



OVH Groupe

A French public limited company (*société anonyme*) with a share capital of
€189,898,056

Registered Office: 2 rue Kellermann, 59100 Roubaix, France
Trade and Companies Register of Lille Métropole: 537 407 926

UNIVERSAL REGISTRATION DOCUMENT



This universal registration document has been approved on December 16, 2021, by the AMF, as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this universal registration document after having verified that the information it contains is complete, consistent and comprehensible. This universal registration document has the following approval number: R.21-067.

Such approval should not be considered as an endorsement of the company that is the subject of this universal registration document.

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

The universal registration document is valid until December 16, 2022, and, during this period and at the latest at the same time as the securities note and under the conditions of Articles 10 and 23 of Regulation (EU) No 2017/1129, must be completed by a supplement in the event of significant new facts or substantial errors or inaccuracies.

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

Copies of this Universal Registration Document are available free of charge from OVH Groupe, 2 rue Kellerman, 59100 Roubaix, France, and on the websites of OVH Groupe (<https://corporate.ovhcloud.com/en/>) and the *Autorité des marchés financiers* (www.amf-france.org).

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GENERAL COMMENTS

OVH Groupe, a French public limited company (société anonyme), with a share capital of €189,898,056, registered at 2 rue Kellermann, 59100 Roubaix, France, under the identification number 537 407 926 (Trade and Companies Register of Lille Métropole), is referred to as the “**Company**” in this Universal Registration Document. The terms “**OVHcloud**” and the “**Group**”, as used herein, unless otherwise stated, refer to the Company, its subsidiaries and its direct and indirect equity interests.

Contents of this Universal Registration Document

This Universal Registration Document includes the annual financial report (rapport financier annuel), and the management report (rapport de gestion), which includes the corporate governance report (rapport sur le gouvernement d’entreprise).

Information on the market and competitive environment

This Universal Registration Document contains information about the Group’s markets and its competitive positions, including information on the size and growth outlook of these markets and the Group’s market share. In addition to the estimates made by the Group, the items on which the Group’s declarations are based come from studies and statistics of third party organisations (see Section 1.3 “Third-party information” in this Universal Registration Document) and from professional organisations or from data published by competitors, suppliers and customers of the Group. Some information contained in this Universal Registration Document is publicly available information that the Group believes is reliable, but which has not been verified by an independent expert. The Group cannot guarantee that a third party using different methods to collect, analyse or calculate the data on the business segments would obtain the same results. The Group makes no commitment and no guarantee as to the accuracy of this information. It is possible that this information is incorrect or is no longer up to date. The Group makes no commitment to publish updates of this information except in the context of any legal or regulatory obligation to which it is subject.

Rounding

Certain calculated data (including data expressed in thousands or millions) and percentages presented in this Universal Registration Document have been rounded. In that case it is possible that the total presented in this Universal Registration Document may present insignificant differences with the totals that would have been obtained by adding the exact values (not rounded) of these calculated data.

Forward-looking statements

This Universal Registration Document contains statements regarding the prospects and growth strategies of the Group. These statements are sometimes identified by the use of the future or conditional tense, or by the use of forward-looking terms such as “considers”, “envisages”, “believes”, “aims”, “expects”, “intends”, “should”, “anticipates”, “estimates”, “thinks”, “wishes” and “might”, or, if applicable, the negative form of such terms and similar expressions or similar terminology. Such information is not historical in nature and should not be interpreted as a guarantee of future performance. Such information is based on data, assumptions, and estimates that the Group considers reasonable. Such information is subject to change or modification based on uncertainties in the economic, financial, competitive or regulatory environments.

This information is contained in several chapters of this Registration Document and includes statements relating to the Group’s intentions, estimates and targets with respect to its markets, strategies, growth, results of operations, financial situation and liquidity. The Group’s forward-looking statements speak only as of the date of this Universal Registration Document. Absent any applicable legal or regulatory requirements, the Group expressly disclaims any obligation to release any updates to any forward-looking statements contained in this Universal Registration Document to reflect any change in its expectations or any change in events, conditions or circumstances, on which any forward-looking statement contained in this Universal Registration Document is based.

Risk factors

Investors should carefully consider the risk factors in Chapter 3 “Risk Factors” of this Universal Registration Document. The occurrence of all or any of these risks could have an adverse effect on the Group’s business, reputation, results of operation, financial condition or prospects. In accordance with article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, this Universal Registration Document presents only the main risks that impact the Group’s business, results of operations, financial position, reputation and prospects as identified by the Group following an assessment of the materiality, probability of occurrence and expected magnitude of the impact of such risks, and after taking into account measures implemented to address such risks, as applicable. Furthermore, additional risks that have not yet been identified or that are not considered material by the Group at the date of the AMF approval on this Universal Registration Document could produce adverse effect.

Websites and hyperlinks

References to any website or the content of any hyperlink contained in this Universal Registration Document do not form a part of this Universal Registration Document.

Non-IFRS Financial Measures

Certain financial information presented in this Universal Registration Document constitute non-International Financial Reporting Standards (“**IFRS**”) financial measures, which exclude certain items contained in the nearest IFRS financial measure or which include certain amounts that are not contained in the nearest IFRS financial measure. Where presented, such information is reconciled to the nearest IFRS financial measure.

Glossary

A glossary providing the definitions of the main technical terms and financial aggregates used herein appears at the end of this Universal Registration Document.

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1. PERSONS RESPONSIBLE AND THIRD-PARTY INFORMATION

1.1 Persons responsible for the Universal Registration Document and the Annual Financial Report

Michel Paulin, Chief Executive Officer of the Company

1.2 Declaration by the persons responsible for the Universal Registration Document

“I declare that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and makes no omission likely to affect its import.”

I certify that, to the best of my knowledge, the financial statements are prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and of all the companies included in the consolidation, and that the management report, comprising the items referred to in the cross-reference table in Appendix I of this Universal Registration Document, presents a true and fair view of the development of the business, results and financial position of the Company and all the companies included in the consolidation and describes the main risks and uncertainties with which they are confronted”.

December 16, 2021,

Michel Paulin, Chief Executive Officer of the Company

1.3 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, such information is based on the Company’s analysis of multiple sources, including market studies commissioned by the Company from Bain & Company, Inc. (“Bain”) and information otherwise obtained from the 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 utilizes a rigorous scoring methodology based on both qualitative and quantitative criteria that results in a single graphical illustration of each vendor’s position within a given market. IDC MarketScape provides a clear framework in which the product and service offerings, capabilities and strategies, and current and future market success factors of IT and telecommunications vendors can be meaningfully compared. The framework also provides technology buyers with a 360-degree assessment of the strengths and weaknesses of current and prospective vendors.

Such information has been accurately reproduced in this Universal Registration Document and, as far as the Company is aware and able to ascertain, no facts have been omitted which would render the reproduced information provided 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.

2. PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

2.1 Statutory auditors

Grant Thornton

Represented by Pascal Leclerc and Vincent Papazian
29 rue du Pont
92200 Neuilly-sur-Seine
France

Grant Thornton is a member of *Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre* (the Regional Association of Auditors of Versailles and Center).

Appointed statutory auditor by decision of the General Shareholders' Meeting of 26 January 2017, for a term of six fiscal years, which will end at the close of the shareholders' meeting called to approve the financial statements for the fiscal year ended 31 August 2022.

KPMG

Represented by Jacques Pierre and François Bloch
2 avenue Gambetta
Tour Eqho
92066 Paris La Défense Cedex
France

KPMG is a member of *Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre* (the Regional Association of Auditors of Versailles and Center).

Appointed statutory auditor by decision of the General Shareholders' Meeting of 10 January 2018, for a term of five fiscal years, which will end at the close of the shareholders' meeting called to approve the financial statements for the fiscal year ended 31 August 2022.

2.2 Alternate statutory auditors

IGEC

3 rue Léon Jost
75017 Paris
France

IGEC is a member of *Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre* (the Regional Association of Auditors of Versailles and Center).

Appointed statutory auditor by decision of the General Shareholders' Meeting of 26 January 2017, for a term of six fiscal years, which will end at the close of the shareholders' meeting called to approve the financial statements for the fiscal year ended 31 August 2022.

3. RISK FACTORS

The risk factors described below are, as of the date of this Universal Registration Document, those which the Company considers are likely to have a material adverse effect on OVHcloud, its business, financial position, results or outlook. The list of risks presented in this Chapter 3 is not exhaustive and that other risks unknown or not considered as of the date of this Universal Registration Document to be likely to have a material adverse effect on OVHcloud, its business, financial position, results or outlook, may exist or could arise in the future.

In accordance with Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended, this chapter presents the risks identified as part of OVHcloud's significant risk mapping, which assesses their materiality (i.e. their potential impact and likelihood of occurrence), after taking into account the plans to mitigate these risks. Within each risk category listed below, the risks that OVHcloud considers to be the most significant at the date of this Universal Registration Document are listed first and marked with an asterisk ().*

3.1 Risks related to cybersecurity

A cybersecurity incident could impact OVHcloud's ability to provide service to customers and could negatively affect its reputation.*

By its very nature, OVHcloud's business depends on providing third parties, most of whom are unknown to OVHcloud, with access to OVHcloud's servers for purposes of storing data and performing processing operations, through systems that can be accessed over the internet. The occurrence of a large-scale cybersecurity incident could significantly disrupt OVHcloud's servers and interrupt its cloud services, as well as lead to a security breach or loss of customer data. While OVHcloud seeks to take precautions to guard against cybersecurity incidents, those precautions might prove to be ineffective or fail to prevent significant security breaches. In addition, OVHcloud may be vulnerable to new security breaches that have not yet been identified.

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

Because the techniques used to obtain unauthorised access to, or sabotage, IT systems change frequently, grow more complex over time and often are not recognised until launched against a target, OVHcloud may be unable to anticipate or implement adequate measures to prevent such techniques. OVHcloud's systems continue to evolve, and it is often an early adopter of new technologies; however, its business policies and internal security controls may not keep pace with these changes as new threats emerge. OVHcloud might not discover any security breach and loss of information for a significant period of time after it occurs. Following discovery, OVHcloud might need to shut down systems and limit customer access to its services, which could adversely impact revenues or cause OVHcloud to breach its service level agreements (SLAs), in which case OVHcloud could be required to grant service credits to, as well as compensate for the damages sustained by, the affected customers. Security vulnerabilities are from time to time identified by third-party security researchers, who may publish their findings before alerting the system operator. The time between when a security researcher publicly announces a security vulnerability and when the mitigation technique is fully deployed allows for a window for exploitation by those seeking to employ the vulnerability to gain access to OVHcloud IT systems. OVHcloud's architecture and processes are designed to limit the exposure in term of systems and time, but several factors could limit OVHcloud's capacity to sufficiently reduce the risk and a significant impact could occur.

OVHcloud could suffer significant damage to its brand and reputation if a cyber-attack or other security incident were to allow unauthorised access to, or modification of, its customers' data, other external data or its own data or IT systems, or if the services it provides to its customers were disrupted, or if OVHcloud's servers were reported to have, or perceived as having, security vulnerabilities. Customers could lose confidence in the security and reliability of OVHcloud's servers and perceive that they are not secure, causing a loss of revenues. Further, OVHcloud does not directly control the content that its customers store, use or access in its cloud offerings. If its customers or users use OVHcloud's products for the transmission or storage of personally identifiable information and its security measures are or are believed to have been breached as a result of third party action, employee error, malfeasance or otherwise, its reputation could be damaged, its business may suffer, and it could incur significant liability as a result of administrative, criminal or other proceedings. In addition, the costs OVHcloud would incur to address and fix these security incidents would increase its expenses. As a consequence, the occurrence of a significant cybersecurity incident or the perception of an increased cybersecurity risk could materially and adversely impact OVHcloud's operating results and financial condition.

OVHcloud relies on third party security solutions and does not control mechanisms used to maintain the security of its systems.

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

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

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

3.2 Risks related to OVHcloud's market and competitive position

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

OVHcloud expects a significant portion of its growth to result from rapid growth in the cloud market segments that it serves. See Section 5.2.1, "The Only European Player of Scale in the "Hyper-Growth" Cloud Market" in this Universal Registration Document. Continued market growth depends on businesses continuing to increase their spending on outsourced IT infrastructure, and devoting a greater share of their IT spending to the cloud. While cloud spending has increased significantly in recent years, there can be no assurance this trend will continue in the future. The rate of growth in spending will depend on a number of factors that are beyond OVHcloud's control, including overall business spending and investment levels, decisions relating to the allocation of such spending to IT projects and, within the IT segment, to cloud projects, the level of confidence of businesses in cloud services (which could be adversely impacted by any service incidents in the market), the development of new cloud-based

services, regulatory developments, sustainability concerns (given the significant use of electricity and water in data centers) and other factors.

In 2020, many businesses deferred cloud migration projects due to economic uncertainty and reduced availability of personnel resulting from the COVID-19 pandemic. While OVHcloud is not aware of any quantitative estimates of the impact of this deferral on the rate of market growth, OVHcloud believes the growth rate of its own revenues in FY2020 was impacted by such deferrals, particularly with respect to OVHcloud's hosted private cloud product line. See Section 7.1, "General Presentation" in this Universal Registration Document.

Even if the cloud market continues to grow as a general matter, the rate of growth could be lower in the product and geographic segments that generate most of OVHcloud's revenues. In FY2021, 60% of OVHcloud's revenues were realised in the private cloud market, which has grown, and is expected to continue to grow, at a less robust pace than the public cloud market. A majority of OVHcloud's private cloud revenues were realized from its baremetal cloud offerings, a market that has experienced lower growth than the hosted private cloud market. In addition, 81% of OVHcloud's revenue in FY2021 was generated in France and elsewhere in Europe, which is a significantly smaller cloud market than the United States (where OVHcloud's presence is small, the Group's U.S. entities representing 4.5% of its FY2021 revenue). Businesses in Europe have been slower to adopt cloud solutions than in other markets (such as the United States). If they do not increase their cloud spending, the growth of the market in Europe could turn out to be lower than expected.

OVHcloud's revenue growth will also depend on the rate of growth of the web cloud market, which includes web hosting, domain registration, telephony and other services, and is OVHcloud's historical business, representing 26% of Group revenues in FY2021. The web cloud market is more mature than the cloud market generally, and is expected to grow at a slower rate than the cloud market in the coming years.

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

The markets in which OVHcloud operates are highly competitive, and if OVHcloud fails to deliver advanced cloud solutions and adapt its offering to respond to customer needs, its business, financial condition, and results of operations could be harmed.*

The markets in which OVHcloud operates are rapidly evolving and highly competitive. In order to compete in the markets it serves, OVHcloud must continually innovate and adapt its offerings to rapidly changing customer requirements. A significant part of the anticipated growth of the cloud market depends on innovations in areas such as graphic processing units, containerisation, hyper-convergence and edge computing. OVHcloud's ability to grow and win client business will depend to a significant extent on its capabilities in these and other developing areas, in which many of OVHcloud's competitors have (and are likely to continue to have) leading offerings. Timing is also an important factor with respect to innovative technologies; for example, OVHcloud's revenue growth in FY2020 was adversely affected by delays in rolling out new product offerings in the hosted private cloud line.

OVHcloud believes the pace of innovation in cloud products and services is likely to continue to accelerate as customers increasingly base their purchases of cloud offerings on their needs for new and upgraded features that are expected to drive a significant share of future market growth. OVHcloud's future success depends on its ability to continue to innovate in response to these demands and to increase customer adoption of its cloud offerings. As the innovations related to cloud products and services continue to evolve, OVHcloud needs to continue to invest in technologies, services and partnerships that will allow it to provide services adapted to the changing requirements of its customers.

Additionally, as the markets in which OVHcloud operates continue to mature and new technologies and competitors enter such markets, competition might intensify. Many of OVHcloud's competitors are much larger, well-known international cloud companies, including the so-called "Hyperscalers" (Amazon Web Services, Google Cloud Platform and Microsoft Azure), as well as other established cloud providers such as IBM Cloud and, in Asia, Alibaba Cloud. In Europe, OVHcloud also competes against cloud specialists such as Hetzner, Leaseweb and iomart, and many emerging cloud providers. As OVHcloud expands its software platform offering, it will compete to a greater degree with additional

companies that focus on these markets, such as Salesforce, Oracle, IBM and SAP. New competitors are likely to continue to enter the market as it evolves. For example, Microsoft and Orange recently announced their intention to form a partnership offering data-sovereign cloud solutions that could compete with those of OVHcloud.

OVHcloud competes based on various factors, including: price; performance (including SLAs); breadth of use cases; hybrid cloud availability; brand recognition and reputation; customer support and differentiated capabilities, including ease of implementation and data migration; ease of administration and use; scalability and reliability; data sovereignty; security; sustainability; and compatibility with existing standards. There can be no assurance that OVHcloud will be able to develop or maintain competitive advantages in any of these areas. In particular, OVHcloud relies on its ability to offer lower prices for high quality performance ranges to attract customers. If competitors offering similar performance to OVHcloud were to reduce their prices, or if other lower price providers were to increase their performance offerings, OVHcloud's continued ability to attract customers could be adversely affected. Moreover, OVHcloud attracts customers in part by using open-source solutions that limit vendor lock-in, which could make it easier for customers to switch cloud providers.

Many of OVHcloud's competitors, particularly outside of Europe and in the public cloud space, have greater brand recognition, customer relationships, and financial, technical and other resources than it does, and may be able to respond more effectively than OVHcloud to new or changing opportunities, technologies, standards, customer requirements and buying practices. The Hyperscalers, in particular, are among the largest and best known information technology companies in the world, with established relationships on a global, regional and local scale, and brand recognition that OVHcloud is unlikely to be able to achieve. The public cloud market, which is dominated by the Hyperscalers, is expected to be the fastest growing segment of the cloud market. If OVHcloud is unable to compete effectively against the Hyperscalers, its growth prospects could be adversely affected.

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

There are no standard definitions of the markets in which OVHcloud operates, making it difficult to predict growth and to compare OVHcloud's business with that of its competitors.

The markets in which OVHcloud operates are recently established and rapidly evolving, and do not have standard definitions. As a result, it is difficult to predict growth and to compare OVHcloud's business with that of its competitors. Market size estimates and anticipated growth figures included in this Universal Registration Document are derived from a number of different sources, which do not use uniform market segment definitions, and which have differing assumptions as to market growth.

As a result of this uncertainty, in this Universal Registration Document, the Company has only been able to provide broad ranges of estimated market size (such as the size of the global cloud infrastructure and software platform services market being €100 to €120 billion in 2020) and OVHcloud's market share (for example, it believes its Continental Europe market share in private cloud is 10-15%).

Furthermore, OVHcloud and its competitors may define the markets differently, making it difficult to assess OVHcloud's performance in the market against that of its competitors. Absent a consensus as to the size and expected growth of the cloud markets, OVHcloud could overestimate or underestimate its investments or allocate its resources to activities that might not grow in the manner anticipated.

The variables that go into the calculation of OVHcloud's market opportunity are subject to change over time, and there is no guarantee that any particular estimate of OVHcloud's market opportunity will turn out to be accurate or that OVHcloud's revenues will grow at the rate implied by the market growth estimates in this Universal Registration Document. If OVHcloud's growth is lower than expected, the value of its shares could be adversely affected.

3.3 Risks related to OVHcloud's business

The COVID-19 pandemic has had and could continue to have an adverse impact on OVHcloud's business.*

The COVID-19 pandemic did not have a major impact on OVHcloud's FY2021 revenues, but its revenues and continued growth may be further impacted by the pandemic and the government measures taken in response to the pandemic.

The COVID-19 pandemic affected FY2020 revenues in two main respects. First, a number of customers deferred planned cloud migration projects in 2020. While OVHcloud hopes these projects will be resumed and generate future revenue growth, there can be no assurance this will be the case, nor is it possible to predict when such projects will be resumed. Second, OVHcloud registered reduced revenues as a result of customer churn in sectors particularly affected by the pandemic, such as hospitality and travel. Partially as a result of these factors, OVHcloud's revenues grew by only 8.9% in FY2020 over FY2019, compared to 13.4% growth in FY2019 over FY2018.

During the 2020 and 2021 financial years, the Group did not use the various public support measures proposed by French or foreign governments.

However, it is impossible to predict the duration of the COVID-19 pandemic or its potential impact on OVHcloud's customers, business and revenues. The pandemic and government measures designed to address the pandemic (such as lockdowns and curfews) have resulted in significant economic disruption and volatility in financial markets. As a consequence, OVHcloud's existing and prospective customers have experienced and may continue to experience slowdowns in their businesses, which in turn may result in reduced demand for OVHcloud's services, lengthening of sales cycles, loss of customers, difficulties in collections and the bankruptcy of some customers. In addition, OVHcloud's employees are working from home significantly more than they have historically, which may result in decreased employee productivity and morale with increased unwanted employee attrition. While OVHcloud also benefits from greater use of technology and computing during the pandemic, many of the services that have experienced rapid growth during the pandemic (such as streaming video, e-commerce and video conferencing) use public cloud services that are dominated largely by the Hyperscalers.

Accordingly, if the COVID-19 pandemic continues or worsens, it could have a material adverse impact on OVHcloud's business, financial condition and operating results.

OVHcloud relies on third party software in order to operate successfully.

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

OVHcloud is significantly increasing its sales and marketing spending, but might not realize the expected benefits of these efforts for several years, if at all.

