting service whereby the datacenter's physical infrastructure and equipment are provided to customers.
GPU (graphics processing unit)	the IT component dedicated to the processing of graphic information.
Growth capex	all capital expenditures other than recurring capex.
Hosted Private Cloud	a Private Cloud solution providing customers with fully automated dedicated servers, with platforms such as the operating system and virtualisation stack selected and managed by OVHcloud.
Hybrid cloud	a solution that combines the Public and Private Clouds with on-premises resources in a multiple deployment model within a single organisation.
Hyperconvergence	a tendency to locate processing power and storage solutions in the same unit, separating them through virtualisation rather than physical separation.
Hyperscalers	the largest US-based cloud service providers: Amazon Web Services, Google Cloud Platform and Microsoft Azure.
IaaS (Infrastructure-as-a-Service)	the service whereby a cloud service provider gives customers access to an IT infrastructure (servers, backup, storage, etc.) that they can use or configure remotely to compose their own environment.
KKR	Kohlberg Kravis Roberts & Co. L.P. and/or one or more of its affiliates, including investment funds and other entities managed or directed by Kohlberg Kravis Roberts & Co. L.P. and/or one or more of its affiliates, depending on the context.
KKR shareholder	refers to Spiral Holdings SCA.
Leverage ratio	net debt divided by adjusted EBITDA.
Multi-cloud	a solution involving the use of computing and storage services from multiple vendors.
Network device (edge computing)	a form of computer optimisation aimed at bringing data processing closer to the source of the data.
Open source	software that has an open source code that can be modified and reused.
Open trusted cloud	a label created by OVHcloud for providers of software applications and of PaaS and SaaS solutions, certifying that the solutions used are open and compliant with European standards and can be hosted by OVHcloud.
Operational free cash flow less recurring capex	adjusted EBITDA plus the change in working capital requirement, less recurring capex, after adding back the amortisation of lease costs in accordance with IFRS 16.
PaaS (Platform-as-a-Service)	a service whereby a cloud service provider gives customers access to an infrastructure (servers, backup, storage, etc.) as well as tools called "middleware" (database, web server, etc.).

Private Cloud	a server provided to a single customer whereby the service provider distributes the server's capacity among groups of users authorised by the customer.
Public Cloud	a server provided to several customers by a service provider; the server is shared between these customers.
PUE (power usage effectiveness)	a sustainability indicator that measures the energy efficiency of a datacenter.
Recurring capex	the capital expenditure (excluding business acquisitions) needed to produce new servers to replace the revenue generated by servers that were downgraded or taken offline during the period, calculated on the basis of the average revenue per server taken offline and the average revenue from new servers assembled during the period.
Recurring EBITDA	equal to revenue less the sum of personnel and other operating expenses (and excluding depreciation and amortisation charges, as well as items that are classified as "other non-recurring operating income and expenses").
Return on growth capex	calculated by dividing the difference between free operating cash flow less recurring capex for the current year and the previous year, by growth capex of the previous year.
SaaS (Software-as-a-Service)	a service whereby a cloud service provider gives customers remote access to the tools that it hosts (software, applications, etc.) and associated services (hosting, maintenance, etc.).
Source code	a set of instructions written in a computer programming language to produce a computer program.
Trusted Zone Sovereign solution	a solution launched by OVHcloud to meet the highest security standards of public service and essential service operators.
Virtual private servers	the memory and processor loads of the virtual subsection of a hosting server that are shared with other independent virtual private servers.
Virtualisation	a mechanism that consists of running multiple systems, virtual servers or applications on a single physical server.
Web Cloud	web hosting and domain registration solutions.
White label	hosting services provided to resellers and partners who market the Company's solutions to their own customers under their own brand.
WUE (water usage effectiveness)	a sustainability indicator that measures the amount of water used by datacenters for cooling purposes.

CROSS-REFERENCE TABLES

Cross-reference table for the management report in accordance with Articles L. 225-100 *et seq.* of the French Commercial Code

To facilitate the reading of this Universal Registration Document, the cross-reference table below identifies the information relating to the annual Board of Directors' management report to be presented to the General Shareholders' Meeting called to approve the financial statements for the past financial year, in accordance with Articles L. 225-100 *et seq*. of the French Commercial Code.