OVHcloud is in the process of expanding its sales and marketing spending with a view to increasing its market visibility and its sales to new and existing customers. In FY2021, OVHcloud's sales and marketing expenses increased by 23.5% compared with FY2020. See Section 7.4.3.2, "Operating expenses by destination—Sales and Marketing Expenses" in this Universal Registration Document. The additional spending includes expanding OVHcloud's digital footprint through greater search engine advertising and optimization, revamping its customer web interface, and significantly expanding the sales and marketing team. It may be a significant period of time before the benefits, if any, of this

increased sales and marketing spending are realized. For example, OVHcloud significantly increased its U.S. sales force in 2017 and 2018 with a view to expanding its hosted private cloud business following its acquisition of vCloudAir, but the benefits of these efforts have yet to be realized (and might not be realized in amounts anticipated by OVHcloud, or at all). If OVHcloud's sales and marketing efforts generate increases in revenue that are smaller than anticipated, or if they do not succeed in attracting and retaining customers, OVHcloud's ability to increase its customer base and achieve broader market acceptance of its services could be harmed, and it may not achieve its revenue growth objectives, adversely impacting its profitability.

OVHcloud relies on third parties as a significant marketing channel.

OVHcloud markets its service offerings in part through third parties such as system integrators and other IT consultants, as well as through web agencies, which propose OVHcloud's services to their own customers. Web agencies and other resellers account for the bulk of the revenues from the "white-label and resellers" customer category, which accounted for an estimated 25% of FY2020 revenues. OVHcloud's revenue growth plans depend in part on its ability to successfully expand revenues generated through this marketing channel. It cannot be certain that it will be able to achieve its objective. When OVHcloud markets its services through third parties, it gives up a measure of control over the process, and it depends on the third party's relationship with its customers in order to attract those customers. OVHcloud's relationships with its third party marketing partners are not exclusive, and the partners might decide to promote the offerings of competitors over those of OVHcloud, in which case OVHcloud would lose revenue generation opportunities. If a marketing partner includes OVHcloud's services in a package that includes other IT services, a problem in the delivery of those other services, or the negligence or malfeasance by such marketing partner, could lead customers to reduce their use of the entire package, including OVHcloud's services. Moreover, any event that impacts the reputation of a reseller could indirectly impact OVHcloud's reputation. Such incidents, if they were to occur, could negatively impact OVHcloud's revenues and market position.

OVHcloud might not be successful in expanding internationally.

OVHcloud's revenues have traditionally been generated primarily through customers located in France and elsewhere in Europe, which together represented 81% of its revenues in FY2021 (including 52% in France). As part of its growth strategy, OVHcloud is seeking to expand its revenues from other regions, including in Continental Europe (outside France), Northern Europe and the United States. In addition, OVHcloud recently announced the opening of new data center capacity in Australia and Singapore. In the future it may consider adding data centers in locations such as India.

OVHcloud may face significant challenges in its efforts to expand its international revenues. Outside its home market of France, OVHcloud has lesser brand recognition and does not benefit from the historical web hosting market leadership that it enjoys in France, reducing opportunities for cross-selling. Market dynamics and customer preferences in international markets may be different from those in OVHcloud's traditional markets. Certain markets that OVHcloud is targeting (such as the U.S. market) are dominated by the Hyperscalers, and OVHcloud's expansion there will depend on its ability to market to customer segments that it believes are underserved, such as "tier 2" corporate customers and system integrators, which it might not be able to do successfully. Even if OVHcloud is able to expand internationally, managing international operations requires a more structured organisation and greater resources than managing operations in OVHcloud's home market, which will increase OVHcloud's overhead expenses even if there is a not a corresponding increase in revenue generated from these new markets. Additionally, OVHcloud has experienced in the past, and may experience in the future, challenges associated with integrating new international operations with its existing business. For example, OVHcloud experienced challenges in connection with its acquisition of vCloudAir in 2017 due to the delayed transition of many clients to the Group's data centers, which resulted in lower rates of growth than anticipated. See Section 7.1, "General presentation" of this Universal Registration Document. If OVHcloud overestimates its growth potential and its data centers are underutilised, its results would be adversely affected.

Accordingly, OVHcloud might not realize its international expansion objectives, and even if it does, there can be no assurance that the profitability of its expanded international activities will be satisfactory.

If the availability of OVHcloud's platform does not meet its service-level commitments to its customers, its current and future revenue may be negatively impacted.

In its service contracts, OVHcloud typically commits to its customers that its platform will maintain a minimum level of availability, through service-level agreements (SLAs). For example, OVHcloud's hosted private cloud offerings commit to an SLA of 99.9% availability, or a maximum of 44 minutes of downtime per month. In OVHcloud's public cloud offerings, OVHcloud commits to maximum recovery times in case of outages. If these outages are caused by a problem outside of OVHcloud's control, it could be difficult for OVHcloud to meet its SLA commitments. If OVHcloud is unable to meet its SLA commitments, it may be required to grant service credits to affected customers, as well as compensate them for the damages they sustained, and it may lose the affected customers, each of which could significantly affect OVHcloud's revenue. In the past, OVHcloud has had instances where it was unable to meet its SLA requirements to customers (for example, during a power supply failure in 2017) and was required to compensate them. Although the amounts for past compensations were not material, if OVHcloud does not meet its SLA requirements more broadly in the future, there could be more substantial consequences. Any failure to meet its SLA commitments could damage OVHcloud's reputation and negatively impact OVHcloud's revenues and profitability.

Any failure to offer high-quality technical support services may adversely affect OVHcloud's relationships with its customers and its financial results.

OVHcloud's customers depend on support provided by OVHcloud to resolve technical issues relating to its cloud offerings. OVHcloud may be unable to respond quickly enough to accommodate short-term increases in customer demand for support services or may be inefficient in its resolution of customer support issues. OVHcloud has experienced difficulties in the past in providing satisfactory support to certain customers, who have expressed dissatisfaction with long response times and generic replies to customer support requests. While OVHcloud is working to resolve these issues, its failure to do so might impact its growth prospects, particularly with corporate customers that typically regard support as an important criterion in selecting a cloud provider. Any failure to maintain high-quality technical support, or a market perception that OVHcloud does not maintain high-quality technical support, could adversely affect its reputation and its ability to sell its cloud offerings to existing and prospective customers, and its business, operating results and financial position.

OVHcloud's services are provided under short-term contracts that are subject to the risk of cancellation.

The majority of OVHcloud's customer contracts are short-term and can generally be cancelled by the customers with little or no prior notice. In the public cloud segment, OVHcloud's revenues are generated through usage fees, and customers are not required to maintain any minimum level of usage. In the private cloud segment, OVHcloud's customers generally subscribe for service on a monthly basis, and can cancel their subscriptions at any time (subject in certain cases to minimum engagement durations). Accordingly, OVHcloud bears the risk of customer churn, which could occur or accelerate at any time. OVHcloud typically experiences significant churn among customers in their first year of service. While the churn rate has historically been significantly lower after the first year, there can be no assurance that this will continue. See Section 7.4.1, "Revenues" of this Universal Registration Document for information on net customer acquisition rates in FY2021). If OVHcloud's customers cancel their contracts or reduce their use of OVHcloud's services, OVHcloud's revenues and profitability will be adversely impacted.

OVHcloud may fail to realize the anticipated benefits of its acquisition strategy.

OVHcloud expects to make acquisitions in order to expand its service offering portfolio (particularly in the area of software platform services) and geographic footprint. Acquisitions and other similar transaction and arrangements (such as joint ventures) involve significant challenges and risks. In 2017, OVHcloud made a significant acquisition in the United States, acquiring VCloudAir, following which it experienced delays in transitioning clients to its own data centers and significant customer turnover in the United States, adversely impacting OVHcloud's revenues and resulting in non-recurring transition costs of €6.5 million in FY 2019.

As a general matter, when OVHcloud makes acquisitions it bears the risk that they do not advance OVHcloud's business strategy; that OVHcloud receives an unsatisfactory return on its investment or

pays too high a price, including as a result of liabilities or conditions that were not identified during the due diligence process preceding the acquisition; that OVHcloud has difficulty integrating and retaining new employees, business systems and technologies; or that the acquisition distracts management from OVHcloud's other business. The success of these transactions and arrangements will depend in part on OVHcloud's ability to leverage them to enhance its existing cloud offerings or develop compelling new ones. It may take longer than expected to realize the full benefits from these transactions and arrangements, such as increased revenue or enhanced efficiencies, or the benefits may ultimately be smaller than OVHcloud expected. These events could adversely affect OVHcloud's business, financial condition and operating results.

3.4 Risks related to OVHcloud's operations

OVHcloud is subject to risks from a major fire at its data center in Strasbourg.*

During the night of 9-10 March 2021, a major fire broke out at one of OVHcloud's four data centers in Strasbourg, France. There is an expert assessment underway to determine the cause of the fire, but based on the information currently available, it seems that the fire could have begun in a power room housing electrical equipment.

As a result of the fire, OVHcloud was required to cut off electricity at the entire site, closing all four Strasbourg data centers. The data center at which the fire occurred was destroyed, and a second data center was partially damaged. Service was not restored at the two operating data centers until approximately four weeks after the fire. Approximately 65,000 customers, subscribing to 120,000 services, experienced service disruptions. While OVHcloud transferred as many clients as possible to other data centers, many clients lost service for a significant time period. In addition, because data backup services are optional, paid services for most clients, some of OVHcloud's clients experienced a permanent loss of data.

The fire and its consequences had a significant financial impact on OVHcloud, recorded in the consolidated financial statements at 31 August 2021, and could have additional consequences that may impact the financial statements for future periods. In particular:

- OVHcloud provided credit notes for an amount of €5.2 million for interrupted services that were billed to customers, and estimates that it lost an additional €2.9 million of revenues for services that it was unable to provide and did not bill. As a commercial gesture, it also issued vouchers to clients whose services were affected, allowing them to receive free services for a period of time, for a maximum amount of €27.8 million (of which €20.0 million had been used at 31 August 2021).
- OVHcloud's operating income at 31 August 2021 was impacted by non-current charges of €56.7 million (including, in particular, the provision mentioned below).
- OVHcloud incurred capital expenditures of approximately €21 million at 31 August 2021 to replace servers that were damaged or destroyed by the fire, and it has budgeted an additional amount to complete repairs and to implement an enhanced resiliency plan.

As a consequence of the foregoing, OVHcloud estimates that the fire and its consequences could result in a delay of three to four quarters in its expected growth trajectory, although this is subject to significant uncertainty, and the impact could be greater.

OVHcloud has become, and may continue to become, the subject of legal actions initiated by clients that have suffered alleged losses as a result of the fire, including actions for damages for loss of service and loss of data. While OVHcloud's customer contracts contain clauses limiting OVHcloud's liability, clients may argue that their losses are not covered by these clauses, or that the clauses are unenforceable. At 31 August 2021, OVHcloud registered a provision of €31.1 million for potential costs connected to expert appraisal costs, litigation costs and customer claims. See Section 18.6, "*Legal and arbitration proceedings*" in this Universal Registration Document. If this provision is insufficient, OVHcloud's financial statements in future periods could be negatively affected.

OVHcloud has made insurance claims relating to the Strasbourg fire and its consequences, including losses resulting from customer claims, under its property damage and civil liability insurance policies,

and OVHcloud received, in September 2021, a one-time lump sum indemnification of €58 million in connection with the damage caused by the fire from its insurers.

Beyond the financial impacts of the Strasbourg fire, the incident and the surrounding publicity has affected and may continue to affect the reputation of OVHcloud. If OVHcloud experiences future incidents (even relatively minor), the impact of those incidents could be exacerbated by the Strasbourg fire, particularly if those incidents occur in the near future. The resulting impact on OVHcloud's customer relationships and future revenues is impossible to determine, but it could be significant.

For all of the foregoing reasons, the Strasbourg fire has had, and may continue to have, a significant adverse impact on the revenues, profits, financial condition and reputation of OVHcloud.

Many of OVHcloud's facilities are located in former industrial buildings that may have existing structural and environmental defects. *

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

Some of OVHcloud's data centers and manufacturing sites engage in activities that are classified as presenting environmental or other risks under applicable French legislation. In many such cases, OVHcloud is required to obtain permits from competent governmental authorities before commencing operations. The application process is costly and time consuming, and OVHcloud could be required to remedy defects and risks as a condition to obtaining the necessary authorisations. In the past, OVHcloud has commenced operations of certain data centers and manufacturing sites without required authorisations. In this respect, the application for authorisation for the Roubaix site submitted in 2019 was the subject of additional requests from the authorities during its investigation, and authorisation was granted in 2021, a few months after the additional information requested was provided. With respect to the other sites, the Company is not aware of any refusals by the administration, has not been forced to close any data centers, and has not been subject to any sanctions. While all required applications have been submitted or are in process with a view to OVHcloud obtaining such authorisations, it cannot be certain that such authorisations will be granted. These applications contemplate compliance investments to reduce the potential impacts of disasters related to classified activities. The associated risks may be fire or water pollution. Unless and until such authorisations are granted, OVHcloud could be subject to administrative penalties or be required to suspend the applicable operations at the relevant sites, which could result in customer service interruptions and negatively affect OVHcloud's financial results and reputation.

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

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

OVHcloud may experience delays or disruptions in supplies of electronic components, especially of micro processors, memories and hard disks, which are currently in short supply globally.

OVHcloud's servers use components sourced from major global manufacturers such as Intel and AMD for micro processor chips, Micron Technology and Samsung for memories, Seagate and Toshiba for hard disks. The global market for components is currently experiencing shortages and delays, as a result of increased demand arising from greater use of information technology during the COVID-19 crisis. There are a limited number of suppliers of electronic components worldwide, and certain of them are located in markets in East Asia that are subject to potential disruption for geopolitical reasons. While OVHcloud had a sufficient stock of electronic components on hand to be able to increase its production of servers following the Strasbourg fire, and increased its stocks in FY2021, the utilization of this stock may leave it more vulnerable to supply disruptions than would otherwise be the case. If OVHcloud is unable to obtain a sufficient number of electronic components, it will be required to re-utilize electronic components from dismantled servers in order to manufacture new servers. The re-utilized electronic components may have lower performance features, and may experience more disruptions, than new processors. This may lead to impaired service quality or service disruptions, which could increase the risk of customer churn and reputational harm, and cause a negative impact on OVHcloud's business, financial condition and results of operations, and it could specifically require bring OVHcloud to increase its stock or the production costs of its servers.

Certain of OVHcloud's facilities may be difficult or expensive to insure at adequate levels.

Although OVHcloud believes its insurance coverage is adequate and in line with industry standards, as its data centers and manufacturing facilities grow older, it may be more difficult and more costly to maintain adequate levels of insurance at rates OVHcloud considers reasonable. Additionally, many of OVHcloud's data centers and manufacturing facilities are hosted in former industrial buildings, which can be challenging to adequately insure due to potential existing defects (see above, "*Many of OVHcloud's facilities are located in former industrial buildings that may have existing structural and environmental defects*" in this chapter). There can be no guarantee that OVHcloud's insurance coverage will be adequate to cover future claims that may arise. Claims for which OVHcloud is not fully insured may adversely affect OVHcloud's business, financial condition and results of operations. In addition, changes in the insurance industry have generally led to higher insurance costs and decreased the availability of coverage. The availability of insurance that covers the risks that OVHcloud typically insures against may decrease, and the insurance that it is able to obtain may have higher deductibles, higher premiums and more restrictive policy terms.

OVHcloud might experience significant coding or configuration errors.

Despite ongoing testing of OVHcloud's software and platforms, its cloud offerings could contain coding or configuration errors that can impact the function, performance and security of its solutions and result in negative consequences. The detection and correction of any errors in cloud offerings can be time-consuming and costly. Errors in the cloud offerings could affect their ability to properly function, integrate or operate with other cloud offerings; could create security vulnerabilities in OVHcloud's software or platforms; and could adversely affect market acceptance of its cloud offerings. If OVHcloud experiences errors or delays in releasing its cloud offerings, customers may cease using its offerings and its revenues could decline. Enterprise customers rely on OVHcloud's cloud offerings and related services to run their businesses, and errors could expose OVHcloud to performance and warranty claims as well as significant harm to OVHcloud's brand and reputation, which could impact its future revenues and profitability.

OVHcloud's ability to operate its data centers depends on access to sufficient and reliable electric power, water, internet, telecommunications and fiber optic networks.

OVHcloud relies on access to sufficient and reliable electric power, internet, telecommunications and fiber optic networks to successfully operate its business. In addition, OVHcloud's proprietary water cooling system for its servers requires OVHcloud to have access to substantial volumes of water at its data centers. Any interruption in these services could result in OVHcloud not being able to provide customers with its cloud offerings at adequate performance levels, or at all.

For example, in 2017, the electric power supply was interrupted at one of OVHcloud's Strasbourg data centers, and the backup power supply did not function properly, resulting in a service outage for approximately three hours.

Although OVHcloud believes it has implemented adequate backup measures (see Section 5.7.2, “*Managing environmental risks*” in this Universal Registration Document), they may be insufficient to prevent a service interruption. Additionally, OVHcloud may face costs associated with repairing such service disruption. All of the above consequences could have a negative impact on OVHcloud’s business, financial condition and results of operations.

If OVHcloud is unable to attract and retain executives and highly-skilled employees it needs to support its operations and growth, its business and future growth prospects may be harmed.

It is important to OVHcloud’s business to attract and retain highly-skilled personnel, particularly engineers with expertise in software development, coding and other highly specialised information technology functions. Despite the efforts made to adapt working conditions and retain employees, as well as in terms of training and employee retention (see Section 15.1.3, “*Working conditions and human resources policy*” and 15.1.6, “*Training*”, respectively, in this Universal Registration Document), the incentives provided by OVHcloud may not be sufficient to attract and retain employees, in which case OVHcloud may also be required to enhance wages, benefits and equity incentives. The marketplace is highly competitive, and qualified IT personnel are in high demand, which may make OVHcloud’s recruiting and retention efforts challenging. For example, in FY2021, OVHcloud provided a total of €17.8 million worth of equity incentives to its employees (see Note 4.24 to the Group’s consolidated financial statements for the fiscal year ended 31 August 2021 for additional information, included in Chapter 18, “*Financial Information Concerning the Company’s Assets and Liabilities, Financial Position, Profits and Losses*” of this Universal Registration Document). If OVHcloud’s company culture changes or is perceived negatively, or if OVHcloud is unable to develop its employer brand on par with competitors, it may experience difficulties attracting and retaining personnel. If OVHcloud does not succeed in attracting and retaining highly qualified personnel or the financial resources required to do so increase, it may not be able to meet its business objectives, and its business, revenue and financial results could be harmed.

3.5 Legal, compliance and tax risks

Complying with evolving privacy, cloud and other data related laws and requirements may be difficult or costly.*

Laws and regulations governing data privacy and protection and data sovereignty requirements are rapidly evolving, extensive, complex and include inconsistencies and uncertainties. Examples of recent and anticipated developments that have impacted or could impact OVHcloud’s business include the following:

- The E.U. Directive on Cybersecurity Risks (Directive EU/2016/1148), which was transposed into French law on February 26, 2018, and which imposes significant cybersecurity protection requirements on digital services providers such as OVHcloud;
- The General Data Protection Regulation (“**GDPR**”) (EU) 2016/679 of April 27, 2016, which took effect in May 2018 and established requirements applicable to the handling of personal information of residents of the European Union (the “**E.U.**”), which impacts the operations of OVHcloud and its customers and a breach of which may lead to administrative fines of up to the higher of €20 million or 4% of the global annual turnover from the preceding year (see Section 9.1.2, “*Data protection*” of this Universal Registration Document) ;
- The draft Digital Services Act, which was proposed by the European Commission on 15 December 2020, and would if adopted impose obligations on OVHcloud with respect to the handling of illegal or potentially harmful content;
- The draft Regulation on Digital Operational Resilience for the Financial Sector, proposed by the European Commission on 24 September 2020, which would if adopted impose a number of requirements on cloud outsourcing arrangements in the financial sector, including subjecting OVHcloud to audits, inspections and other supervision by financial regulators, and potentially to significant fines in case of non-compliance with its obligations; and

- The United States Clarifying Lawful Overseas Use of Data Act (the “**CLOUD Act**”), which was signed into law in March 2018, which (i) allows U.S. law enforcement to access electronic information held by cloud companies subject to U.S. jurisdiction, even if that information is located outside of the United States; and (ii) enables the U.S. government to enter into agreements with foreign states that would allow the participant states to request information held by cloud companies subject to the partner country’s jurisdiction,

OVHcloud is also following developments regarding the frameworks that address the transfer of personal information outside of the E.U., including the Privacy Shield framework, which was rejected by the European Court of Justice in July 2020, as well as the European Commission’s standard contractual clauses for data transfers published on 4 June 2021, with the result that the transfer of personal data of European citizens to the United States may be significantly restricted unless and until an alternative framework is agreed upon.

OVHcloud has in place procedures designed to ensure compliance with the data protection and privacy regulations applicable to it, including procedures to avoid the transfer of data stored on OVHcloud’s European servers to the United States, and contractual provisions providing that OVHcloud’s customers have primary responsibility for most regulatory compliance. However, OVHcloud cannot be certain that its procedures or contractual protections will be fully effective, with the result that it may inadvertently breach certain of these regulations. Potential monetary penalties for violations are significant, and if applied to OVHcloud could have a significant impact on its financial condition. In addition, any actual or reported violation of data protection or privacy regulations could impact OVHcloud’s reputation and its business and revenues.

OVHcloud’s customers may be adversely impacted by data protection, privacy and other applicable regulations.

Many data protection and privacy regulations impose stringent requirements on OVHcloud’s customers, who must ensure the protection of the information of their own clients, including information stored on OVHcloud’s cloud servers. Moreover, ever more stringent regulations are being proposed that could have a significant impact on the technology companies that represent a significant portion of OVHcloud’s customer base. Such companies may also become subject to burdensome new tax obligations. If OVHcloud’s customers are unable to comply with such regulations or if they determine that compliance or the payment of any applicable tax is too costly, their businesses and financial condition might be adversely affected, and they may choose to reduce or to eliminate activities that rely on OVHcloud’s services. If so, OVHcloud could lose revenues from these customers, and its business and financial condition could be adversely impacted.

OVHcloud might not be able to take full advantage of its ability to offer data sovereignty to its European customers.

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

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

OVHcloud may not be able to protect its intellectual property rights.

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

- the failure of OVHcloud to obtain patents and other intellectual property rights for important innovations or to maintain appropriate confidentiality and other protective measures to establish and maintain its trade secrets;
- uncertainty in, and evolution of, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights;
- potential invalidation of OVHcloud's intellectual property rights through administrative processes or litigation;
- any inability by OVHcloud to detect infringement or other misappropriation of its intellectual property rights by third parties; and
- other practical, resource or business limitations on its ability to enforce its rights.

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

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

OVHcloud is subject to complex international tax regimes that are subject to changes, some of which could have significant impacts on the digital sector.

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

Moreover, several countries have implemented a tax on digital services, demonstrating a global trend of rapid and unpredictable changes in tax legislation (or a broader interpretation of existing legislation) applicable to certain activities of the Group. Because the scope of application of these taxes differs between countries, OVHcloud is not affected by all of these taxes. For example, the tax on digital services in India (known as the “Equalisation Levy”) applies to OVHcloud’s activities, while the tax on digital services (known as the “GAFA” tax) in France does not. In addition to the European Commission’s commitment to present proposals for a digital levy, a global tax project aimed at addressing the tax challenges arising from globalisation and the digitalisation of the economy and supported by the G7, is also under consideration and a number of countries in which the Group operates may consider the introduction of similar tax provisions, thereby targeting OVHcloud’s activities, in particular its cloud services. New or revised regulations may subject the Group or its customers to additional sales, income and other taxes. OVHcloud cannot predict the effect of such initiatives. New or revised taxes could increase the cost of doing business online and OVHcloud’s internal costs, which could impact both OVHcloud and its customers.

Any of the abovementioned events could adversely affect OVHcloud’s business, results of operations, prospects and/or financial condition.

3.6 Financial and accounting risks

There are risks associated with OVHcloud’s outstanding and future indebtedness.*

On 24 September 2021, OVHcloud entered into a new senior unsecured loan agreement for a total principal amount of €920 million (the “**New Debt**”) with a pool of banks. Following its initial public offering, on 25 October 2021, the Group repaid in full the previous loan agreement, as well as the bonds issued as part of a Euro Private Placement, for an amount of €705.2 million drawn on the new loan agreement.

The New Debt includes covenants relating to the leverage ratio which may not exceed 4.00:1.00 (based on the ratio of net financial debt to adjusted EBITDA), which may impose certain operational and financial restrictions on OVHcloud. However, this ratio may exceed 4.00:1.00, at most twice during the term of the facilities, for two consecutive periods following an acquisition, provided that the enterprise value of the acquisition is greater than €10 million and the leverage ratio is not greater than 4.50:1.00.

Because of these restrictive covenants, OVHcloud is limited in the manner in which it conducts its business and may be unable to engage in favorable business activities or finance future operations, capital needs or acquisitions. As of the date of this Universal Registration Document, OVHcloud is compliant with these covenants; however, if OVHcloud fails to comply with its covenants or otherwise defaults under its financing agreements, the lenders or Noteholders may require the debt to be repaid prior to maturity. In such event, OVHcloud would require alternative funding, which might not be available on reasonable terms or at all. See Note 4.17 to the Group’s consolidated financial statements for the fiscal year ended 31 August 2021 for additional information, included in Chapter 18, “*Financial Information Concerning the Company’s Assets and Liabilities, Financial Position, Profits and Losses*” of this Universal Registration Document.

OVHcloud is exposed to variable interest rates.

Borrowings under OVHcloud’s New Debt bear interest at a variable rate equal to a benchmark rate plus a margin, which exposes OVHcloud to interest rate risk. If the interest rate increases, OVHcloud may be obligated to pay a greater amount of interest than currently anticipated. Assuming the revolving credit facility contained in the prior credit agreement was fully drawn at 31 August 2021, an increase in interest rates of 20 basis points would increase OVHcloud’s annual financial expenses by approximately €1.5 million. However, assuming the revolving credit facility contained in the new loan agreement subscribed in October 2021 was fully drawn, an increase in interest rates of 20 basis points would not have any effect on OVHcloud’s financial expenses. Whenever Euribor rates are negative, interest rates applied to OVHcloud are expected to be nil (before margin addition), which is currently the case. Currently, therefore, an increase in interest rates of 20 basis points would not bring interest rates into positive fields and would not have an effect on interest paid. If OVHcloud is not able to successfully hedge against the risks associated with fluctuations in interest rates, its operating results could be

adversely affected. See Note 4.20 to the to the Group's FY2021 consolidated financial statements for additional information, presented in Chapter 18 *"Financial information concerning the assets and liabilities, financial position and profits and losses of the Company"* in this Universal Registration Document).

OVHcloud is exposed to fluctuations in currency exchange rates.

OVHcloud's financial statements are presented in euros, while a portion of its revenues, expenses, assets and liabilities are denominated in other currencies, exposing OVHcloud's results of operations and financial condition to exchange rate risk. In FY2021, approximately 25% of OVHcloud's revenues were realized in currencies other than the euro, primarily by entities with functional currencies in Canadian dollars and U.S. dollars, with smaller amounts realized in pounds sterling and Polish zloty. While a portion of OVHcloud's costs are denominated in these currencies, unfavourable movements in currency exchange rates would nonetheless adversely impact OVHcloud's operating income. An adverse change of 10% in currency exchange rates would have a negative impact of approximately €15 million on OVHcloud's revenues.

In addition, a significant portion of OVHcloud's capital expenditures (mainly for server components) is incurred in U.S. dollars. OVHcloud partially hedges this exposure, but certain of the hedge instruments either do not qualify for hedge accounting or are partially ineffective, and therefore impact OVHcloud's net financial expenses. OVHcloud realised a net gain of €2.8 on foreign exchange instruments in FY2021, compared to a net loss of €7.1 million in FY2020. See Note 4.20 to the to the Group's FY2021 consolidated financial statements for additional information, presented in Chapter 18 *"Financial information concerning the assets and liabilities, financial position and profits and losses of the Company"* in this Universal Registration Document).

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

OVHcloud's current procedures and internal controls may be inadequate, and OVHcloud's efforts to establish and maintain a system of effective internal controls may take time.

OVHcloud is in the process of developing proper and effective internal controls appropriate for a publicly listed group. The establishment of and compliance with internal control procedures, including those related to the preparation of financial statements, will require OVHcloud to incur substantial expenses and expend significant management efforts. Historically, OVHcloud's internal control systems have been limited to those of a privately held, rapidly growing company. In connection with its efforts to put in place effective internal controls, OVHcloud has identified a number of deficiencies and areas for improvement, including allocating responsibility for the governance of key applications between business and IT teams, allocating tasks for key cash flows, reinforcing procedures related to access management, and systematically separating functions between development tasks and production tasks.

While OVHcloud believes it has rectified these deficiencies in all material respects, it may discover additional deficiencies or weaknesses that it will need to correct in the future. Any failure by OVHcloud to maintain adequate internal control procedures could impact its reputation and the value of its shares.

3.7 Other risks

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

OVHcloud has entered into various transactions with companies controlled by Mr. Octave Klabar, the Company's founder and currently its *Président*, and members of Mr. Klabar's family who are direct or indirect shareholders of the Company. The Klabar family currently controls the Company, and it is intended that they will continue to control the Company, once it is listed. OVHcloud obtains metal components for the manufacturing of its servers from AixMétal, which is controlled by members of the Klabar family. The premises of OVHcloud's server manufacturing facility, data center and headquarters

located in Roubaix, France, are owned by companies controlled by the Klabá family and leased to OVHcloud. A portion of the same site is leased to AixMétal for its metal component manufacturing activities. Although OVHcloud believes that all such arrangements have been negotiated on an arms' length basis and use commercially reasonable terms, it has not obtained proposals for these arrangements from unrelated parties.

In addition, while these products and services are being provided to OVHcloud by related parties, its operational flexibility to modify or implement changes with respect to such services or the amounts it pays for them 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 necessary products at the same or lower cost. In particular, if OVHcloud experiences difficulties with the metal components supplied by AixMétal, it may take a significant amount of time to find an alternative supplier able to produce similar components, and there may be an impact on OVHcloud's ability to manufacture and deploy new servers as rapidly as it has historically been able to do so, potentially affecting OVHcloud's ability to serve customer capacity requirements.

In addition to these operational arrangements, in 2020 and 2021 OVHcloud sold three businesses to companies controlled by Mr. Octave Klabá. One is Shadow¹, a company that offers data storage and related services to individuals. The development of this activity by the Group ceased over the last two years, as it did not constitute a strategic activity for the Group. As part of this transaction, Shadow entered into a three-year agreement to purchase cloud services from OVHcloud. The second is DDIS, an engineering company that designs, assembles and markets wind turbines based on technology it has developed, whose activities also are not part of OVHcloud's core business. The third is Centrale Eolienne d'Ortoncourt, a company holding and operating wind turbines in France, whose existing wind farm was maintained until the date of transfer by DDIS. In each case, the fair market value was evaluated by an independent expert. Nonetheless, there can be no assurance that OVHcloud could not have received a higher sale price in a transaction with a third party.

OVHcloud may enter into related party transactions in the future. Although material related party transactions that OVHcloud may enter into will be subject to approval in accordance with applicable French law, there can be no assurance that such transactions, individually or in the aggregate, will be on terms similar to those OVHcloud could obtain from unrelated parties. See Chapter 17, "*Related Party Transactions*" in this Universal Registration Document for further information.

3.8 Risk management

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

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

Risk mapping

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

The process of risk mapping involves the management of all Group activities and functions to a large extent, enabling the objectives and challenges of all stakeholders to be taken into account. The exercise consists in particular of identifying the most significant risks for the Group, grouped into different families (strategy and markets, operational, human resources, financial, regulatory and legal, information systems). A description of the risks and their causes is provided, and for each of these risks,

¹ Previously called Hubic

the probability of occurrence, their potential impact on the Group, and their current level of control are assessed. Following the assessment of the control of these risks, action plans are defined.

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

Organisational framework for risk management

Operational risk management is the responsibility of the Ethics, Compliance and Data Protection Departments, which are under the control of the Legal Department, and the Quality, Health, Environment and Information Systems Security Departments, which are under the control of the Operations Department.

Ethics and Compliance

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

Data Protection

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

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

In this respect, OVHcloud undertakes in particular to:

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

Information Systems Security

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

- Deploy a large-scale, industrial approach to security;

- Position OVHcloud as a trusted player in the ecosystem;
- Operating a secure cloud for all;
- Implementation of security management systems (ISMS) and privacy management systems (PIMS);
- Risk-based approach to safety;
- Demonstration of security through certification, internal control and external audit;
- Unified response to security incidents and personal data breaches;
- Integration of security and privacy issues into product development; and
- Safety assessment and implementation of continuous improvement.

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

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

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

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

Quality, Health, Environment

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

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

3.9 Insurance

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

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

Coverage is normally renewed annually, except for certain one-time contracts taken out for one-time projects covering a specific period. The insurance contracts expiring at the end of August/beginning of September 2021 have been renewed with identical guarantees and under normal market conditions. There has been no significant increase in insurance premiums other than the variation due to the increase in the value of capital to be insured, turnover or payroll. These indicators are used by insurers to calculate premiums. At this stage, the total amount of all premiums associated with renewed contracts is not yet known.

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

The Group also has insurance policies covering directors’ and officers’ liability (“D&O” policy), risks relating to office facilities, its vehicle fleet, the travel of its employees using their own vehicles for business and occasional travel, business missions and the transport of goods (mainly technological and IT equipment). The Group has a number of multi-risk home insurance policies covering rented homes made available to employees during occasional business trips to the headquarters. Through its subsidiaries, the Group also has a number of insurance policies covering property damage, civil and employer’s liability and compensation for employees, offices and international data centers.

Property damage

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

This contract was renewed on 1 September 2021 with AXA as the lead insurer with 35% of the risk and seven co-insurers sharing 65% of the remaining risk and under the terms of an established prevention plan.

This insurance policy covers, in particular, the guaranteed direct material damage of accidental origin, the various costs and losses resulting from the guaranteed material damage, the financial consequences of civil liability following a fire, an explosion, water damage as well as the cost of returning to work resulting from the guaranteed material damage and the expert fees following the material damage.

The maximum indemnity due for all losses covered (including property damage and the cost of returning to work) is €140 million per claim. Coverage limits and sub-limits as well as various deductibles are applicable depending on the nature of the damage suffered. The deductible for all damages is €3 million, increased to €15 million for the Roubaix, Gravelines and Strasbourg sites. This deductible for these three sites would be reduced to €3 million on completion of an investment program agreed with the insurers, the amount of which is already included in the capital budget in the coming fiscal years (see section 10.3, “*Medium-term outlook*” in this Universal Registration Document). In addition, for these three sites the Company must finalize in the coming days and/or maintain in place three specific complementary measures fire prevention measures (guarding, fire permits and means of intervention in charge on the premises), failing which the deductible would increase from €15 million to €30 million in the event of a claim. There is also an overriding contractual termination provision given to the insurer. In addition, on the sites of Erith, Limburg, Croix and the 19th *arrondissement* of Paris, additional deductibles (of €10 million for Erith and Limburg and of €3 million for Croix and the 19th *arrondissement* of Paris) are also applicable, and will be lifted in the same way once the investment program has been finalized and validated by the insurers. The insurer has an additional contractual provision to terminate the insurance policy. The right of cancellation is conditional on the failure to implement a number of personnel and organisational recommendations or the placing of orders relating to the implementation of complete protection on the Roubaix, Strasbourg, Gravelines, Croix, Erith and Limburg sites, in accordance with the insurer’s recommendations and according to a procedure including the insurer for validating these projects, prior to 31 December 2021.

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

The net premium for the insurance contract for the insurance period from 1 September 2021 to 31 August 2022 amounts to €5.3 million (including tax) and is subject to the updating of the insured capital.

Civil liability

The “information technology and communication civil liability” coverage covers the pecuniary consequences of operational, product and professional liability due to damage caused to third parties (including customers), as a result of, during, or on the occasion of the activities covered by the contract. In particular, all sales, services and work concerning the digital industry and internet hosting are insured, such as, among others, the hosting of websites, servers, dedicated servers, the rental of shared servers, the registration of domain names, data hosting (including health and banking data), the design of software or the manufacture of servers.

This policy has been renewed with Chubb effective 1 January 2021 for a period of one year subject to tacit renewal. The maximum amount of compensation for the main risks, all damages combined, under this insurance policy is €10,000,000 per claim for operating liability and €10,000,000 per insurance year for professional liability and product liability. Several deductibles are applicable, including €1,000 for damages other than bodily injury, €250,000 for damages other than bodily injury abroad in the event of intervention in different conditions, and, with certain exceptions, €75,000 for professional liability and product liability for material, immaterial and bodily injury damages. This insurance policy covers the Company and its subsidiaries, excluding subsidiaries or permanent facilities located in the United States. The Group’s American subsidiaries have their own insurance policies.

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

Cyber

The Group has annual coverage for “cyber” risks, the purpose of which is to protect against any attack on its automated data processing systems, its own data and confidential information, as well as the personal and confidential data of third parties, contained and processed in its information systems or those of its subcontractors and external service providers.

This policy has been renewed with Chubb effective 1 January 2021 for a period of one year with automatic renewal and covers the Company and all its subsidiaries. The maximum amount of compensation is €10,000,000 per claim per year and covers without sub-limits incident response and decontamination and restoration costs, operating losses and additional operating costs, administrative sanctions of a personal data regulator and cyber-extortion. A number of sub-limits apply, including the PCI-DSS guarantee of €5,000,000. With some exceptions, the deductible amounts to €150,000.

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

Executives’ liability and initial public offering

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

The Group has entered into a first-line contract with AXA-XL with effect from 15 October 2021 for a period of one year. The second, third, fourth and fifth line contracts were signed with AIG Europe, BHSI, Beazley and Zurich. The guarantee ceiling under each of these contracts is €10,000,000.

4. INFORMATION ABOUT THE ISSUER

4.1 Company name

As of the date of this Universal Registration Document, the legal name of the Company is OVH Groupe. The Group generally presents itself under the name of its main brand, OVHcloud.

4.2 Registration location, registration number and LEI number

The Company is registered with the Trade and Companies Register of Lille Métropole (*RCS Lille Métropole*) under number 537 407 926.

Its LEI number is 9695001J8OSOVX4TP939.

4.3 Date of incorporation and term of the Company

The Company was incorporated on 10 October 2011.

Its term is until October 19, 2110, and may be extended in accordance with applicable laws.

The corporate year begins on 1 September and closes on 31 August of each year.

4.4 Headquarters, legal form, governing laws, website and telephone number

The Company's headquarters are located at its registered office at 2 rue Kellermann, 59100 Roubaix, France.

As of the date of this Universal Registration Document, the Company is a French limited company (*société anonyme*).

The address of the Company's website is: <https://corporate.ovhcloud.com/en/>. The information provided on the Company's website is not part of this Universal Registration Document.

The Company's telephone number is +33 (0) 3.20.82.73.32.

5. BUSINESS OVERVIEW

This Universal Registration Document, and this Chapter 5 in particular, 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, such information is based on the Company's analysis of multiple sources, including market studies commissioned by the Company from Bain and information otherwise obtained from the International Data Corporation (IDC) and Forrester Research, Inc. The markets in which OVHcloud operates are rapidly evolving and do not have standard definitions. Accordingly, the information in this Chapter 5 constitutes estimates expressed as ranges.

5.1 General presentation and overview

OVHcloud is the leading Europe-based cloud services provider, uniquely positioned in the rapidly growing global cloud market. It provides business customers with a comprehensive suite of solutions designed to capture growing demand for multi-cloud and hybrid cloud strategies, serving a wide range of needs and customer segments. OVHcloud is an open, trusted cloud provider, which offers data sovereign and secure cloud solutions for a customer base that is increasingly sensitive to these issues. It delivers predictable pricing and an optimal price/performance package driven by its proprietary technology, backed by a differentiated, sustainable, vertically integrated production model that provides optimal efficiency. OVHcloud delivers sustainable cloud solutions through innovation, leveraging an active ecosystem of technological and commercial partners.

OVHcloud addresses a global market for cloud infrastructure and software platform services estimated at €100-120 billion in 2020 (of which the cloud infrastructure market comprised approximately €60-80 billion), which has grown substantially in recent years as businesses have increasingly turned to cloud services providers for their IT needs. OVHcloud expects continued robust market growth in the coming years, driven by higher business IT spending devoted to the cloud, and innovation driving increased demand for the cloud.

OVHcloud estimates that it is one of the top two private cloud providers in Continental Europe based on 2020 revenues. According to Forrester (The Forrester Wave™: Hosted Private Cloud Services In Europe, Q2 2020 (24 June 2020) ("**Forrester (June 2020)**")), OVHcloud is a leader in hosted private cloud services in Europe based on its current offering, market presence, and strategy. OVHcloud is the only European provider of public cloud infrastructure services that was named a contender in the IDC MarketScape: Worldwide Public Cloud Infrastructure as a Service 2020 Vendor Assessment, Doc # US46795720, September 2020 ("**IDC (September 2020)**"), which assessed the infrastructure offerings of eight cloud service providers.

Its ambition is to be the "European cloud champion" by growing key customer segments in its core geographies, addressing a larger market through new cloud usages, accelerating its European leadership, and seeking opportunities for targeted external growth transactions. It also plans to expand outside Europe (particularly in North America and Asia), all while adhering to its two-decade commitment to sustainable development.

In the fiscal year ended 31 August 2021 (FY2021), OVHcloud recorded consolidated revenues of €663 million, representing a compound annual growth rate of 12.7% since FY2017. Sixty percent of its FY2021 revenues were realised from private cloud solutions, 14% from public cloud solutions and 26% from web cloud and other solutions. OVHcloud recorded 52% of its FY2021 revenues from clients in France, 29% elsewhere in Europe, and 19% in the Rest of the World. OVHcloud's adjusted EBITDA was €262 million in FY2021, its operating income was €6.5 million and its operating cash flow (net of recurring capital expenditures) was €162 million. As of 31 August 2021, OVHcloud had net financial debt (including lease liabilities) of €709 million (2.7 times FY2021 adjusted EBIDTA) and shareholders' equity attributable to owners of the Company of €109 million.