No.	Items required	Chapter/Section of the Universal Registration Document
1.	**Group situation and business**	
	1.1. Situation of the Company during the past financial year and objective and exhaustive analysis of the evolution of the business, the results and the financial position of the Company and the Group, in particular its debt position, with regard to business volume and complexity	Chapter 5 Section 5.1
	1.2. Key financial performance indicators	Chapter 5 Section 5.1
	1.3. Key non-financial performance indicators relating to the Company's specific activity, in particular information relating to staff environment issues	Chapter 3 - Summary of performance indicators
	1.4. Significant events occurring between the reporting date and the date on which the management report was prepared	Chapter 5 Section 5.2 Note 2
	1.5. Identity of the main shareholders and holders of voting rights at General Meetings, and changes during the financial year	Chapter 6 Section 6.1
	1.6. Existing branches	Chapter 1 Section 1.7
	1.7. Significant equity investments in companies with their registered office in France	N/A
	1.8. Disposals of cross-shareholdings	N/A
	1.9. Foreseeable changes in the situation of the Company and the Group and future outlook	Chapter 5 Section 5.1
	1.10. Research and development activities	Chapter 5 Section 5.1
	1.11. Five-year financial summary	Chapter 5 Section 5.4
	1.12. Information on supplier and customer payment terms	Chapter 5 Section 5.4
	1.13. Amount of inter-company loans granted and Statutory Auditors' statement	Chapter 5 Section 5.4
2.	**Internal control and risk management**	
	2.1. Description of the main risks and uncertainties facing the Company	Chapter 2 Section 2.1
	2.2. Information on the financial risks related to the effects of climate change and presentation of the measures taken by the Company to reduce them by implementing a low-carbon strategy in all aspects of its activity	Chapter 2 Section 2.1
	2.3. Main characteristics of the internal control and risk management procedures implemented by the Company and the Group relating to the preparation and processing of financial and accounting information	Chapter 2 Section 2.3
	2.4. Information on the objectives and policy concerning the hedging of each main category of transactions and on the exposure to price, credit, liquidity and cash flow risks, including the use of financial instruments	Chapter 2 Section 2.1 Chapter 5 Section 5.2 Note 4.20
	2.5. Anti-corruption mechanism	Chapter 2 Section 2.3
	2.6. Duty of care plan and report on its effective implementation	N/A

No.	Items required	Chapter/Section of the Universal Registration Document
3.	**Corporate governance report**	
	Governance (Articles 22-10-10 and L. 227-37-4 of the French Commercial Code)	
	List of all offices and functions exercised in any company by each of the corporate officers during the financial year	Chapter 4 Section 4.1.1
	Agreements entered into between a subsidiary and a corporate officer or a shareholder holding over 10% of voting rights	Chapter 4 Section 4.3
	Table summarising the current delegations of authority granted to increase the share capital	Chapter 6 Section 6.5.1
	Choice of senior management procedures	Chapter 4 Section 4.1.10
	Composition, conditions of preparation and organisation of the Board of Directors' work	Chapter 4 Sections 4.1.1; 4.1.6
	Diversity policy applied to the members of the Board of Directors and the Executive Committee and results in terms of diversity in the 10% of positions with the greatest responsibility within the Company	Chapter 3 Section 3.3.1
	Limits on the powers of the Chief Executive Officer	Chapter 7 Section 7.2.1 b)
	Provisions of the Corporate Governance Code that have been waived and the place where this code may be consulted	Chapter 4
	Specific procedures for shareholder participation in General Meetings	Chapter 7 Section 7.2
	Description of the procedure for related-party agreements and related-party and routine commitments put in place by the Company and its implementation	Chapter 4 Section 4.3
	Executive compensation (Articles L. 22-10-8, L. 22-10-9, L. 225-185 and L. 225-197-1 of the French Commercial Code)	
	Presentation of the compensation policy for corporate officers to be submitted to the General Meeting as part of the *ex-ante* vote	Chapter 4 Section 4.2.2
	Compensation of corporate officers paid during or awarded in respect of the period ended	Chapter 4 Section 4.2.2
	Relative proportion of fixed and variable compensation	Chapter 4 Section 4.2.2
	Use of the option to request the return of compensation paid	N/A
	Commitments made to corporate officers for taking up office, termination of office or a change of duties	Chapter 4 Section 4.2
	Compensation paid or awarded by a consolidated company	Chapter 4 Section 4.2.2
	Pay ratios between the compensation of Company executives and the average compensation of employees	Chapter 4 Section 4.2.2
	Annual changes in compensation, the Company's performance, the average compensation of the Company's employees and the aforementioned ratios over the five most recent financial years for comparison	Chapter 4 Section 4.2.2
	Explanation as to how the total compensation complies with the adopted compensation policy, including how it contributes to the Company's long-term performance and how the performance criteria have been applied	Chapter 4 Section 4.2.2
	Method by which the vote of the last Ordinary General Meeting provided for in paragraph I of Article L. 22-10-34 of the French Commercial Code was taken into account	Chapter 4 Section 4.2.2
	Any differences between the compensation policy and any waivers applied in accordance with paragraph III of Article L. 22-10-8, including an explanation of the exceptional circumstances and an indication of the specific components waived	N/A
	Implementation of the legal provisions regarding the suspension of payment of directors' compensation, if applicable	N/A

No.	Items required	Chapter/Section of the Universal Registration Document
	Stock options awarded to corporate officers and holding requirement	Chapter 4 Section 4.2.3
	Free shares awarded to executive corporate officers and holding requirement	Chapter 4 Section 4.2.3
	Factors likely to have an impact in the event of a public tender offer (Article L. 22-10-11 of the French Commercial Code)	
	Company shareholding structure	Chapter 6 Section 6.1.1
	Statutory restrictions on the exercise of voting rights and share transfers	Chapter 1 Section 1.7
	Direct or indirect interests in the Company's share capital	Chapter 6 Section 6.1.1
	List of holders of any securities with special control rights	N/A
	Control mechanisms provided for in an employee shareholding system	Chapter 6 Section 6.1.4
	Agreements between shareholders which may result in restrictions on the transfer of shares and the exercise of voting rights	Chapter 6 Section 6.1.2
	Rules applicable to the appointment and replacement of members of the Board of Directors and to the amendment of the Company's Articles of Association	Chapter 7 Sections 7.2.1; 7.2.2
	Powers of the Board of Directors (specifically with regard to the issue or buyback of shares)	Chapter 4 Section 4.1.6
	Agreements entered into by the Company which are amended or terminated in the event of a change of control of the Company, unless such disclosure, other than in the case of a legal obligation to disclose, would seriously harm its interests	N/A
	Agreements providing for compensation for members of the Board of Directors or employees, if they resign or are dismissed without real and serious cause or if their employment is terminated due to a takeover bid or exchange offer	N/A
4.	**Shareholding and capital**	
	4.1. Structure, changes in the Company's share capital and threshold crossing	Chapter 6 Section 6.1
	4.2. Acquisition and disposal by the Company of its own shares	Chapter 6 Section 6.5
	4.3. Statement of employee shareholding on the last day of the financial year (proportion of share capital represented)	Chapter 6 Section 6.1
	4.4. Statement of any adjustments for securities giving access to the share capital in the event of share buybacks or financial transactions	N/A
	4.5. Information on transactions carried out by executives and related persons in the Company's shares	Chapter 4 Section 4.1
	4.6. Amounts of dividends distributed in respect of the three previous periods	Chapter 6 Section 6.3
5.	**Non-financial performance statement (NFPS)**	Chapter 3
6.	**Other information**	
	6.1. Additional tax information (Articles 223 *quater* and 223 *quinquies* of the French General Tax Code)	Chapter 5 Section 5.4
	6.2. Injunctions or financial penalties for anti-competitive practices (Article L. 464-2 of the French Commercial Code)	N/A

Cross-reference table for the annual financial report in accordance with Articles L. 451-1-2 of the French Financial and Monetary Code and 222-3 of the General Regulations of the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF)

This Universal Registration Document also constitutes the Company's annual financial report. In order to facilitate the reading of this Universal Registration Document, the cross-reference table below identifies, in this Universal Registration Document, the information that constitutes the annual financial report to be published by listed companies in accordance with the Articles L. 451-1-2 of the French Financial and Monetary Code and Article 222-3 of the AMF General Regulations.