5.1.1 Cloud computing

Cloud computing means providing on-demand, fully automated access, via the internet, to computing, storage and networking resources. Cloud resources (such as servers, storage drives and network

connections) may be shared between several customers (public cloud) or dedicated to a single customer (private cloud).

Cloud resources used by businesses can be operated and maintained at a company's own facilities ("on-premises"), or they can be outsourced to cloud service providers such as OVHcloud. Businesses are increasingly finding that outsourcing provides a number of advantages: costs associated with outsourced cloud services are treated as operating expenses, while investments in IT infrastructure are capital expenses; external cloud service providers regularly upgrade their systems (including security protocols), which is not practical for individual businesses; and outsourced cloud resources provide flexibility and scalability to meet peak or unusual demand loads, which cannot be matched by internal solutions without significant expense and delays in implementation. As such, the cloud allows companies to subscribe to resources on demand, on a pay-per-use basis, helping them to meet their needs and evolve. These advantages explain the explosive growth in the cloud outsourcing market in recent years, and the significant potential for future growth.

Increasingly, customers are using "hybrid cloud" solutions that combine public and private cloud with on-premises resources in a multiple deployment model within a single organisation. Businesses are also tending to seek "multi-cloud" solutions involving the use of computing and storage services from multiple vendors, often to respond to different cloud needs. OVHcloud is ideally positioned to capture part of this trend toward "multi-cloud" solutions.

5.1.2 OVHcloud's business at a glance

OVHcloud operates 33 data centers worldwide in 12 locations, in France, Europe, North America, Singapore and Australia, housing over 400,000 servers manufactured by OVHcloud. It serves a diversified, loyal and growing base of around 1.7 million customers² across industry sectors, with a particularly strong position with mid-size technology companies and a growing offering for corporate and public sector customers. By operating data centers around the world, OVHcloud believes that it is better able to reach a global audience and address customer concerns about data sovereignty.

Initially founded as a web hosting company in 1999, OVHcloud gradually transitioned to a diversified cloud service provider, successfully developing a comprehensive suite of cloud solutions. Today, OVHcloud has three main cloud offerings:

Private cloud services (60.0% of FY2021 revenues). OVHcloud offers customers private cloud solutions with dedicated servers for a monthly fee that depends on the customer's choice of performance levels and service options.

Baremetal cloud (46.9% of FY2021 revenues). OVHcloud customers can choose a high performance "baremetal" solution, receiving fully automated access to dedicated servers on which the customer operates and manages all software layers, including the operating system and the virtualization stack (which allows a single server to operate multiple "virtual machines"). Baremetal cloud services provide security, performance, customisation and cost effectiveness, and are typically used for SaaS application hosting and website hosting, but also for more specific needs such as data intensive operations such as media encoding (like 3D animation), media streaming, gaming and high-frequency trading, as well as high-security operations such as corporate enterprise resource planning applications, and operations in highly regulated sectors.

Hosted private cloud (13.1% of FY2021 revenues). OVHcloud's hosted private cloud solutions provide customers with fully automated, dedicated servers, with platforms such as the operating system and the virtualization stack selected and managed by OVHcloud. OVHcloud has two hosted private cloud offerings: *Essential*, an entry-level package for small and medium enterprises, and *Premier*, a high-end package that includes a broader range of services, 24/7 support and tailored security certifications attesting to OVHcloud's protection of sensitive information such as healthcare and financial data.

Public cloud services (14% of FY2021 revenues). OVHcloud offers customers computing and storage services on shared servers, providing them with the greatest degree of scalability and continuity. Public

² Number of customers who generated revenue at least once in FY2021.

cloud services are typically used for processing applications with significant demand bursts and peak loads, such as e-commerce and applications with very large requirements such as mass-consumption video and music streaming, as well as non-critical workloads such as testing and application development. Customers can choose basic packages of compute, storage and network capabilities, virtual private server packages, as well as high-level services such as container orchestration, data analytics, artificial intelligence and machine learning, management interfaces and project management. OVHcloud also offers public cloud customers access to collaborative business solutions such as email and work-sharing tools. Customers pay usage fees for public cloud services, based on the capacity consumed.

Web cloud and other services (26% of FY2021 revenues). OVHcloud offers customers web cloud services, including web hosting and domain registration, telecommunications and internet access, as well as a “marketplace” of third party software solutions. Web cloud customers generally pay fixed monthly fees for these services, plus fees for additional services such as support. This historical Group business provides a substantial and recurring revenue base, and has been instrumental as a platform for the development and cross-selling of private and public cloud services, with many of the Group’s cloud customers completing their cloud solutions with other OVHcloud services and migrating or upgrading from web hosting services to cloud services.

5.1.3 The Strasbourg fire

During the night of 9-10 March 2021, a major fire broke out at one of OVHcloud’s four data centers in Strasbourg, France. Following the fire, OVHcloud was required to cut off electricity at the entire site, closing all four Strasbourg data centers. The data center at which the fire occurred was destroyed, and a second data center was partially damaged (these are excluded from the 33 data centers that OVHcloud currently operates, referred to elsewhere in this Universal Registration Document). No serious injuries occurred. Some customers experienced a loss of data, most of which had chosen not to purchase data backup solutions offered by OVHcloud. Clients are generally responsible for backing up their data, but can instead choose among several options offered by OVHcloud (with backed-up data stored at either the same data center or a different data center). Certain services affected by the fire (such as Mail), but backed up by OVHcloud, were only mildly interrupted and did not result in any data loss. There is an expert assessment underway to determine the cause of the fire, but based on the information currently available, it seems that the fire could have begun in a power room housing electrical equipment.

OVHcloud’s teams were immediately mobilized when the fire occurred to restore services as quickly as possible. Most customer services were restored within three to four weeks, and by the beginning of May 2021, service was fully restored to all of the approximately 65,000 affected customers that were users of approximately 120,000 services, through efforts that included the deployment of 200 people (including dedicated support and account management teams) and doubling the weekly production of servers to replace those that were damaged or destroyed. OVHcloud also deployed a client-focused communications strategy based on quick and transparent information, with daily updates on the recovery.

While OVHcloud believes that its operations were consistent with industry standards, in the wake of the fire it has taken steps to enhance its resilience measures by increasing data center and network resilience, upgrading data centers with a new physical security approach, enhancing customer support, and developing new backup solutions and disaster recovery plans, including limited free backup and regional application deployment strategies.

Prior to the fire, OVHcloud’s business was experiencing robust growth in the first half of FY2021 (ending 28 February 2021), with estimated revenue up by 8%, despite a negative currency effect over the period, largely as a result of the success of OVHcloud’s digital marketing efforts. The fire impacted OVHcloud’s operating results in FY2021 (ended 31 August 2021), reflecting the issuance of credit notes to clients for interrupted service, the reduction of services billed and the issuance of vouchers for free service to customers affected by service interruptions. OVHcloud also incurred one-time expenses reflecting mainly the incremental compensation for mobilization of staff, disk recovery expenses and extra server maintenance, and it increased its capital expenditures relating to the production of new servers and the implementation of the hyper-resilience plan and backup initiatives. It recorded

significant provisions for costs relating to customer claims. OVHcloud received, in August 2021, a commitment from its insurers to pay a one-time lump sum indemnification of €58 million, all of which was received in September 2021 (see Chapter 7 of this document, “*Operating and Financial Review*” for additional information on the financial impact of the fire).

OVHcloud believes the fire does not change the overall dynamics that drive its business and potential future growth. It estimates that the fire has delayed revenue growth by three to four quarters, largely in France, primarily as a result of the free service vouchers and reduced net customer acquisition that it believes is temporary. OVHcloud has received substantial expressions of support from a wide range of customers and public authorities, and it believes it is poised to resume its growth trajectory as the financial consequences of the fire dissipate.

5.2 The Group’s competitive strengths

5.2.1 The only European player of scale in the “hyper-growth” cloud market

OVHcloud is strongly positioned as the leading European player in a “hyper-growth” cloud services market, which is both large and growing at a rapid pace.

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

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

The cloud services market is large, and continues to expand. In 2020, businesses worldwide spent an estimated €100-120 billion on cloud infrastructure and software platform services, which, in addition to web cloud, are the principal market segments addressed by OVHcloud (Infrastructure-as-a Service, or IaaS, and Platform-as-a-Service, or PaaS). The Continental European cloud IaaS market is estimated at approximately €12-14 billion in 2020, and the Continental European PaaS services is estimated at approximately €6-8 billion. The two largest Continental European markets are Germany and France. Globally, the largest single cloud services market is the United States, with an IaaS market of approximately €28-33 billion and a PaaS market of approximately €23-25 billion. (See also Section 5.5., “*Presentation of markets and competitive position*” in this Universal Registration Document).

The cloud market has been growing rapidly in recent years, expanding at a compound annual growth rate of 35-40% from 2017 to 2020. This growth has been driven by the substantial advantages of outsourced cloud computing, as well as growing confidence in IT outsourcing and an increasing number of workloads and applications written as “cloud native” (written specifically for the cloud). In particular, business spending on off-premises computing facilities (especially cloud services) has grown from an estimated 35% of IT infrastructure spending in 2015, to an estimated 50% in 2020.

OVHcloud believes the recent trend towards outsourcing should continue, and that the cloud services market has the potential to grow by 25% to 30% over the period from 2020 to 2025, driven by the exponential growth of data usage, a steady increase in cloud spending and the growing adoption of hybrid and multi-cloud strategies by businesses. Approximately 55% of enterprise IT infrastructure spending is expected to be outsourced in 2025, creating a potential sizeable “white space” growth opportunity of around €50-70 billion that can be filled by both private and public cloud offerings.

In parallel, the growth of the cloud market is being driven by rapid innovation. OVHcloud’s ability to innovate places it in a strong position to take advantage of new usages for cloud solutions, such as graphic processing units (facilitating parallel operations requiring substantial computing capacities), containerization (encapsulation of software code and its dependencies in a virtual “container” to improve response time and performance of cloud solutions), hyperconvergence (combining computing

and storage solutions in the same servers) and edge computing, enabling in particular 5G mobile technology (combining time-sensitive computing near the source with cloud-based solutions).

5.2.2 Comprehensive suite of solutions designed to capture growing demand for multi-cloud and hybrid cloud strategies across a wide range of needs and customers

OVHcloud has a comprehensive suite of private cloud, public cloud and web cloud solutions that position it to capture the growing demand for multi-cloud and hybrid cloud services that are driving the expansion of the cloud market, serving a wide range of needs and customer categories. OVHcloud's offerings are differentiated from those of other providers, particularly the Hyperscalers, through a guarantee of data sovereignty as well as a unique combination of price predictability and performance. These factors provide OVHcloud with an ideal platform to address key client segments, including "digital native" technology and software companies, SMBs (small and medium businesses), corporates and public entities, which are increasingly transitioning to the cloud; and "white-label" customers and resellers, through which OVHcloud leverages its technology by hosting services that its customers market under their own brand names.

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

5.2.3 Surging demand for data sovereignty accelerating OVHcloud's leadership

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

OVHcloud's "trusted cloud" positioning has been a significant driver for the white-label offerings and other technological partnerships that it has started to develop since 2020. In September 2020, OVHcloud established a white-label partnership with the German telecom operator T-Systems, to create a data-sovereign public cloud platform for the public sector in a T-Systems data center in which the IT infrastructure is managed by OVHcloud, and marketed to T-Systems customers. In November 2020, OVHcloud announced a partnership with Google, which is providing European customers with a data-sovereign offering combining its Anthos software platform with OVHcloud's private cloud solution. In April 2021, OVHcloud and mongoDB formed a partnership to offer a managed database service that ensures data security, data compliance and data sovereignty. It also formed the Citadel Team partnership with Thales to provide secure messaging in 2021. Because OVHcloud manages the IT infrastructure, it can ensure data sovereignty for its customers within each of these partnerships.

The "trusted cloud" offering of OVHcloud is also a powerful differentiator in North America, India and the Asian markets. As a pure cloud player, by design, OVHcloud does not compete with its customers and has committed to not using their data to optimize or to sell its own products. OVHcloud allows customers to choose the localization of their data among its 33 data centers around the world. It also

offers the highest standards of data protection and security, with a broad range of security certifications essential for attracting customers in sensitive sectors such as financial services, healthcare and government.

5.2.4 Price predictability and best price/performance ratio

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

OVHcloud's pricing advantage is visible in all of its offerings, with attractive monthly fees and service option prices in its private cloud offerings, and a predictable, all-inclusive public cloud pricing model with no extra charges for services such as outgoing data transfer (with certain exceptions), which customers find to be an attractive alternative to less predictable pricing packages offered by the Hyperscalers and other cloud providers. To take just two examples: (i) OVHcloud's general purpose instance pricing and 1-GPU instance pricing in the principal Continental European markets are up to two- to three times less than the published prices of Amazon Web Services, Google Cloud Platform and Microsoft Azure, with no additional cost for out traffic, and (ii) in the German market (the largest Continental European market where comparable data is available) the public catalogue prices of Amazon Web Services, Google Cloud Platform and Microsoft Azure for a burst of 300 virtual machines was over 50% greater than OVHcloud's public catalogue price, in each case at 1 September 2021.

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

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

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

5.2.6 A pioneer in cloud solutions through innovation leveraged across an active ecosystem of technological and commercial partners

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

OVHcloud's ecosystem is deployed across its activities. Its go-to-market strategy includes partnerships with more than 350 key systems integrators and managed services providers that integrate OVHcloud solutions in their customer offerings. Through its open trusted cloud program, over 300 providers of

software applications benefit from a label offered by OVHcloud, certifying their compliance with European data sovereignty standards. OVHcloud's marketplace program provides web cloud customers with access to over 120 fully digital SaaS and PaaS solutions from approximately 30 vendors. All of these partnership programs leverage OVHcloud's capabilities to expand the range of offerings available to a broad range of customers.

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

5.2.7 Leadership and 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 trusted 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 remaining members of the senior management team (ten members) have extensive experience in some of the most dynamic growth businesses, providing the group with a solid and experienced leadership group that is well-positioned to drive the realization of OVHcloud's strategic growth plan.

5.3 Strategy

OVHcloud believes it has multiple opportunities for value creation and further, sustained growth. Its ambition is to be the "European Champion" in the cloud sector by:

- Growing key customer segments in OVHcloud's core geographic markets,
- Addressing a larger market through innovation in new cloud usages and integrated PaaS solutions,
- Consolidating European leadership and growing outside of Europe, particularly in North America and Asia,
- Using mid-scale external growth opportunities to complement its internal initiatives to drive each of these three business strategies, and
- Maintaining and intensifying its two decade commitment to sustainable operations with clear, measurable commitments.

5.3.1 Growing key customer segments in core geographic markets

OVHcloud is pursuing a growth strategy adapted to its three key customer segments: (i) "digital native" technology and software companies, (ii) large corporates, SMBs and public entities; and (iii) white-labelers and resellers. OVHcloud is addressing each of these customer segments with tailored product offerings and marketing channels addressing their needs.

- *"Digital Native" technology and software companies.* This customer segment has historically been a "sweet spot" for OVHcloud. To expand its growth in this segment, OVHcloud has put in place an enhanced digital marketing strategy, including higher digital advertising and search engine advertising and optimization spend, and an improved customer experience on the Group's websites with a customer-centric and mobile-friendly interface focused on usage and products, a prospect relationship management program and online support such as chatbots and webinars. The reinforcement of the Group's digital marketing has produced tangible results, including increased website traffic from search engine advertising and optimization, and improved rates of conversion of website visitors to revenue-producing customers.

In parallel, OVHcloud is developing its "software factory" to attract innovative technology and software companies that will become part of a Software-as-a-Service (SaaS) marketplace hosted by OVHcloud. This initiative involves providing nascent technology and software companies with vouchers and other start-up assistance, and accompanying them at key stages in their growth journey with a start-up program, support in capital raising and growth transactions, "SaaS-ification" (meaning developing their cloud-based Software-as-a-Service

offerings), and for those that successfully realize their growth potential, transitioning them from the technology segment to full enterprise solutions customers.

- *Large corporates, SMBs and Public Entities.* OVHcloud is implementing a three-part strategy to realize growth with large corporates, SMBs, and public entities. As part of this strategy, OVHcloud is addressing the needs of these customers for education and support as they consider migrating to the cloud.
 - OVHcloud is leveraging its position as a European “trusted cloud” provider, answering security and data sovereignty needs of European companies and public sector entities handling highly sensitive or strategic data. It has publicly committed not to use or sell its customers’ data, which is stored in locations chosen by its customers. It offers the highest level of security with numerous recognised certifications, including the SecNumCloud qualification delivered by the French National Cybersecurity Agency (ANSSI), attesting to the highest level of IT security in Europe for the hosting of sensitive and strategic data in the cloud. OVHcloud has also launched the Trusted Zone Sovereign Solution, which is designed to meet the highest security standards of public sector and critical services operators. It is also one of the founding members of the GAIA-X initiative to help promote a European sovereign cloud. OVHcloud intends to enhance its offerings by investing in security and encryption solutions through innovation, partnerships and acquisitions.
 - 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 more than 350 IT partners, reinforcing its position with large system integrators such as Capgemini 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. It is also developing a new tier of partners, such as management consulting firms. At the same time, OVHcloud has substantially increased its direct sales force that serves the needs of its large corporate customers, as well as providing enhanced customer support and services to accompany corporate customers in their cloud migration projects.
 - OVHcloud has developed specific offerings for small and medium businesses. For this segment, OVHcloud is leveraging its strong relationships with IT advisors and web agencies, while offering maximum flexibility through an automated self-service channel that can be used by customers directly or through their IT advisors. OVHcloud is also enhancing its multi-location, multi-language support offering for small businesses.

White-labellers and resellers. OVHcloud has a long history of success in marketing its offerings through web agencies that resell OVHcloud solutions, sometimes under their own brand names. More recently, OVHcloud established its inaugural white-label partnership with the German telecom operator T-Systems in 2020, and intends to leverage the increased demand for data sovereignty by replicating this successful partnership. The T-Systems project involves a “Data center as a Service” (DCaaS) offering, with OVHcloud managing the IT aspects of a T-Systems data center, allowing T-Systems to offer its own customers an OVHcloud-hosted data-sovereign solution. OVHcloud intends to target national telecom champions in other core countries to accelerate its European penetration. OVHcloud is also developing a “Data center as a Service (DCaaS)” offering for corporates—the Data center Innovation and Security Lab—to deliver performance and data sovereignty for their “on premises” resources.

5.3.2 Addressing a larger market through new cloud usages and integrated PaaS solutions

OVHcloud is expanding its addressable market by integrating new offers in its cloud solutions. Traditionally, OVHcloud’s core solutions have been focused on the IaaS market, which is estimated at €60-80 billion in 2020. By integrating a range of new cloud usages and PaaS solutions in its offerings, OVHcloud is seeking to expand its addressable market to encompass both IaaS and PaaS, which together represented a market estimated at €100-120 billion in 2020. OVHcloud is seeking to offer over 80 PaaS

services by FY2022, up from approximately 24 in 2020. By way of comparison, other main public cloud providers (including the Hyperscalers) offered approximately 50 to 100 public cloud services in 2020.

- *New Cloud Usage.* OVHcloud is targeting innovative cloud usages that are expected to be among the key market growth drivers driving the growth of the market, including high performance computing for artificial intelligence and machine learning, database management solutions, high performance storage, security and encryption and the development of cloud native solutions to run container-based applications in a hybrid or multi-cloud environment. In each of these areas, OVHcloud is at the center of innovating trends with solutions developed internally and through partners that it expects to deploy in the short- and medium-term. For example, in October 2021, OVHcloud and Serco announced a new partnership in the field of artificial intelligence and spatial imaging, through which OVHcloud will make its artificial intelligence technology available to Serco's cloud platform for Earth observation.
- *Integration of PaaS Solutions.* OVHcloud intends to expand its penetration of the PaaS market, leveraging its infrastructure solutions by developing PaaS solutions directly and through partnerships with leading software solutions providers, as well as targeted technology acquisitions. Its recent partnership with Google to provide a trusted hosting solution for Google's Anthos applications support platform is an important example of OVHcloud's ability to use its leadership in trusted solutions to expand its range of offerings with leading partners. It is also focusing on partnerships in areas such as database management (which represents almost half of the global PaaS market), high performance storage, artificial intelligence and machine learning, applications development and security and encryption. Its recent initiatives include partnership with MongoDB for data-sovereign database management solutions, and a collaboration with IBM and Atempo to deliver low cost solutions for long-term, safe storage of critical inactive and cold data.

5.3.3 Consolidating European leadership and growing outside of Europe, particularly in North America and Asia

OVHcloud will seek to leverage its market leading positions in France and Continental Europe and its substantial asset base to generate growth through geographic expansion. OVHcloud will implement this strategy through defined geographic clusters, each with dedicated websites (in local languages for the countries in those clusters), start-up programs, partner programs and sales staff.

In Europe outside France, OVHcloud is leveraging its substantial installed asset base (located in the United Kingdom, Poland and Germany) and its status as a European provider offering data sovereignty to expand its revenues, targeting in particular the German, United Kingdom, Italian, Spanish and Polish markets for substantial growth. 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 (9 data centers), OVHcloud believes there are substantial opportunities that play to its strengths.

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

- In Canada and Central America, OVHcloud is progressively enhancing its digital and direct sales offerings to complement its traditional indirect channels to seek growth. It may also consider external growth transactions on an opportunistic basis.

In Asia and Australia, where OVHcloud currently has three data centers, and 80% of its revenues are realized through digital channels, OVHcloud will consider medium-term opportunities for expansion in markets that present significant cloud market growth potential, such as India, Indonesia, Japan, South Korea and Thailand.

5.3.4 Expanding and accelerating development through targeted external growth

OVHcloud intends to seek mid-scale external growth opportunities to build upon its European leadership positions, expanding and accelerating the development of its product portfolio, and broadening its reach to new customers. It plans to use external growth to complement its internal growth in each of its three main strategic areas – growing its customer base, driving new cloud usages and PaaS solutions, and expanding its geographic footprint. As part of this strategy, OVHcloud plans to target “at-scale” start-ups with active customer bases and technologies that would allow for synergies with the rest of OVHcloud’s portfolio. It also plans to consider opportunities with mature European cloud or web cloud providers that have complementary customer bases and steady financial profiles.

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

5.3.5 Continue to focus on responsibility and the sustainable development

OVHcloud will build on its 20-year tradition of sustainable operations due to their design, pursuing a strategy of meeting ambitious targets:

Carbon-neutral operations by 2025 (meaning balancing carbon emissions and offsetting actions with respect to both direct emissions (scope 1) and certain indirect emissions (scope 2 and part of scope 3));

Carbon Net Zero by 2030 (meaning balancing carbon emissions and offsetting actions on all of scopes 1, 2 and 3); 100% use of renewable energy by 2025; and Zero waste-to-landfill at production centres by 2030.

See Section 5.7, “*Environmental policy – sustainable development*” of this Universal Registration Document..

5.4 Group history

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

Key developments:

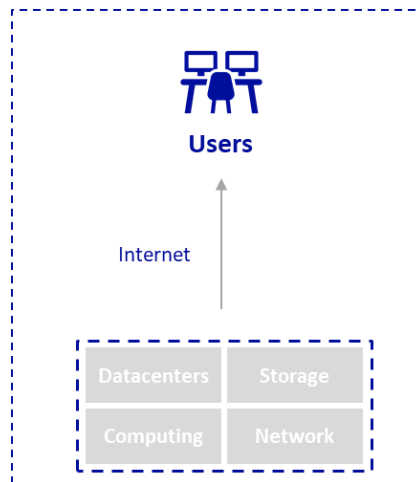
1999	OVH founded by Octave Klaba as one of Europe’s first internet hosting companies.
2000	First .fr and .be top-level domain accreditations.
2002	OVH begins manufacturing its own servers.
2003	First use of proprietary water-cooling technology for servers.
2004	Initial geographic expansion into Poland and Spain.
2005	Opening of first data center, in Roubaix, France.
2006	Opening in Germany. Deployment of proprietary fiber optic network.
2008	Expansion of offering to include telecommunications and internet access. Expansion into Italy, Portugal and the United Kingdom. Additional data center opened in Roubaix, France.

2009	Continued expansion in Europe, including the Netherlands, Ireland, Finland, Lithuania and the Czech Republic. OVH launches 10Gbps baremetal servers.
2010	Expansion into cloud services. Opening of third data center in Roubaix, France.
2011	OVH becomes Europe's no. 1 web hoster. Fourth data center opened in Roubaix, France. Launch of public cloud offering.
2012-2015	Expansion outside of Europe, including in the United States and Canada. Opening of three new data centers in France and one in Beauharnois, Canada.
2014	Launch of OpenStack Project for public cloud and Vrack (a private network on dedicated servers). Launch of anti-DDoS protection.
2016	Additional data centers 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 geographic expansion, opening data centers 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 appointed as 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) security certification.
2020	OVHcloud becomes a founding member of the GAIA-X initiative and announces its partnerships with T-Systems and Google (Anthos). OVHcloud acquires OpenIO.
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. In March, a major fire breaks out at one of OVHcloud's Strasbourg data centers. OVHcloud responds quickly to restore service and enhance resiliency, and determines that the fire can be expected to delay by three or four quarters, but not significantly alter, its growth trajectory. OVHcloud was listed on the compartment A of Euronext Paris regulated market on 15 October 2021 to finance its growth strategy, including the financing of its geographical expansion, the construction of data centers, the development of new products and external growth transactions where applicable.

5.5 Presentation of markets and competitive position

5.5.1 Cloud computing

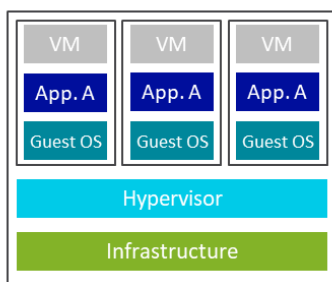
Cloud computing means providing users with storage, computing and network resources, over the internet, on demand. Cloud resources are located in data centers that house servers and equipment used to process, store and transmit data. Users of cloud computing services can access stored data and instruct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



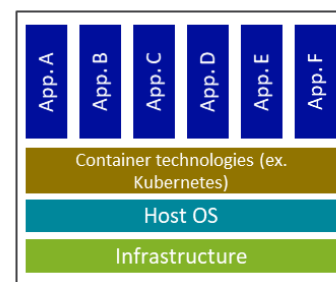
Businesses can establish and operate their own data centers using internal IT staff, or they can outsource some or all functions to cloud service providers such as OVHcloud. For many businesses, the time and financial investment required makes proprietary cloud computing less attractive than outsourcing,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

Servers maintained in data centers 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 “virtualization stack.” Each virtual machine can have its own operating system that permits users to develop and run applications. Through a function known as a “hypervisor,” the server’s capacity is allocated to the virtual machines in accordance with the demands of users. More recently, software applications have been written to be bundled in “containers” that run directly on the operating system of the server itself, coordinated through platforms known as “orchestration” systems, which generally take less space and can provide better performance than hypervisor-based virtualization stacks. These two structures are illustrated by the following graphic:

Traditional Virtual Machines



Containerized Applications

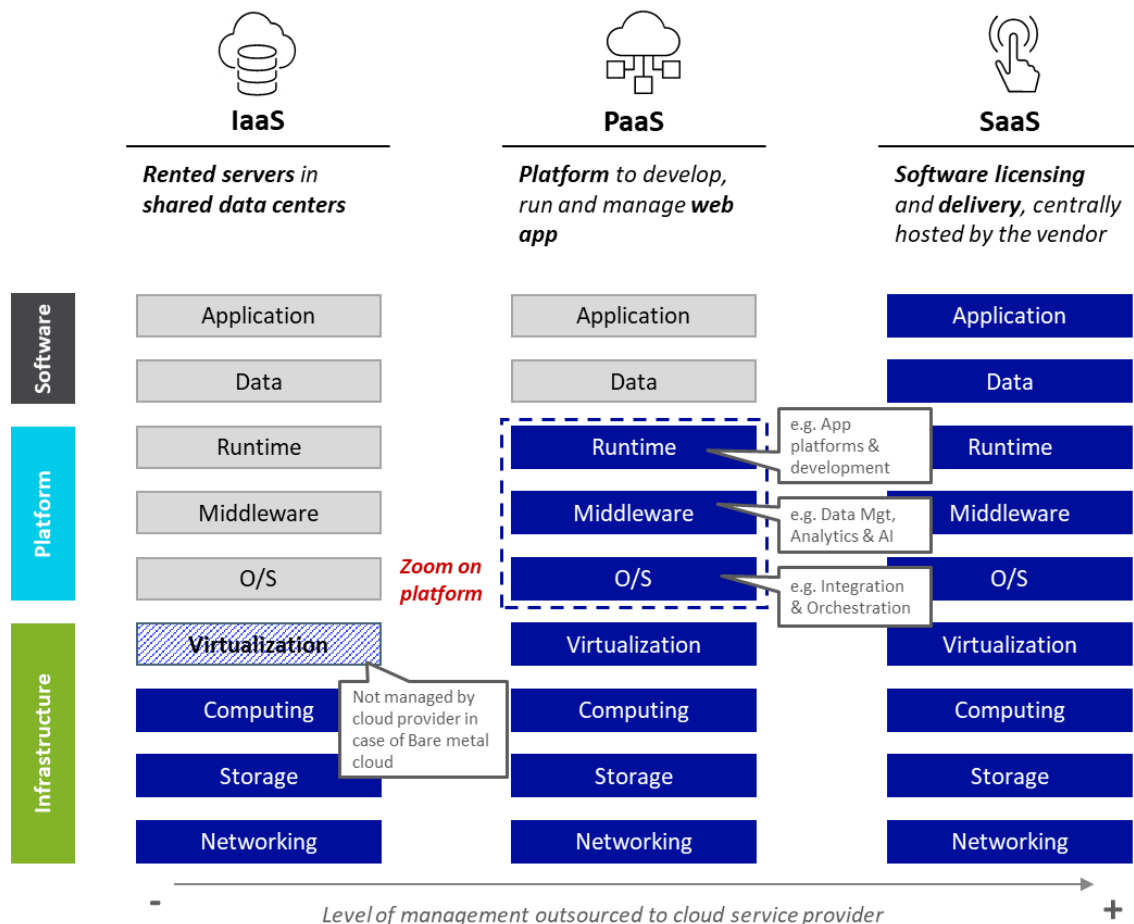


The ability to create multiple virtual machines in each server or to deploy container-based systems allows a cloud service provider to allocate its capacity among multiple user groups or customers in a secure manner. Service providers can dedicate a server to a single customer (a “private cloud” system), allocating the server’s capacity among user groups authorized 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 optimize 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, virtualization stacks and security systems (Platform as a Service or “PaaS”), and offering applications that are developed and can function on cloud platforms (Software as a Service or “SaaS”). The following graphic illustrates these features:



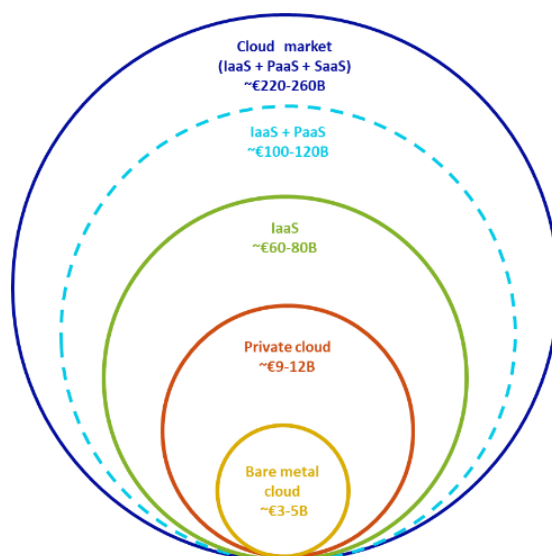
The cloud solutions market also includes web services targeted mainly at individuals and small and medium businesses. The web cloud market largely consists of web and domain hosting, including renting servers for websites, selling secondary services (such as software packages) and domain name registration,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

5.5.2 OVHcloud’s markets

This Universal Registration Document, and this Section 5.5.2 in particular, 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, such information is based on the Company’s analysis of multiple sources, including market studies commissioned by the Company from Bain and information otherwise obtained from the International Data Corporation (IDC) and Forrester Research, Inc. The markets in which OVHcloud operates are rapidly evolving and do not have standard definitions. Accordingly, the information in this Section 5.5.2 constitutes estimates expressed as ranges.

5.5.2.1 Overview of the private and public cloud services market

Market Size



In the private and public cloud services market, OVHcloud is active primarily in the IaaS and PaaS segments. OVHcloud holds leading positions in Europe, based on revenue, in private cloud services. It has been recognised by IDC and Forrester, two industry-leading publications, for the strength of its public cloud IaaS and hosted private cloud offerings, respectively (IDC (September 2020); Forrester (June 2020)). In addition to its strong position in Europe, OVHcloud is expanding its business globally thanks to its network of data centers in North America, Asia and Australia.

In 2020, the global market for off-premise cloud IaaS, PaaS and SaaS offerings was estimated at approximately €220-260 billion. The IaaS and PaaS markets, which are the addressable markets for OVHcloud, together represented almost half of this, or approximately €100-120 billion. This includes an IaaS market of an estimated €60-80 billion and a PaaS market estimated at €35-40 billion.

The following addresses the overall cloud and IaaS and PaaS markets from 2017 through 2020, as well as the estimated potential growth of each from 2021 through calendar year 2025. 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.

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021E¹</u>	<u>2022E¹</u>	<u>2023E¹</u>	<u>2024E¹</u>	<u>2025E¹</u>
	(billions of euros)								
Global Cloud Market Size	120-150	160-190	200-240	220-260	280-320	340-380	420-460	500-550	630-680
<i>Of which IaaS</i>	25-30	35-40	50-60	60-80	85-90	110-115	140-145	175-180	225-230
<i>Of which PaaS</i>	16	22	32	38	45	58	76	99	126

¹ E = expected.

The IaaS market includes an estimated €9-12 billion for private cloud services and the remainder for public cloud. The largest segment of the PaaS market is data management software (representing just under half of the global market and approximately 40% in Europe), followed by artificial intelligence modules and analytics, application platforms, and integration and orchestration middleware.

The European IaaS sector represented a total market of approximately €12-14 billion in 2020, with Germany as the largest market (approximately 18-22%) and France as the second largest (approximately 14-17%). The European PaaS sector has a market size estimated at €6-8 billion in 2020, including approximately €1 billion in France. Globally, the largest single cloud services market is the United States, with an IaaS market size of approximately €28-33 billion in 2020, and a PaaS market of approximately €23-25 billion.

OVHcloud's Market Positions

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 leading providers of private cloud services in Continental Europe, along with IBM Cloud, each of which has a market share estimated at 10-15%. Other leading private cloud providers in Continental Europe include Hetzner (Germany), Rackspace (US/international) and Leaseweb (Netherlands). IBM Cloud and Rackspace are the leaders in the United States and Northern Europe (including UK), where OVHcloud has a market share that is significant, although under 5% given the market fragmentation.

The public cloud market is dominated by the so-called Hyperscalers, Amazon Web Services, Google Cloud Platform and Microsoft Azure, which together represented approximately 70% of the worldwide public cloud market in 2020. In Continental Europe, the Hyperscalers had a public cloud market share of approximately 66% in 2020, followed by IBM Cloud at approximately 5% and OVHcloud at approximately 1% (including 3% in France, approximately even with IBM Cloud and Google Cloud Platform). In the United States, the share of the Hyperscalers is greater. OVHcloud is in the position of a challenger, along with other providers such as Digital Ocean.

Based on a 2020 customer survey in France and Germany, OVHcloud believes the key factors driving the selection of a cloud services provider include price/performance, continuity and reliability of service, technical performance, data security/sovereignty and data center location. The price/performance ratio is the most significant criterion in the baremetal cloud segment, while continuity and reliability is of approximately equal importance with price/performance in the hosted private cloud segment, and is 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, as well as Salesforce and, to a lesser extent, Oracle, IBM and SAP. As part of its growth strategy, OVHcloud anticipates expanding substantially the PaaS components of its offerings, expanding in artificial intelligence and introducing solutions in areas such as data management software and applications platforms, that it believes should be highly attractive to its target customer base of corporates and technology companies. See Section 5.3.2, "Addressing a Larger Market Through New Cloud Usages and Integrated PaaS Solution" in this Universal Registration document.

5.5.2.2 *Private and public cloud market trends*

The cloud market has experienced a period of rapid growth in recent years, with the IaaS market growing by an estimated 35% to 40% per year from 2017 to 2020, including 10% to 12% for baremetal cloud, 20% to 25% for hosted private cloud and 35% to 40% for public cloud (which has represented about 70% to 75% of the global market in this period). OVHcloud's business is currently concentrated in baremetal cloud and, to a lesser but growing extent, hosted private cloud, and its revenues in each of these segments have grown faster than the market from 2017 to 2020.

Over the same period, the global PaaS market has grown at a rate of 30% to 35%, with the most significant growth recorded in the areas of artificial intelligence and database management, although PaaS growth has been broad-based across sub-segments.

OVHcloud believes the cloud market's "hypergrowth" trend should continue in the coming years, with the global IaaS and PaaS cloud markets potentially growing at a compound annual rate of 25% to 30% from 2020 to 2025.

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

IT spending by businesses has increased significantly in recent years, growing from an average of 3.2% of business revenues in 2014 to 3.7% in 2020. OVHcloud believes the growth in IT spending is largely attributable to the increasing sophistication and complexity of IT systems, new innovations (such as advances in artificial intelligence and analytics) and greater demand for connectivity on the part of users, including more collaboration among multiple sites in the same organisation.

IT infrastructure spending has increased from 6.8% of total IT spend in 2015 to 7.6% in 2020, outgrowing total IT spending, driven by the need of many businesses to deal with rising amounts of content collected on a global scale and intensive computing capacity required to process large and complex datasets.

Spending on off-premises computing facilities (especially cloud services) has increased as a share of total enterprise IT infrastructure spending, growing from approximately 35% in 2015 to approximately 50% in 2020, driven by (i) gradual changes in customer preferences, as outsourced IaaS/PaaS is treated as an operating expense rather than a capital expense, and provides greater flexibility than on-premises infrastructure, (ii) growing confidence in outsourced IT solutions, and (iii) a growing number of workloads and applications written as "cloud-native" (meaning they are designed specifically for the cloud).

OVHcloud expects continued robust market growth in the coming years. The recent trend towards IT outsourcing should continue, as approximately 45% of enterprise IT infrastructure spending is expected to remain insourced in 2025 (compared to approximately 50% in 2020 and approximately 65% in 2015), creating a potential sizeable "white space" growth opportunity of around €50-70 billion that can be filled by both private and public cloud offerings. In addition, market growth should be driven by an increase in the number of businesses deploying hybrid and multi-cloud strategies, and the continued development of innovative services.

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

Public cloud is expected to be the most dynamic segment, with anticipated annual growth of 25-30% from 2020 to 2025 globally, driven by high scalability and the large range of potential usages of public cloud services.

Private cloud is also expected to grow substantially, as businesses seek to combine outsourcing and data privacy needs. OVHcloud anticipates annual global growth of 15-20% from 2020 to 2025 for private cloud services, including 8-10% for baremetal cloud and 17-22% for hosted private cloud. OVHcloud

believes this growth will be fueled by a continued outsourcing trend, the development of hybrid cloud and multi-cloud solutions, and an increasing need for dedicated, secure solutions with robust data privacy protections, which are more difficult to ensure on the public cloud.

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

The cloud services market is also evolving rapidly, changing some of the main factors driving the market growth, particularly for business customers. While overall growth reflects a need to store and process ever-increasing amounts of data, OVHcloud believes the market is placing a greater emphasis on topics such as data sovereignty, data security and the environmental impact of data center management. In addition, the growth of the cloud market (including PaaS) reflects a need for a greater degree of sophistication driven by key innovations that should increase the need for cloud services. To take some examples:

Graphic processing units, designed to process parallel calculations, thereby offering high-performance computing that can best be offered through the facilities of a cloud provider. Graphic processing units are likely to be useful for functions such as gaming, video editing and encoding and machine learning.

Increased use of containerization should allow applications to run in a uniform manner on any infrastructure, favouring hybrid and multi-cloud strategies that depend on the standardization of codes to allow seamless portability between on-premises, private and public cloud infrastructure. Containerization is becoming increasingly important for uses such as internal web business applications, collaboration software, customer management and ERP systems.

Hyper-convergence, meaning a trend towards locating processing power and storage in the same unit, separating them through virtualization rather than physical separation. This should also favor hybrid cloud solutions, as it should increase continuity between on-premises and off-premises functions, making the migration process from on-premises to off-premises easier. Hyper-convergence is expected to be particularly useful for collaboration between business headquarters and remote or branch offices.

The development of edge computing should foster new usages for cloud services, increasing the volume and complexity of the services required. Edge computing involves locating computing and storage near the location of the user to improve response times for time-sensitive functions such as patient monitoring, autonomous driving and Internet of Things applications, particularly using 5G mobile technology. As edge computing develops, there should be a greater need to relocate remaining functions to cloud data centers that communicate seamlessly with the “on the edge” functions.

5.5.2.3 The web cloud services market

The web and domain hosting market is estimated at approximately €3.5-4 billion globally, showing growth of approximately 7-8% per year from 2017 to 2020. The European web cloud market is estimated at approximately €1-1.5 billion in 2020, of which France accounts for approximately €100 million. OVHcloud operates in the web cloud market through hosting websites and domain name registration, as well as through providing internet access services and voice over internet protocol solutions. In September 2020, OVHcloud held a French web cloud market share of approximately 65% based on number of clients. It also held strong market shares in Poland and Spain, of approximately 10% and 16%, respectively, based on number of clients.

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

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

5.6 Presentation of OVHcloud's business

OVHcloud is the leading Europe-based cloud services provider, the only European cloud player of scale in the rapidly growing global cloud market. It provides business customers with a comprehensive suite of solutions designed to capture growing demand for multi-cloud and hybrid cloud strategies, serving a wide range of needs and customer segments. OVHcloud is an open, trusted cloud provider, which guarantees data sovereignty and security for a customer base that is increasingly sensitive to these issues. It delivers predictable pricing and an optimal price/performance package driven by its proprietary technology, backed by a differentiated, sustainable, vertically integrated production model that provides optimal efficiency. OVHcloud delivers sustainable, disruptive innovation, leveraged across an active ecosystem of technological and commercial partners.