No.	Items required	Chapter/Section of the Universal Registration Document
1.	Annual financial statements of the Company	Chapter 5 Section 5.3
2.	Consolidated financial statements	Chapter 5 Section 5.2
3.	Management report	See cross-reference table above
4.	Statement by the persons responsible for the annual financial report	Chapter 7 Section 7.5
5.	Statutory Auditors' reports on the parent company and consolidated financial statements	Chapter 5 Sections 5.2 and 5.3

Cross-reference table for the Universal Registration Document

Included by reference

Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, the Group's consolidated financial statements for the financial years ended 31 August 2021, 31 August 2020 and 31 August 2019 and the corresponding Statutory Auditors' report, included in Chapter 18 of the Registration Document approved by the AMF on 17 September 2021 under no. I. 21-052, are included by reference in this Universal Registration Document.

Cross-reference table

Information required by Annexes 1 and 2 of Delegated Regulation (EC) no. 2019/980 of 14 March 2019 in accordance with the Universal Registration Document.

No.	Item heading	Chapter/Section(s)
1.	**Persons responsible**	
	1.1 Persons responsible for the information contained in the document	Chapter 7 Section 7.5.1
	1.2 Statement by the persons responsible for the document	Chapter 7 Section 7.5.2
	1.3 Statement or report attributed to a person acting as an expert	Chapter 5 Sections 5.2.2 and 5.3.2
	1.4 Information from third parties, experts' reports and declarations of interests	Chapter 7 Section 7.6
	1.5 Issuer's statement	Chapter 7 Section 7.5.1
2.	**Statutory Auditors**	
	2.1 Name and address of the issuer's Statutory Auditors	Chapter 7 Section 7.3
	2.2 Statutory Auditors who resigned or were dismissed during the reporting period	N/A
3.	**Risk factors**	**Chapter 2**
4.	**Information about the issuer**	
	4.1 Legal and commercial name	Chapter 7 Section 7.1.1
	4.2 Place of registration, registration number and legal entity identifier (LEI)	Chapter 7 Section 7.1.2
	4.3 Date of incorporation and term	Chapter 7 Section 7.1.3
	4.4 Registered office, legal form of the issuer, legislation governing its activities, country of origin, address, telephone number and website	Chapter 7 Section 7.1.4
5.	**Business overview**	
	5.1 Principal activities	Chapter 1 Section 1.3
	5.1.1 Nature of the issuer's transactions and its main activities	Chapter 1 Section 1.3.1
	5.1.2 Significant new product or service launched on the market	Chapter 1 Section 1.3.1.2
	5.2. Principal markets	Chapter 1 Section 1.2
	5.3 Significant events in the development of the issuer's business	N/A
	5.4 Strategy and objectives	Chapter 1 Section 1.4
	5.5 Degree of dependence of the issuer on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	Chapter 1 Section 1.5.6
	5.6 Information on which the issuer's competitive position is based	Chapter 1 Section 1.2.3
	5.7 Investments	Chapter 5 Section 5.1.2
	5.7.1 Main investments made by the issuer during each financial year of the period covered by the historical financial information	Chapter 5 Section 5.1.2

No.	Item heading	Chapter/Section(s)
	5.7.2 Main investments in progress by the issuer	N/A
	5.7.3 Information relating to joint ventures and undertakings in which the issuer holds a share of the capital likely to have a significant impact on the valuation of its assets and liabilities, its financial position or its results	N/A
	5.7.4 Describe any environmental issues that may influence the issuer's use of its property, plant and equipment	N/A
6.	**Organisational structure**	
	6.1 Description of the Group and the issuer's position	Chapter 1 Section 1.7.1
	6.2 List of the issuer's significant subsidiaries	Chapter 1 Section 1.7.2
7.	**Operating and financial review**	
	7.1 Financial position of the issuer, changes in this financial position and results of transactions carried out during each financial year and interim period for which historical financial information is required	Chapter 5 Section 5.1
	7.1.1 Description of changes in the issuer's activities and results	Chapter 5 Section 5.1
	7.1.2 Probable future development of the issuer's activities and research and development activities	N/A
	7.2 Operating income	Chapter 5 Section 5.1.1
	7.2.1 Significant factors, including unusual or infrequent events or new developments, that materially affect or could materially affect the issuer's operating income	N/A
	Significant changes in net revenue or net income and reasons for these changes	Chapter 5 Section 5.1.1
8.	**Capital resources**	
	8.1 Information on the issuer's capital (short-term and long-term)	Chapter 5 Section 5.1.2
	8.2 Sources and amounts of the issuer's cash flows	Chapter 5 Section 5.1.2
	8.3 Information on the issuer's funding requirements and funding structure	Chapter 5 Section 5.1.2
	8.4 Information on any restrictions on the use of capital	Chapter 5 Section 5.1.2
	8.5 Information on expected sources of funding	Chapter 5 Section 5.1.2
9.	**Regulatory environment**	
	9.1 Description of the regulatory environment in which the issuer operates and which may have a significant influence on its activities and indication of any measure or any factor of an administrative, economic, budgetary, monetary or political nature that has materially affected, or could materially affect, directly or indirectly, the issuer's activities	Chapter 1 Section 1.6
10.	**Trend information**	
	Main recent trends affecting production, sales and inventories as well as costs and selling prices between the end of the last financial year and the date of the registration document	Chapter 5 Section 5.1.1
	10.1 Any significant change in the Group's financial performance between the end of the last financial year for which financial information has been published and the date of the registration document, or provide an appropriate negative statement	Chapter 5 Section 5.1.1
	10.2 Trends, uncertainties, constraints, commitments or events of which the issuer is aware and which is reasonably likely to have a material impact on the issuer's outlook, at least for the current financial year	Chapter 5 Section 5.1.1

No.	Item heading	Chapter/Section(s)
11.	**Profit forecasts or estimates**	**Chapter 5 Section 5.1.1**
12.	**Administrative, management and supervisory bodies and senior management**	
	12.1 Information on activities, absence of convictions and corporate offices: • members of the administrative, management or supervisory bodies; and • any Chief Executive Officer whose name can be mentioned to prove that the issuing Company has the appropriate expertise and experience to conduct its own affairs	Chapter 4 Section 4.1.9
	12.2 Conflicts of interest at the level of the administrative, management and supervisory bodies and senior management	Chapter 4 Section 4.1.9
	Arrangement or agreement entered into with the main shareholders, customers, suppliers or others, pursuant to which any of the persons referred to in point 12.1 has been selected as a member of an administrative, management or supervisory body or as a member of senior management	Chapter 6 Section 6.1.2
	Detail of any restrictions accepted by the persons referred to in point 12.1 concerning the sale, within a certain period of time, of the securities of the issuer that they hold	N/A
13.	**Compensation and benefits of the persons referred to in point 14.1**	
	13.1 Amount of compensation paid and benefits in kind granted by the issuer and its subsidiaries	Chapter 4 Section 4.2.2
	13.2 Total amount set aside or accrued by the issuer or its subsidiaries to provide for pensions, retirement or similar benefits	Chapter 4 Section 4.2.4
14.	**Board practices**	
	14.1 Date of expiry of the current term of office of members of the administrative, management or supervisory bodies	Chapter 4 Section 4.1.1
	14.2 Information on service contracts binding members of the administrative bodies	Chapter 4 Section 4.1.9
	14.3 Information on the issuer's Audit Committee and Compensation Committee	Chapter 4 Section 4.1.7
	14.4 Statement indicating whether the issuer complies with the corporate governance regime in force	Chapter 4 Section 4.1
	14.5 Potential material impacts on corporate governance, including future changes to the composition of the Board of Directors and committees (insofar as this has already been decided)	N/A
15.	**Employees**	
	15.1 Number of employees at the end of the period covered by the historical financial information or average number during each financial year of that period and breakdown of employees	N/A
	15.2 Equity investments and stock options	Chapter 4 Section 4.2.3
	For each of the persons referred to in point 12.1, information concerning the shareholding he/she holds in the issuer's share capital and any existing options on its shares	Chapter 4 Section 4.2.3
	15.3 Agreement providing for employee shareholding in the issuer's share capital	Chapter 6 Section 6.1.4
16.	**Major shareholders**	
	16.1 Name of any person who is not a member of an administrative, management or supervisory body holding, directly or indirectly, a percentage of the share capital or voting rights of the issuer that must be notified under applicable national law	Chapter 6 Section 6.1.1
	16.2 Existence of differences in voting rights	Chapter 6 Section 6.1.1