5.6.1 OVHcloud's comprehensive suite of private cloud and public cloud solutions

OVHcloud offers a complete range of private cloud and public cloud solutions that address the needs of business customers with a unique combination of high performance, data sovereignty, predictable pricing and cutting-edge innovation. With its comprehensive suite of solutions, OVHcloud is ideally positioned to address the growing demand for hybrid and multi-cloud strategies, and to take advantage of the trends driving the dynamic growth of the cloud market.

The following table summarizes the key features of OVHcloud's main private cloud and public cloud offerings.

	Private Cloud		Public Cloud	
	Baremetal Cloud	Hosted Private Cloud	Virtual Private Servers	Shared Public Cloud
Hardware	Dedicated to client	Dedicated to client	Shared	Shared
Operating system	Selected and managed by client	Selected and managed by OVHcloud	Selected and managed by OVHcloud	Selected and managed by OVHcloud
Virtualisation Stack	Selected and managed by client (if any)	VMware Hosted and managed by OVHcloud	VMware hosted and managed by OVHcloud	Hosted and managed by OVHcloud via OpenStack
Data Security	Strongest	Strongest	Stronger	Strong
Scalability	Up to server capacity	Up to server capacity	Flexible, but not automatic	Flexible, automatic
Service Level Agreements⁽¹⁾	99.9% data availability	99.9% data availability; limited hardware SLA	99.5-99.9% SLA with short recovery times (flexible)	99.9-99.999% SLA with short recovery times (flexible)
Pricing model	Monthly fee	Monthly fee + pay-per-use options	Monthly fee + pay-per-use options	Pay-per-use
Main Customer segments	Tech companies ("digital natives")	Enterprise / public sector	Enterprise / public sector	Enterprise and technology companies ("of the digital age")
Main usages	Hosting of website, gaming, media encoding, software development, ERP applications	Storing and processing sensitive data such as financial and healthcare data	Webhosting, web applications, preproduction and infrastructure monitoring	High peak-load usages, like e-commerce websites and video and music streaming, business applications and SaaS

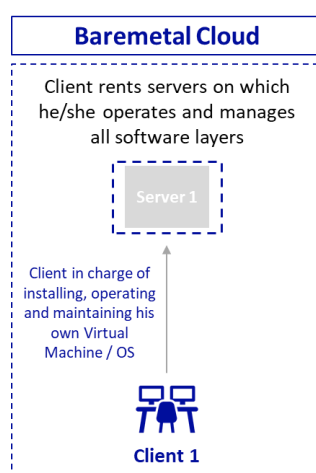
- (1) Service Level Agreements (SLAs) are agreements under which OVHcloud guarantees to the customer that downtime will be limited to maximum amounts provided in the SLAs. If the SLAs are not met, OVHcloud may be required to grant service credits to affected customers, as well as compensate them for the damages they sustained.

5.6.1.1 Private cloud

OVHcloud provides two main private cloud offerings: baremetal cloud and hosted private cloud.

Baremetal Cloud

OVHcloud's baremetal cloud service provides dedicated physical servers to customers, which have full control over the server, including the choice of operating system, which allows them to have an experience similar to what they would have with on-premises solutions managed by their internal IT staff, while taking advantage of the benefits offered by outsourcing. The service is illustrated by the following graphic.



OVHcloud's main baremetal cloud offering is marketed under the OVHcloud brand name (the same brand used for all other private cloud services as well as public cloud services), using high-end servers and mid- to high-level service offerings. It also has a modest priced offering marketed under the "So You Start" brand name, and an entry-level offering marketed under the Kimsufi brand name, using refurbished servers that deliver quality services at reduced cost, while at the same time improving environmental efficiency (the Kimsufi brand is also used for entry-level public cloud and web cloud services).

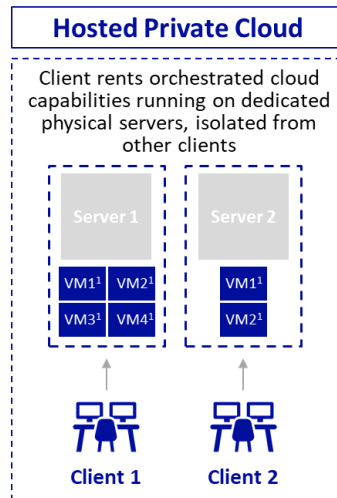
Baremetal cloud services provide business customers with high-level computing power and strict Service Level Agreements, in a secure environment appropriate for data-sensitive applications. The server can be customised to meet customer requirements and can be operated without a need to allocate the server's capacity to virtual machines through a hypervisor, which allows the customer to use the server's full capacity. Any unused capacity can be deployed within minutes, although the total capacity is limited by that of the dedicated server. Baremetal customers are typically responsible for making their own data backup arrangements, although they can also choose from several backup options offered by OVHcloud (with backed-up data stored within the same data center or at a different location).

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

The main usages for baremetal cloud services include media encoding (for 3D streaming), complex data-computing (such as analyzing oil and gas field seismic data), low latency operations such as high frequency trading, media streaming, online gaming and online advertising, critical corporate applications such as ERP and CRM system operations, specialised applications such as customised Internet-of-Things, and applications designed to meet strict regulatory compliance requirements.

Hosted Private Cloud

OVHcloud offers hosted private cloud services to its business customers, providing dedicated servers and platforms fully managed by OVHcloud, including the operating system and the virtualization stack (using VMware technology). The service is illustrated by the following graphic.



Within its hosted private cloud service, OVHcloud has two main offerings: (i) *Essential* and (ii) *Premier*.

Essential is an entry-level product offered since October 2020. Customers are provided with dedicated, virtualized servers, fully managed by OVHcloud. *Essential* customers pay €300 to €400 per month and primarily targets medium-sized businesses. It offers an SLA of 99.9%, which corresponds to only approximately 44 minutes of server downtime per month.

Premier provides high-end, dedicated virtualized servers, and includes virtual storage and backup management and 24/7 support. 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 pay €1,000 to €1,500 per month and *Premier* primarily targets large corporations and public sector customers who are looking to transition to using a cloud service provider. OVHcloud *Premier* offers SLAs of 99.9%.

OVHcloud's hosted private cloud services provide customers with private access to servers that can be customised to meet the customer's specific requirements. The server provides high performance, although slightly below that of high-end baremetal cloud service, because the hypervisor uses some of the server's capacity. It meets the needs of customers seeking isolation and security, scalable resources (within the limits of the server's capacity) and resilience.

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

5.6.1.2 Public cloud

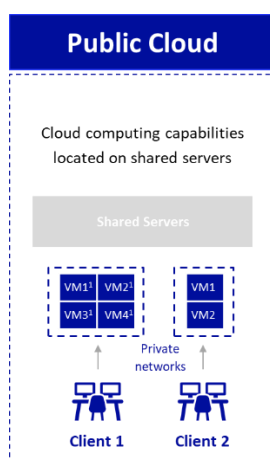
OVHcloud offers public cloud solutions based on open-source technologies such as OpenStack (a platform that controls diverse, multi-vendor pools of processing, storage, and networking resources) and Kubernetes (an industry standard container orchestration platform). The use of these standard platforms provides customers with easy data transfer capability and access to source code, facilitating reversibility and eliminating "vendor lock-in". OVHcloud believes this feature is particularly attractive to customers seeking to deploy hybrid 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. Capacity can generally be accessed automatically in seconds. Because public cloud service is based on

shared servers, customisation options are limited. OVHcloud provides high SLAs given the flexibility of the hardware architecture.

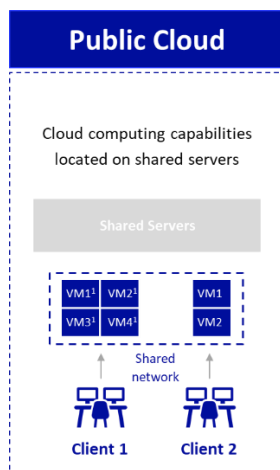
Customers of public cloud services pay usage charges for the capacity they actually use, although OVHcloud’s public cloud pricing model provides significantly more predictability than the models used by the Hyperscalers and many other competitors. In particular, unlike the Hyperscalers, OVHcloud does not charge extra for outgoing data transfer or API calls (meaning communications with a server using an Application Program Interface, such as a login and password), except for public cloud block and archive storage, and for services located in the Asia-Pacific region.

The Group’s public cloud offering provides three core cloud computing services: computer performance, storage and network capabilities. It also provides five additional, high-level services: orchestration and containerization, including tools to manage processes and software stacks; data analytics, including data collection and processing services; artificial intelligence, including automated deployment, launch, training and evaluation of machine learning models; management interfaces; and project management solutions. Customers of OVHcloud public cloud solutions can choose a virtual private server option, providing computing capabilities located on shared servers, but with “virtual machines” isolated through the use of virtual private networks. This service is illustrated by the following graphic:



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

OVHcloud also offers fully scalable public cloud services on virtual machines that are housed on shared servers, but are not isolated through virtual private networks. This service is illustrated by the following graphic.



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 (such as e-commerce websites) and services that use large volumes of data, such as video and music streaming. Public cloud services can also be used by businesses for workloads that are not sufficiently mission-critical to warrant the use of private cloud resources.

OVHcloud's public cloud customers can also choose from a number of collaborative software solutions (SaaS) running on OVHcloud public cloud servers. In particular, OVHcloud offers customers access, for monthly fees, to Microsoft Exchange email, calendar and contact solutions, SharePoint data storage and management solutions, and the Office365 business software suite.

5.6.1.3 Platform-as-a-Service solutions

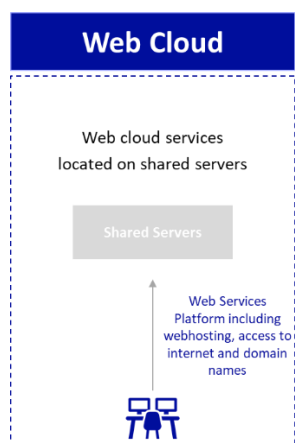
As part of its growth strategy, OVHcloud is in the process of developing and implementing a comprehensive PaaS offering that it intends to layer on its private cloud and public cloud IaaS products. See Section 5.3.2, "*Addressing a Larger Market Through New Cloud Usages and Integrated PaaS Solution*" in this Universal Registration Document. In addition to developing products internally, it has announced several partnerships and expects to announce new products, partnerships and acquisitions, with a view to leveraging its capabilities and increasing its offerings for business customers, primarily in the following areas:

- *Artificial Intelligence and Analytics.* Artificial intelligence and analytics solutions include tools and services supporting data analysis and data presentation, such as the management of end user queries, data labelling, and image and text presentation. OVHcloud is active in providing high performance computing solutions for artificial intelligence and machine learning and intends to pursue its development in this area.
- *Data Management Software.* Data management software allows users such as database managers and developers to manage databases to allow for queries and random updates, and it represents the largest single segment of the PaaS market. It includes programs that execute queries on data and provide visual representation of the data in formats such as spreadsheets, enabling users to build applications faster and automate database management. OVHcloud announced a partnership in April 2021 with mongoDB, and is currently in discussions for two other data management software partnerships.
- *Application Platforms.* Application platforms are back-end server software solutions providing developers with a cohesive application execution environment (e.g. application execution, access to data, authentication coordination, session management). OVHcloud integrates key application platforms from VMWare and Google (through the white-label solution based on Google's Anthos platform).
- *Web cloud Platforms.* Leveraging its leading web cloud market position, OVHcloud launched a partnership in March 2021 with Platform.sh to offer an end-to-end web platform allowing developers to build, run and scale applications.
- *High Performance Storage.* OVHcloud is growing its storage offering to include a comprehensive portfolio of core solutions, complementing its high-performance computing offerings with high performance storage. As part of this initiative, in July 2020, OVHcloud announced a program to support an offering of very large object storage by OpenIO, a company that OVHcloud acquired at the time the offering was announced. In August 2020, OVHcloud acquired Exten, a U.S.-based specialist in distributed block, or Non-Volatile Memory express over Fabrics (NVMe-oF), storage software. OVHcloud expects to expand its storage offering (including block storage, file storage and object storage) in the coming years both organically and through continued external growth.
- *Security and 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 U.S. specialist company in this area.

5.6.2 OVHcloud's web cloud solutions

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. The web cloud solution is illustrated by the following graphic:



OVHcloud offers three principal solutions to web cloud customers:

- *Web hosting and domain registration.* This includes the rental of capacity on web servers, allowing customers to connect their websites to the internet, as well as domain name registration, renewal and transfers. Customers can choose basic packages offering one or only a few websites, or packages targeted at professionals and developers that wish to host multiple websites, together with email addresses and storage options. OVHcloud offers web hosting customers additional services, such as Secure Socket Layer (SSL) certificates, which allow secure connections from a web server to a browser.
- *Telephony and Network.* Customers may purchase Voice over IP systems providing phone numbers and unlimited calls to fixed lines (and, in the high-end package, mobile lines), and enabling usages such as telephone switchboards and interactive voice response systems. OVHcloud also provides large-volume telephony options that are capable of handling video and other media. OVHcloud also offers customers internet access through ADSL and fiber networks, with basic and professional packages.
- *Software Marketplace.* Web cloud customers have access to OVHcloud's software marketplace, launched in 2020, providing more than 250 fully digital SaaS and PaaS solutions with 6 categories from third-party vendors that can run on OVH's infrastructure, in areas such as collaboration, emailing and social networking, managed services (such as outsourcing), corporate tools (business intelligence, CRM and ERP), coding and applications development, and solutions for specific industries such as e-learning, healthcare, legal and real estate.

OVHcloud's primary customers in the web cloud segment are small and medium businesses, as well as some individuals and entrepreneurs running businesses from small or home offices. Web cloud customers are generally seeking secure and reliable web and communications services, to meet basic and advanced connectivity needs and establish their web presence, and to digitalize business functions.

5.6.3 Customers and marketing

5.6.3.1 OVHcloud's customer base

OVHcloud serves approximately 1.6 million customers, including large corporates, public sector entities, technology companies, small and medium enterprises, and a broad range of individual and

business web customers. The customer base is highly diversified, with the top 50 customers representing approximately 7.2% of revenues in FY2021, and the top 500 customers representing approximately 19% of FY2021 revenues.

Technology and Software Companies

OVHcloud has historically held a strong position with technology companies, which it refers to as “digital native,” or “cloud native”, customers, as many of these customers were “born in the cloud”, using cloud services since they were established. This customer group includes software editors, value added resellers and other companies that rely on OVHcloud to host the PaaS and SaaS solutions they offer to their own customers. This group of customers includes, in particular, Kiwi.com, Apex Hosting, DynAdmic, Shockbyte, Draccon, Shift, TalentSoft and Cegid.

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, as it controls the full stack of software and hardware. Customers in this segment are attracted primarily by OVHcloud’s tailored solutions and service quality, which are essential to ensure the quality of their own businesses, as well as a high degree of data security, and the absence of “vendor lock-in” offered by OVHcloud’s solutions.

OVHcloud supports its technology and software customers, accompanying many of them from the start-up phase and the development of the software-as-a-service solutions that they provide to their own customers using OVHcloud’s cloud solutions. As these customers grow, OVHcloud continues to service their needs for a full spectrum of corporate solutions as they develop into larger enterprises.

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 on line to address their requirements.

Large corporates, SMBs and Public Entities

OVHcloud’s large corporate, SMB and public entity customer base is a segment that 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 clients in this segment with its price/performance ratio leadership based on its vertically integrated industrial model.

OVHcloud reaches its large corporate and public entity customer base primarily through its internal sales force, either directly or through its IT systems integrator partners. OVHcloud estimates that approximately 69% of its revenues from large corporates and public entities from FY2018 to FY2021 reflect products and services sold directly by OVHcloud to large corporate customers, while approximately 31% represents services sold through IT partners (such as systems integrators) as part of broader IT packages, and the remainder represents public sector customers. In FY2021, OVHcloud estimates that it had 1,000 large corporate and public entity clients, including Ravensburger, Pierre Fabre, le *Ministère des Armées*, Thales, Airbus and Serco.

OVHcloud occupies a strong position with small and medium enterprise customers, which rely on OVHcloud for a variety of private and public cloud services, often starting from web cloud services and upgrading as part of cloud migration projects. OVHcloud believes its success with this customer segment is driven largely by its price/performance ratio and reliability. Small and medium enterprise customers are reached through a combination of digital marketing channels (particularly for tech-savvy customers), as well as medium-sized systems integrators and direct sales staff.

“White-Label” and Resellers

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

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

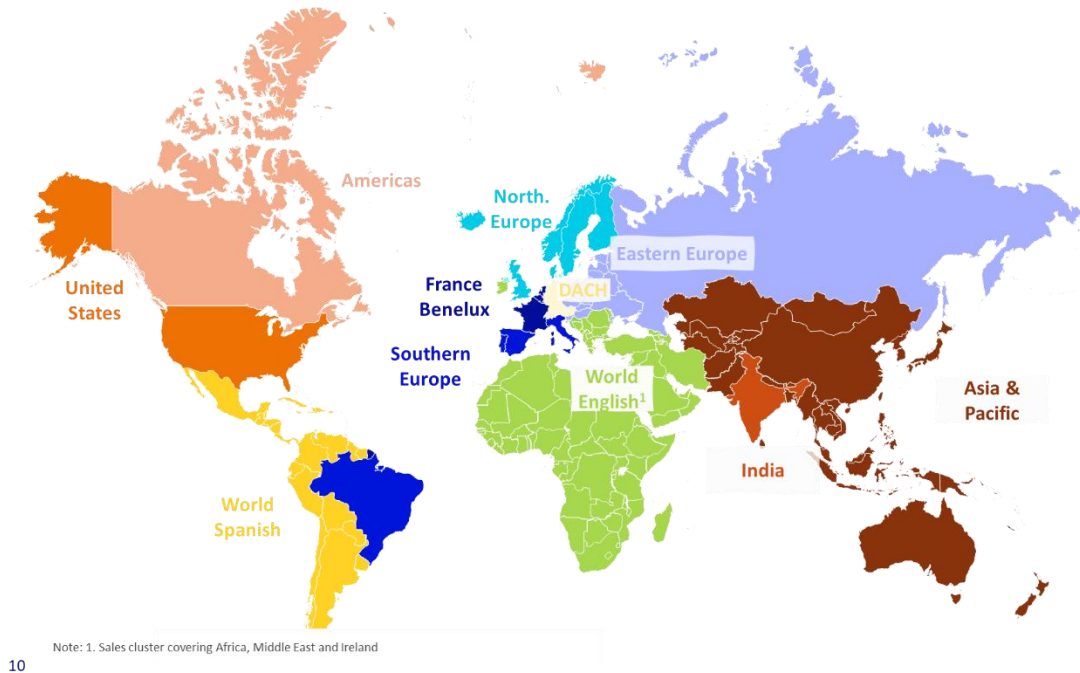
OVHcloud has recently developed its indirect sales strategy by entering into “white-label” partnerships. For example, OVHcloud manages data centers for third parties (such as telecom and web hosting customers) that in turn provide solutions to their own clients, hosted in the managed data centers. In its flagship DCaaS partnership, announced in September 2020, OVHcloud is managing a data center for the German telecom operator T-Systems, providing a white-label trusted public cloud solution that guarantees data sovereignty and GDPR compliance. OVHcloud provides public cloud technology and will take over from T-Systems the management of the data center in Germany over time. OVHcloud views the T-Systems partnership as a model for future development, and currently anticipates signing additional DCaaS partnerships in the near and medium term.

5.6.3.2 *Geographical footprint*

From its historical roots in France, 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 FY2021, OVHcloud generated 52% of its revenues from customers located in France, 29% from customers located elsewhere in Europe, and 19% from customers located in the Rest of the World. These figures represent significant growth outside France over the past several years. OVHcloud opened its first data center outside France in 2012, when it opened a data center Beauharnois, Canada (near Montreal). From 2017 to 2021, OVHcloud opened twelve new data centers, eight of which were located outside France. This period has seen a rapid rise in the share of OVHcloud’s revenues realized abroad.

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 “hub and spoke” strategy that combines efficiency and localized service. In its clusters, OVHcloud offers services such as local language e-commerce sites and support, and dedicated partner and start-up programs, as well as local sales staff attuned to the trends in the markets they serve.

5.6.3.3 *Marketing*

Since November 2019, OVHcloud has deployed an invigorated go-to-market strategy that has included substantially increasing its digital marketing efforts and growing its direct sales force to target key business customers and system integrator partners. The increased marketing effort has been

complemented by new and enhanced product offerings, as well as improved support, provided both as integrated parts of OVHcloud offerings and as paid options.

This strategy has produced robust returns, with the digital channel driving significant revenue growth, and the direct channel producing an increased number of attractive customer acquisition opportunities that OVHcloud believes should lead to significant future revenue growth. In FY2021, approximately 47% of sales were generated through OVHcloud's digital go-to-market channel.

A significant focus of OVHcloud's marketing effort revolves around cross-selling, as customers that already know OVHcloud represent a significant source of potential growth. As an example, OVHcloud estimated that approximately 30% of its public cloud revenues, 27% of its hosted private cloud revenues, and 17% of its baremetal cloud revenues in FY2021 were derived from former web cloud customers that have migrated or upgraded to other cloud services. As of end-FY2021, OVHcloud estimated that approximately 53% of its clients (excluding the U.S.) were using at least two cloud services.

Digital Self-Service Platform

The Group offers a digital self-service platform, available in approximately 20 countries, which is an effective tool for attaining customers groups such as mid-sized technology companies, web consumers and agencies, and traditional small and medium enterprises. Through OVHcloud's digital channel, customers are able to order, manage and control services, choose the localization of their data, and obtain fully automated access to cloud services in minutes (or within three hours, for fully hosted private cloud services).

As part of the rollout of its go-to-market strategy, OVHcloud has significantly increased its spending on its digital channel, including search engine advertising and optimization, as well as its sales staff devoted to the digital marketing channel (which represented approximately half of its sales and marketing organisation at the end of FY2020). This has resulted in a significant increase in traffic on OVHcloud's websites and an improved conversion rate (meaning the percentage of website visitors who have purchased OVHcloud services). OVHcloud has also developed customer-centric online "usage cases" (concrete ways in which customers can use OVHcloud services) with a view to increasing revenue and improving customer retention.

Direct Marketing and Partnerships

OVHcloud's internal sales team focuses primarily on attracting new large customers, and driving revenue growth from existing large customers. The direct sales effort is complemented by partnerships with over 350 key IT partners that provide OVHcloud with access to major cloud migration projects of large customers.

As part of its invigorated go-to-market strategy, OVHcloud has significantly increased its internal sales force and organisation, which grew (on a full-time-equivalent basis) by approximately half from 93 at the end of FY2019 to 126 at the end of FY2020 and 163 at 31 August 2021, with the majority of the additions in locations outside France, including Europe and the United States.

In parallel, OVHcloud has reinforced its partnerships with key global, national, regional and local IT consultants and systems integrators, such as Capgemini, Neurones IT and Linkbynet. The Capgemini partnership was signed in late 2019 to provide Capgemini with an alternative to Hyperscaler solutions, and it generated significant revenue in its first year, leading OVHcloud and Capgemini to renew and expand it globally (including to the United States) in 2021. In 2020, OVHcloud signed a "European trusted cloud" partnership with Atos, OneCloud, to provide a solution based on data sovereignty and Atos cybersecurity, hosted by OVHcloud. The Atos OneCloud partnership could be a model for additional trusted cloud partnerships in the future.

The increased resources have provided OVHcloud with access to greater opportunities that should provide substantial growth in the near and medium term. In particular, a significant proportion of contracts in this segment are awarded in competitive processes through requests for proposals (RFPs), particularly with respect to hosted private cloud migration projects. As it has ramped up its sales effort, OVHcloud has been invited to participate in a growing number of RFP processes, particularly in projects with relatively high monthly revenue potential.

5.6.4 The cloud for strategic data

5.6.4.1 Data sovereignty

As the leading European cloud services provider, OVHcloud is uniquely positioned to provide data-sovereign solutions that respond to the needs of customers (particularly in Europe) that are emphasizing data privacy issues to an ever greater extent. OVHcloud's ability to provide data-sovereign solutions is a significant factor that differentiates it from the U.S.-based Hyperscalers and other U.S.-based cloud providers. In addition, while data sovereignty is particularly important in Europe, OVHcloud believes it is likely to take on increasing significance in other jurisdictions, including in the United States.

In Europe, the need for solutions offering the highest standards of data sovereignty stems from a number of legal developments:

- **GDPR.** The General Data Protection Regulation (GDPR) came into effect in May 2018, and substantially increased the data privacy obligations applicable to companies that receive, store, process, transfer and otherwise make use of personal data. GDPR places organisations that do business in Europe under strict obligations in terms of security and reporting, strengthens the rights of individuals and increases the enforcement powers of supervisory authorities, with violations giving rise to potentially substantial fines. In addition, GDPR places strict restrictions on the transfer of personal data outside the European Economic Area.
- **Schrems II.** The United States and the European Union have entered into two agreements to facilitate the transfer of personal data across borders. Both agreements have been declared invalid by the European Court of Justice (ECJ). In the most recent decision (*Schrems II*), the ECJ decided that the E.U.-U.S. Privacy Shield was invalid because it did not provide sufficient protection against the ability of U.S. law enforcement agencies to access personal data of EU citizens. As a consequence, cloud customers must take steps to ensure that the personal data they store with cloud service providers will not be transferred to the United States in violation of GDPR. By choosing OVHcloud's solutions, cloud customers are able to satisfy this obligation because OVHcloud does not transfer their personal data to the United States.
- **CLOUD Act.** In 2018, the United States Congress adopted the CLOUD Act, which provides that U.S. law enforcement agencies may obtain subpoenas or warrants requiring companies subject to U.S. jurisdiction to turn over data stored on their servers, including those located outside the United States. Many European cloud customers are concerned about storing data with cloud service providers in a manner that could be subject to CLOUD Act subpoenas and warrants. These customers are increasingly seeking data storage solutions from companies that are not subject to U.S. jurisdiction.

For further information about the data privacy and sovereignty regulations applicable to OVHcloud, please refer to Chapter 9, "*Legislative and Regulatory Environment*" in this Universal Registration Document.

OVHcloud is able to provide customers with "trusted cloud" services that comply with GDPR and it has structured its U.S. operations to be completely segregated from its operations elsewhere, so that data stored on OVHcloud servers outside the United States by non-U.S. customers should not be subject to subpoena or warrant searches under the CLOUD Act. OVHcloud customers are able to choose the location of the servers where their data is stored, providing them with assurances regarding compliance with the applicable data protection regime.

OVHcloud is also a leading member of organisations designed to promote data sovereignty in Europe. It is a founding member of the CISPE (Cloud Infrastructure Service Providers in Europe), which has established a charter of good practices to ensure highest degree of personal data protection. It is also a founding member of GAIA-X, a European consortium launched in 2020 with the goal of building the next generation data infrastructure to foster digital sovereignty of Europe, offering a European alternative to the U.S. Hyperscalers.

OVHcloud has implemented a “trusted cloud by design” offering that it believes is attractive to customers in Europe and around the world. It has publicly committed not to sell or use its customers’ data, even for internal service optimization purposes. It has also publicly stated that it will not transfer customer data outside the locations chosen by them, except pursuant to their instructions.

OVHcloud has also created the “Open Trusted Cloud” label for software vendors and providers of PaaS and SaaS solutions. These software providers benefit from a label that certifies that their solutions are open and comply with European standards, allowing them to be hosted by OVHcloud. More than 300 applications are currently eligible for this certification.

5.6.4.2 Trusted cloud partnerships

OVHcloud has partnerships with software and database platforms in order to ensure that their offerings can be provided in a way that is data secure and that allows for data sovereignty. OVHcloud believes these relationships represent a significant source of potential future growth.

OVHcloud’s trusted cloud partnerships currently include the following:

- *T-System Public Cloud Solution:* In September 2020, OVHcloud and T-Systems partnered to create a public cloud platform for the public and enterprise segments while guaranteeing data sovereignty and data privacy.
- *Google Anthos Data Sovereignty Solution:* In November 2020, OVHcloud and Google announced a partnership to make Google’s Anthos software platform available in a manner that provides customers with data sovereignty. Anthos is a managed applications platform used for the development and deployment of software applications. Through this partnership, Google is able to offer the Anthos platform to European customers seeking a data-sovereign solution, running on a private cloud system managed by OVHcloud.
- *mongoDB-as-a-Service Solution:* In April 2021, OVHcloud and mongoDB partnered to host mongoDB’s developer-focused database platform on OVHcloud’s trusted infrastructure in order to have a public cloud offering fully compliant with data security and data sovereignty best practices.
- *Thales “Made in France” Data Hosting:* In April 2021, OVHcloud and Thales announced a partnership to provide increased security for data sent through the Citadel Team messaging service. The encrypted data sent over the service will be stored on OVHcloud’s servers at its data centers in France. Citadel Team is currently used by many companies included in the French CAC-40 stock market index.

Additionally, OVHcloud has launched the Trusted Zone Sovereign Solutions to partner with other services to offer software platforms while preserving data security and data sovereignty.

5.6.4.3 Security

In addition to providing market-leading data sovereignty solutions, OVHcloud’s services benefit from multiple security certifications that attest to their compliance with the highest security standards. OVHcloud benefits from several key certifications, including the following:

- *SecNumCloud.* This is the highest French security certification for cloud providers, released by the French National Cybersecurity Agency (ANSSI) to guarantee data security and sovereignty. The certification aims at guiding public/administrative authorities, vital organisations and all French and European economic entities towards trusted cloud providers to store sensitive data. It is based on an extensive security audit.
- *ISO/IEC 27001.* This security certification standard evaluates an organisation’s compliance with the standards released by the International Organisation for Standardization (ISO), which establishes best practices for the management system for information security within an organisation. The certification is performed by an independent third party and assesses the information security for a range of information assets, including financial information, intellectual property and employee information.

- *ISO27017:2015*. This security certification confirms an organisation's compliance with the ISO's ISO27017:2015 guidelines, which pertain to information security controls of cloud service providers. Compliance is assessed, and certification is performed, by an independent third party.
- *SOC*. The security operations center (SOC) certification is administered by the American Institute of Certified Public Accountants. It certifies that an organisation has the required internal procedures for managing the security of its information systems.
- *PCI DSS*. The Payment Card Industry Data Security Standard is a security certification administered by the PCI Security Standards Council (PCI SSC). It certifies that a business conforms with the PCI SSC standards on the storage, transmission and processing of cardholder data when processing card payments in order to reduce card fraud.
- *HDS*. The *Hébergeur de Données de Santé* (HDS) security certification reflects standards determined by the French *Agence du Numérique en Santé* (ANS) with respect to health information security measures. It is required for organisations that host personal health data under French law and certifies that such organisations meet the required security standards to handle this sensitive information. The assessment of compliance is made by an independent third-party through both a documentary and on-site audit.
- *Cloud Computing Compliance Criteria Catalogue (C5) Type II Report*. The C5 Type II report signifies a baseline security level for cloud computing. This is a global attestation provided through an independent audit.

In addition, OVHcloud's subsidiaries hold several country-specific certifications to comply with national regulations. These certifications include:

- *HIPAA Type 1 Attestation, United States*. The U.S. Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH) establish privacy and security standards for protected health information in the United States. The Type I report is a compliance report that checks the design of security controls at the time of the audit.
- *Qualified Certification Service Provider (AGID), Italy*. The AGID provides a list of qualified service providers under Regulation (EU) No. 910/2014 in Italy.
- *G-Cloud, U.K.* The G-Cloud framework enables cloud service providers to sell cloud services to the public sector in the U.S. Cloud service providers must apply through the U.K. government's Digital Marketplace.

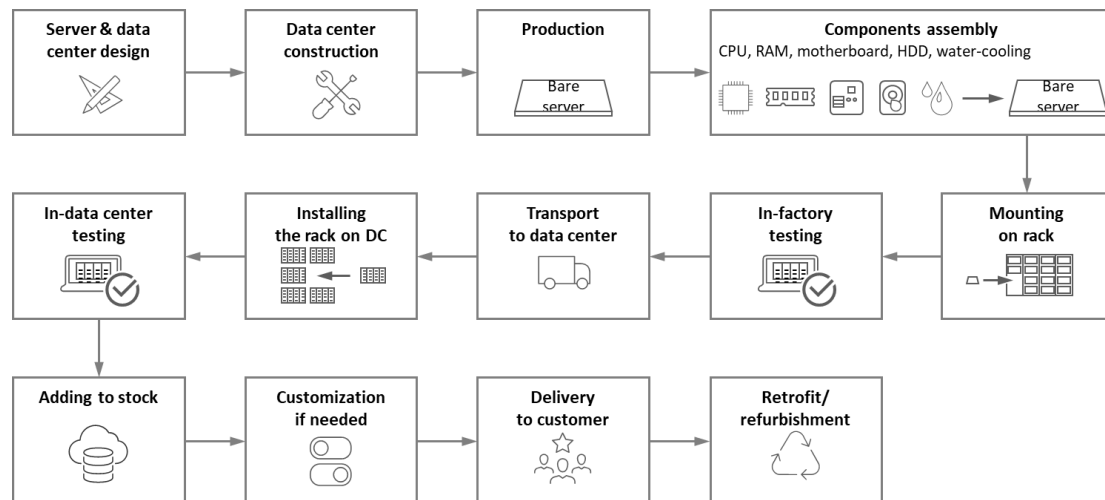
OVHcloud is also a founding member of the Cloud Service Infrastructure Providers in Europe (CISPE), and is represented on the CISPE Board of Directors. The CISPE publishes a Code of Conduct that aligns with the strict requirements laid out in the GDPR framework to help cloud infrastructure providers comply, avoiding penalties while also offering a framework to help customers and end users to select cloud providers and trust their services. OVHcloud is a signatory of the CISPE Code of Conduct.

In addition, the Cloud Security Alliance (CSA) publishes best practices for cloud service providers' information security practices. Since 2016, OVHcloud has been listed on the CSA Security, Trust, Assurance and Risk (STAR) registry at Level One, on the basis of best practices self-assessment.

5.6.5 Vertically integrated, sustainable production model

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

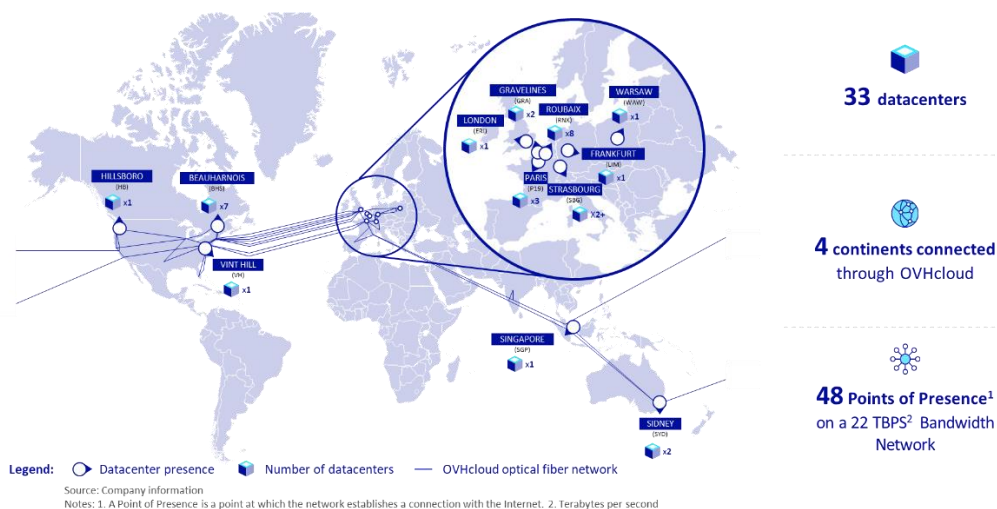
efficiency through retrofitting servers. OVHcloud's proprietary technology and in-house operations in a variety of geographic markets have contributed to its strong vertical integration.



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

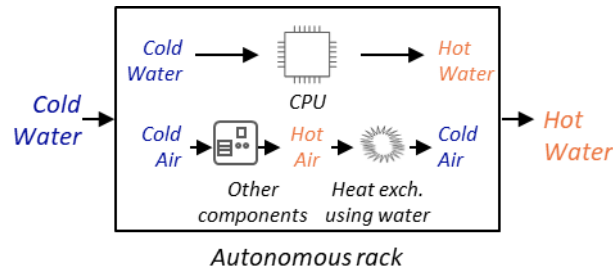
Because OVHcloud manufactures its servers in-house, it is not dependent on a third-party manufacturer, which reduces the risk of supply chain disruption. The capacity to manufacture servers proved to be essential in allowing OVHcloud to respond rapidly to restore service following the Strasbourg fire, as OVHcloud doubled its server production following the fire. It is unlikely that OVHcloud could have achieved the same degree of responsiveness at a similar scale with a third party manufacturer.

In addition, by owning and operating its data centers, OVHcloud has more control over each stage of the production process, which, in turn, allows its customers more opportunities for customisation. With data centers in 33 locations in 12 countries worldwide (excluding the two Strasbourg data centers that were damaged in the March 2021 fire), OVHcloud is able to deliver servers to its customers within a short time frame: in OVHcloud's European and North American locations, it takes approximately 14 days from server production to delivery. OVHcloud's data centers are generally housed in former industrial buildings, which has provided a cost advantage and has reduced its environmental impact by repurposing existing resources.



OVHcloud uses a proprietary water cooling technology at its data centers, which it pioneered and has used for over 20 years. OVHcloud's water cooling technology combines water-cooled servers with air-

cooled data centers, thereby removing the need for air conditioning, which has significant environmental and cost benefits. It uses direct water cooling to remove the heat from CPUs, and air—which is then cooled inside the rack using water through a heat exchanger—to remove the heat from other components, as demonstrated in the graphic below. The heated water is then cooled using dry cooling towers. In addition to being highly energy and water efficient, OVHcloud’s water cooling technology also has relatively low maintenance costs.



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

5.6.6 Customer contracts

OVHcloud’s customer contracts vary depending on the type of customer. With respect to larger corporate customers who benefit from dedicated marketing support, OVHcloud may negotiate framework agreements on the basis of which implementation agreements are concluded. Relations with customers subscribing for services through the digital marketing channel are typically governed by OVHcloud’s general terms of service, as well as applicable specific conditions (e.g. private cloud, public cloud), financial conditions, as well as a data processing agreement. The general terms of service are also frequently incorporated in the framework agreements. Key provisions may vary according to the geographical area in which the client is located.

The framework agreements provide for the conditions applicable to the performance of the services rendered by OVHcloud. Such services are based on the standard OVHcloud services catalogue and are provided to the customers and to any of the customer’s affiliates which may be entitled to order these services. The quality and levels of the services are those defined in the applicable specific conditions. At any time, OVHcloud reserves its right to amend the services as well as applicable prices and specific conditions. Subject to prior notice to the customer, such changes apply to new and existing orders unless the customer rejects the change and notifies OVHcloud of its intention to terminate the order affected by such change.

Framework agreements come into force as from the date of their signature by the parties for an initial period of three years and are tacitly renewed for successive periods of one year subject to termination by one of the parties. Customers can generally cancel services under framework agreements with minimal prior notice. Termination of a framework agreement does not cancel the implementation agreements, minimum-term or fixed-term orders in progress at the time of termination. OVHcloud may enter into other agreements with third parties including competitors of the concerned customer.

Under the terms of the framework agreement, the customer is liable for the use of the services provided by OVHcloud and ensures compliance by any third party using such services, or on whose behalf the services are used. In particular, the customer guarantees OVHcloud against any consequences resulting from the use or exploitation of illegal content within the scope of the services, the fraudulent use of the services or use that does not comply with the laws and regulations in force and the use of the services in violation of third parties’ rights. OVHcloud liability is limited and may not be incurred in particular for the non-performance, failure, malfunction or unavailability of the services resulting from an act or omission of a third party beyond OVHcloud reasonable control (excluding its subcontractors) or for the loss, alteration or destruction of all or part of the content hosted on the infrastructure.

According to the general terms of service, no backup of the content stored in the scope of the services is performed by OVHcloud. As such, OVHcloud's contracts provide that the customer is solely responsible for taking all necessary measures to safeguard its data from potential risks of loss or degradation, regardless of cause. For additional charges, customers may choose backup solutions as provided in applicable specific conditions. In addition, certain of OVHcloud's premium offerings include limited backup features. OVHcloud intends to update its backup policies to provide more free backup options in the future.

A data processing agreement is also attached to the framework agreements and to the general conditions of service. It sets forth the conditions under which OVHcloud is entitled as a processor to carry out the processing of personal data on behalf of, and on instructions from, its customers. For further information about the data privacy applicable to OVHcloud, see Chapter 9, "*Legislative and Regulatory Environment*" in this Universal Registration Document.

OVHcloud may also enter into framework partnership agreements pursuant to which the services provided by OVHcloud may be resold by a partner to its own customers in association with one or more additional services or other value-added elements provided by such partner. OVHcloud's contractual relations are solely with its partner, and not with the partners own customers.

5.7 Environmental policy – sustainable development

5.7.1 Sustainable development

OVHcloud is sustainable through its integrated model. Throughout its twenty-year history, it has been committed to reducing its production of waste and minimising its energy consumption. It holds itself accountable for its goals: for example, it is one of the founding members of the Climate Neutral Data center Pact, an initiative of data center operators and trade associations committed to the E.U.'s European Green Deal.

Key highlights over OVHcloud's history include:

2002	OVH builds its servers internally to optimize space and control the value chain.
2003	OVH implements its first water-cooling system to reduce the need for energy.
2006	OVH uses its first server room without the need for air conditioning.
2008	Data center power supply is enabled for entry-level servers to increase efficiency.
2009	OVH begins retrofitting servers in order to enhance the reverse supply chain.
2011	The data center in Roubaix begins using new generation cooling, with improved power usage effectiveness.
2012	OVH's data center in Quebec is powered with hydroelectricity.
2019	OVHcloud develops its third generation of free cooling systems in order to enhance the efficiency of its water-cooling system.
2020	OVHcloud implements a fully clickable rack (water-cooling, power, network).

OVHcloud is committed to reducing its environmental impact at every stage of the server lifecycle, including through the design and construction of its data centers, recycling components for different product offerings and extending the lifespan of its hardware.