No.	Item heading	Chapter/Section(s)
	16.3 Ownership or control of the issuer and measures taken to avoid abusive exercise of this control	N/A
	16.4 Agreements whose implementation could result in a change of control	Chapter 6 Section 6.1.2
	16.5 Public tender offer for the Company's share capital during the last and current financial years	N/A
	16.6 Shareholder agreement	Chapter 6 Section 6.1.2
17.	**Related-party transactions**	**Chapter 4 Section 4.3**
18.	**Financial information**	
	18.1 Historical financial information	Chapter 5 Section 5.2
	18.1.1 Audited historical financial information over the last three years and audit report on each year	Chapter 8
	18.1.2 Change of accounting reference date	N/A
	18.1.3 Accounting standards	Chapter 5 Section 5.1.1
	18.1.4 Change in accounting framework	N/A
	18.1.5 National accounting standards	N/A
	18.1.6 Consolidated financial statements	Chapter 5 Section 5.2
	18.1.7 Date of latest financial information	Chapter 5 Section 5.5
	18.2 Interim and other financial information	N/A
	18.3 Audit of historical annual financial information	
	18.3.1 Statement certifying that the historical financial information has been audited	Chapter 5 Sections 5.2.2; 5.3.2
	18.3.2 Other information contained in the registration document verified by the Statutory Auditors	Chapter 3 Section 3.4 Chapter 4 Section 4.3
	18.3.3 Where financial information in the registration document is not taken from the issuer's audited financial statements, indicate the source and specify that it has not been audited	N/A
	18.4 Pro forma financial information	N/A
	18.5 Dividend policy	Chapter 6 Section 6.3
	18.6 Legal and arbitration proceedings	Chapter 2 Section 2.1.2.2 and Chapter 5 Note 4.21
	18.7 Significant change in financial position since the end of the last financial year	N/A
19.	**Share capital and Articles of Association**	
	19.1 Share capital	Chapter 6 Section 6.5
	19.1.1 Amount of issued capital, total authorised share capital, number of shares issued, par value per share and reconciliation of the number of shares outstanding at the opening and reporting date of the financial year	Chapter 5 Section 5.2 Note 4.16
	19.1.2 Shares not representing capital	Chapter 6 Section 6.1
	19.1.3 Number, carrying amount and nominal value of shares held by the issuer or its subsidiaries	N/A

No.	Item heading	Chapter/Section(s)
	19.1.4 Convertible securities, exchangeable securities or securities with warrants	N/A
	19.1.5 Information on the conditions governing any acquisition right or any obligation attached or authorised but unissued capital, or on any undertaking to increase the share capital	N/A
	19.1.6 Information on the share capital of any member of the Group that is the subject of an option or an agreement to place it under option	N/A
	19.1.7 History of share capital for the period covered by the historical financial information	N/A
	19.2 Constitutive documents and Articles of Association	Chapter 7 Section 7.2
	19.2.1 Corporate purpose	Chapter 7 Section 7.2.1
	19.2.2 Rights, privileges and restrictions attached to each class of existing shares	Chapter 7 Section 7.2.3
	19.2.3 Provisions of the Articles of Association, a charter or regulations of the issuer that would have the effect of delaying, deferring or preventing a change in its control	N/A
20.	**Material contracts**	**Chapter 5 Section 5.1.2**
21.	**Documents available**	**Chapter 7 Section 7.4**

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