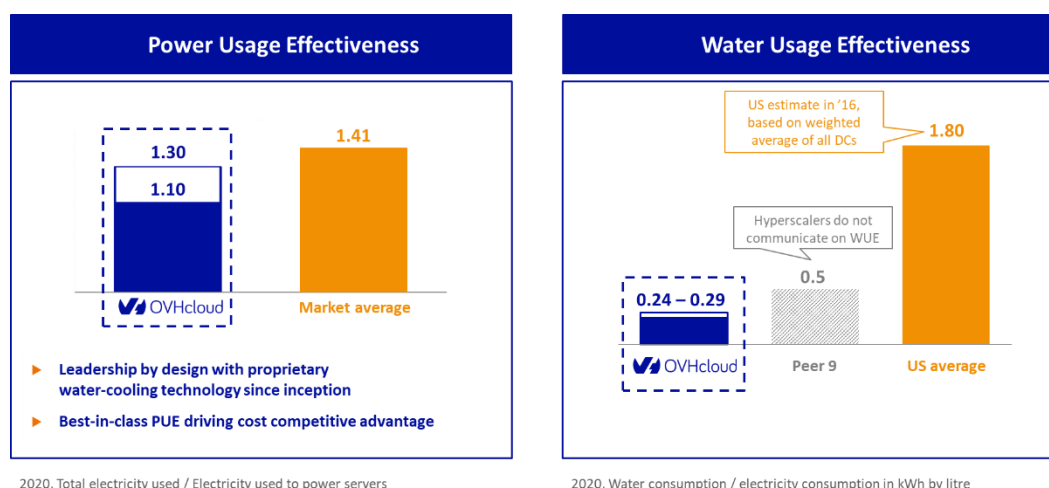
In the course of FY2021, relying on its integrated model and its inventory control, the Group was able to intensify the reuse of components, particularly in the context of the replacement of servers destroyed following the Strasbourg fire. As a result, the reused components ratio increased to 34% in FY2021 compared to 21% for FY2020.

Furthermore, twenty-six of its data centers are housed in reused industrial buildings. Additionally, OVHcloud's proprietary water-cooling technology has removed the need for air conditioning.

In 2021, OVHcloud's renewable energy factor (i.e. the percentage of electricity used in data centers generated from renewable sources) remained relatively stable at 78%, the slight difference compared to 2020 (79%) resulting from above-average growth in data centers partially covered by certificates of origin. The energy efficiency of the Group's data centers (measured by the PUE, i.e. total electricity used compared to electricity used to power servers) remained stable during FY2021 in range of 1.10-1.30. The water usage effectiveness (measured by the WUE, i.e. water consumption in relation to electricity consumption in kWh per litre), improved during FY2021 at 0.17-0.20 L/kWh IT compared to 0.24-0.29 L/kWh IT in FY2020. The mild summer in France led to less water consumption for the cooling of the Strasbourg, Gravelines and Roubaix data centers. On the other hand, the exceptionally hot summer in the United States led to a significant increase in water consumption for the cooling of the Vint Hill and Hillsboro data centers.

During FY2021, the carbon usage effectiveness (measured by the CUE, i.e. CO₂ emissions compared to energy consumption) remained stable at 0.15-0.18^v T CO₂e/MWh.

As illustrated below, OVHcloud believes its power usage effectiveness and water usage effectiveness are generally competitive with, or lower than, those of the Hyperscalers and lower than those of other data center operators. OVHcloud is seeking to maintain its power usage effectiveness at its current level.



OVHcloud's innovative spirit extends to its commitment to sustainability as well, as the Group is continually seeking new ways to reduce its environmental impact. For example, in March 2021, it began a four-year research partnership with INRIA to improve OVHcloud's assessment of the environmental impact of its infrastructure and to provide best practices to end users for reducing their environmental footprint.

OVHcloud has carried out a study of its carbon footprint since 2017, including the upstream scope 3 and part of the downstream scope 3 of the activity. This footprint is detailed below with the history since 2019.

	FY2019	FY2020	FY2021*
Carbon footprint - induced emissions	107 kt of CO ₂ e	130 kt of CO ₂ e	142 kt of CO ₂ e

* For FY2021, the footprint report was carried out by OVHcloud teams trained in carrying out the carbon footprint. This report is awaiting review by a third party.

For FY2021, the greenhouse gas emissions generated by OVHcloud were 142,000 tons of CO₂ equivalent (tCO₂e), broken down as follows: 1% for direct greenhouse gas emissions (scope 1), 40%

for indirect greenhouse gas emissions (scope 2) and 59% for other indirect greenhouse gas emissions (scope 3)³.

OVHcloud's key environmental objectives include (i) reducing the energy consumed by its data centers as well as increasing the use of renewable energy; (ii) reducing its carbon footprint and allowing customers to switch to greener cloud services, (iii) improving water use efficiency and reducing the use of drinkable water in its water-cooling system and (iv) promoting the circular economy, sustainable sourcing and waste reduction, as well as diverting waste from landfills.

In order to achieve these objectives, OVHcloud has set milestones for the short and medium term.

- For the short term, i.e. by the end of 2021/2022, the objectives and achievements are presented in the table below:

Objective	Status
Receive ISO 50001 (Energy Management) certification	Receive ISO 50001 certification for the scope of data centers located in France
Implement application program interface and carbon footprint managers to track the energy consumption related to OVHcloud's digital solutions	OVHcloud now provides a beta version of the carbon footprint of its products in the Baremetal range, linked to the different scopes of its carbon footprint.
Release a new brand of refurbished servers	Release of servers planned for mid-FY2022.

By end-FY2025:

- Reach 100% renewable energy
- Reach 0% waste to landfill
- Become carbon neutral with respect to direct emissions (scope 1) and certain indirect emissions (scope 2 and part of scope 3). Carbon emissions under scopes 1 and 2 accounted for a cumulative 36% of OVHcloud's carbon emissions in FY2020.

By end-FY2030:

- Become carbon neutral (net zero) with respect to all remaining emissions (scope 3)

5.7.2 Managing environmental risks

OVHcloud recognises that natural disasters and other environmental risks could cause harm to its data centers. It believes one of the main environmental risks it faces is with respect to water, whether through drought, flood, water pollution or water depletion. OVHcloud has therefore taken actions to reduce the impact of these risks, including (i) optimizing the evaporating cooling process and forecast cooling and (ii) setting up cooling pads for water recycling. OVHcloud also has procedures in place for other types of natural disasters, including seismic, volcanic, cyclonic and wild-fire hazards.

Certain of OVHcloud's data centers and manufacturing sites engage in activities that are classified as presenting environmental or other risks under applicable French legislation. In many such cases, OVHcloud is required to obtain permits from competent governmental authorities before commencing operations. OVHcloud seeks to maintain a constructive and productive relationship with the authorities and is in the course of pursuing the issuance of all necessary authorisations.

5.8 Investments

The Group's main capital expenditures over the past three years

The large majority of OVHcloud's capital expenditures are incurred for the production of servers and, to a somewhat lesser extent, for the construction of data centers. For information on OVHcloud's capital expenditures over the past three years (including capital expenditures incurred to replace servers

³ Corresponding to the following items: server fixed assets, building fixed assets, freight, business travel, waste, water for cooling servers, office and employee IT equipment and employee emissions.

damaged in the Strasbourg fire), please see Section 8.4, “*Capital Expenditures (excluding company acquisitions) (CAPEX)*” of this Universal Registration Document.

Main capital expenditures in progress or planned for the future

OVHcloud expects that its capital expenditures for the production of servers in the coming months and years will generally reflect the pace of its activity, and will include the production of servers to replace those taken out of service in order to maintain revenues, as well as investments in additional servers to support growth. OVHcloud also anticipates incurring capital expenditures for the construction of new data centers as it implements its geographic expansion strategy, and for the development of solutions to support new cloud usages in connection with its strategy of innovation and growth in the PaaS market. See Chapter 10, “*Trend Information*” in this Universal Registration Document for additional information on OVHcloud’s investment strategy.

OVHcloud has also made and expects to continue to make investments to improving its data centers and manufacturing sites to ensure that they are safe and fully compliant with applicable regulations. For example, OVHcloud plans to devote a budget of approximately €25 million in 2022 for investments in systems for the protection, detection and extinction of fires, such as reinforcing building infrastructures with firewalls, suction detection systems and sprinklers or gas extinction systems.

5.9 Research and development, patents and licenses

OVHcloud has a long history of innovation, both with respect to the conception of customer solutions and with respect to operations. A significant portion of OVHcloud’s research and development efforts focus on environmental innovations, reflecting its long-standing commitment environmentally-friendly operations.

Some of OVHcloud’s key innovations implemented over two decades include its proprietary water-cooling technology (2003), its scaled virtualization through VMware technology (2010), and a breakthrough solution to provide security, scalability and durability to safely store critical inactive and cold data over the long term, reducing per-terabyte storage costs, implemented through a collaboration with IBM and Atempo (2021).

In FY2021 and FY2020, OVHcloud’s research and development expenditures (a portion of which were capitalized) amounted to €76 million and €58.2 million, respectively. Research and development expenditures consist primarily of personnel costs, (including salaries, bonuses, benefits and travel expenses) as well as subcontractors fees for the teams performing research and development. These teams add new features to OVHcloud’s existing offerings and develop new offerings, ensure the performance reliability of its global cloud platform, and manage and develop internal IT systems and infrastructure. The portion of these costs which was capitalized as technologies and software developed internally amounted to €27.8 million in FY2021 and €16.1 million in FY2020, respectively. OVHcloud is a beneficiary of the *Crédit d’Impôt Recherche*, or CIR, a research tax credit.

5.9.1 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 2021, OVHcloud held 113 patents, which can be broadly grouped into the following categories:

- *Software.* Software patents cover software-related technologies that are used in the context of installing, deploying, configuring, operating, monitoring and maintaining servers and equipment operated in data centers. These software-related technologies cover a wide variety of fields, such as, network orchestration, storage configuration and management, power supply management, health monitoring, artificial intelligence technics used in the context of operating data centers and higher level software applications, such as web applications. They comprise the largest percentage of OVHcloud’s portfolio: at 31 August 2021, these represented approximately 42% of patents.
- *Cooling.* Cooling patents cover technologies relating to systems and methods for extracting heats from electronic components, in particular from servers operating in racks stacked into data centers. The covered technologies span from extracting thermal energy from the

electronic components to rejecting extracted thermal energy into an outside environment. This category includes air cooling, liquid cooling and immersive cooling. At 31 August 2021, these represented approximately 26% of OVHcloud's portfolio of patents.

- *Electronic.* Electronic patents cover technologies relating to electronic components facilitating deployment and operation of servers in data centers. 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 2021.
- *Mechanical.* These patents, which represented approximately 19% of OVHcloud's patent portfolio at 31 August 2021, cover technologies relating to the structural design of racks, support for racks, tools to be used in the context of rack installation and structural components for heat exchangers.

5.9.2 Approach to innovation

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

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

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

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

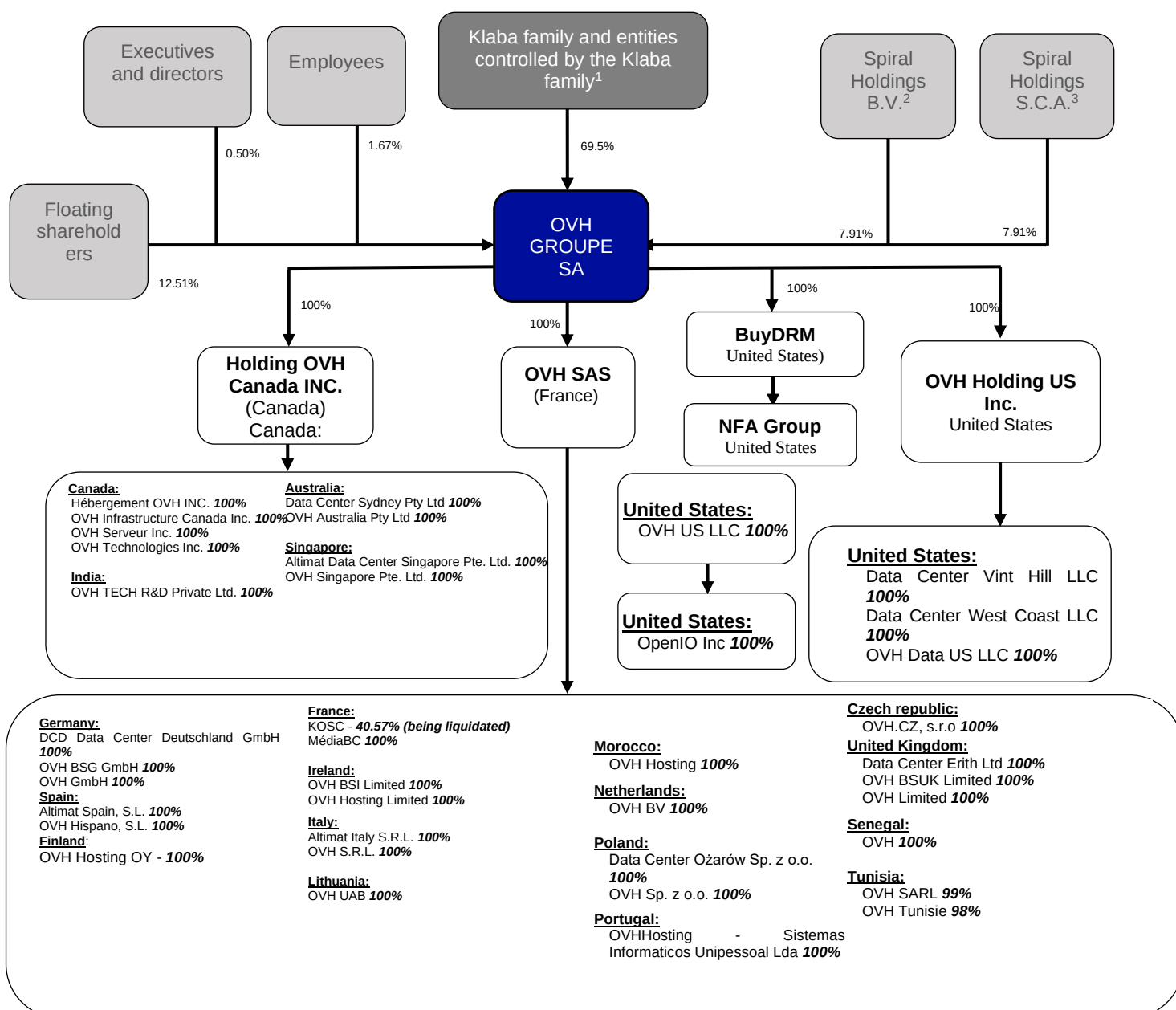
With this systematic, streamlined approach, OVHcloud is at the forefront of innovative cloud usages that are driving a significant part of the cloud market growth (see also section 5.5, "*Presentation of markets and competitive position*" in this Universal Registration Document).

6. ORGANISATIONAL STRUCTURE AND INTRA-GROUP RELATIONS

6.1 Simplified organisational chart

Simplified organisational chart on the date of this Universal Registration Document

The simplified organisational chart below shows the legal organisation of the Company and its consolidated subsidiaries as of the date of this Universal Registration Document. The percentages indicated below represent the percentages of share capital⁴.



⁴ The percentages of voting rights within the Company are presented in Chapter 16 “Major shareholders”.

¹ The Klabas family includes Messrs Henryk, Octave and Mirosław Klabas, Ms Halina Klabas, as well as entities controlled by the Klabas family. At the end of the fiscal year as at 31 August 2021, these entities were Digital Scale SAS, Deep Code SAS, Yellow Source SAS, Bleu Source SAS, Innolys SAS and Invest Bleu SAS. Digital Scale SAS and Yellow Source SAS are controlled by Octave Klabas. Deep Code SAS and Bleu Source SAS is directly controlled by Mirosław Klabas. Octave Klabas and Mirosław Klabas each hold 50% of the share capital and voting rights of Innolys SAS. Invest Bleu is controlled by Henryk Klabas and Halina Klabas

² Entity indirectly owned by investment funds managed or advised by TowerBrook Capital Partners

³ Entity indirectly owned by investment funds or other entities managed or advised by KKR

⁴ Excluding directors representing the Klabas family

Description of the reorganisation implemented as part of the admission of the Company's shares to trading on the regulated market of Euronext Paris (the "Reorganisation")

As of 31 August 2021, the Company was a simplified joint-stock company (*société par actions simplifiée*) incorporated under French law. Since 28 September 2021, the Company is a French public limited company (*société anonyme*) with a Board of Directors.

As part of the Reorganisation, the MANOVH and MENOVH, entities comprising (i) the indirect co-investment in the Company by certain current and former employees of the Group, and (ii) a portion of the indirect shareholding in the Company of the Klabas family, merged into the Company (the "Mergers") on 18 October 2021; the date of settlement-delivery of the Company's IPO. The Mergers were notably subject to the pricing of the Company's shares on the regulated market of Euronext Paris. The shareholders of MANOVH and MENOVH have thus become direct shareholders of the Company. Prior to the completion of the Mergers, MANOVH and MENOVH each carried out a capital increase subscribed by Digital Scale SAS, in amounts allowing the repayment of their debts. The amounts of the capital increases of MANOVH and MENOVH were respectively €16,466,668.75 for MANOVH and €810,957.00 for MENOVH.

By resolution of 16 August 2021, the shareholders of the Company have authorised the Chairman (or, as the case may be, the Board of Directors) of the Company to proceed with a capital decrease not motivated by losses through a decrease of the nominal value of all Class A preferred shares by a maximum amount of 23 cents per Class A preferred share, in order to bring their nominal value per share to an amount between €1.00 and €1.23 per Class A preferred Shares in preparation for the conversion of the Class A preferred shares into Ordinary Shares to be carried out on the date of the settlement/delivery of the transaction. On 18 October 2021, the date of the settlement-delivery of the offer made as part of the listing of the Company's shares on the regulated market of Euronext Paris, all preferred shares issued by the Company were converted into Ordinary Shares.

6.2 Subsidiaries and equity interests

Main subsidiaries

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

- **OVH SAS** is a French simplified stock company (*société par actions simplifiée*) having its registered office located at 2, rue Kellermann, 59100 Roubaix, France, and registered with the Lille Métropole Trade and Companies Register under number 424 761 419. The Company directly holds 100% of the share capital and voting rights of OVH SAS. OVH SAS' main businesses include data center hosting activities, provision of cloud services, manufacturing of computers and peripheral devices, marketing activities as well as research and development.

- **OVH Infrastructures Canada Inc.** is a Canadian stock company (*société par actions*) having its registered office located at 50, rue de l'Aluminerie, Beauharnois Québec J6N0C2, Canada, and registered with Canada's business registries under number 1167756403. The Company indirectly holds 100% of the share capital and voting rights of OVH Infrastructures Canada Inc., through its holding company OVH Canada Inc. OVH Infrastructures Canada Inc.'s main business includes data center hosting activities.

Acquisitions during the last financial year

BuyDRM

On 22 July 2021, the OVHcloud Group acquired 100% of the shares of BuyDRM, a company specialising in digital rights management and content protection, for an initial acquisition price of \$13.4 million, paid in full in cash. The purchase agreement also provides for a contingent earn-out clause of up to \$14 million, based on the achievement of revenue and EBITDA margins for the years ended 31 August 2022 and 2023, as well as the achievement of operational objectives and a presence condition.

By acquiring BuyDRM, the Group has strengthened its know-how in security to make the cloud ever more secure and increased its portfolio of Platform as a Service (PaaS) solutions.

Recent disposals

The sale of Shadow to Jezby Ventures and the transactions entered into as part of the Group's disposal of its wind activities are described in Chapter 17, Section 17.1.2 of this Universal Registration Document.

7. OPERATING AND FINANCIAL REVIEW

The following information concerning the financial condition and results of operations of OVHcloud should be read in conjunction with the Group's consolidated financial statements at 31 August 2021, included in this Universal Registration Document. In this chapter 7 the terms "FY2021" and "FY2020" refer to the fiscal years ended on 31 August 2021 and on 31 August 2020 respectively.

OVHcloud's annual consolidated financial statements were prepared in accordance with IFRS as adopted by the European Union ("EU-IFRS") and have been certified by the Company's Statutory Auditors, KPMG Audit, a division of KPMG S.A., and Grant Thornton. RIDER 19

7.1 General presentation

The following table presents key figures for FY2021.

(millions of euros)	2020	2021	Variation (%)	% variation on a comparable basis
Revenues	632.1	663.3	4.9%	11.9%
Current EBITDA ⁽¹⁾	255.0	240.0	(5.9%)	10.0%
Adjusted EBITDA ⁽²⁾	263.1	262.0	(0.4%)	15.5%
Capital expenditure (excluding business acquisitions) (Capex)	275.9	343.2	24.4%	
Net debt	575.6	708.6	23.1%	

⁽¹⁾ The current EBITDA indicator corresponds to the operating profit before depreciation, amortisation and other non-current operating income and expenses.

⁽²⁾ In addition to the current EBITDA, the Group follows the Adjusted EBITDA. This alternative performance indicator corresponds the current EBITDA restated, on the one hand, from expenses related to share-based payments and, on the other hand, from additional purchase prices. Indeed, the Group considers these charges do not reflect its current operational performance, particularly equity-settled compensation plans since they do not directly impact cash.

⁽³⁾ Comparable basis: at comparable exchange rates and scope and excluding the direct impacts of the Strasbourg incident.

Over the FY2021, OVHcloud recorded a solid commercial performance with consolidated revenue of €663 million, up 11.9% on a comparable basis, driven in particular by the development of the public cloud and private cloud segments. The Group maintained a level of profitability comparable to that of FY2020, with an adjusted EBITDA margin of 39.5%.

Revenue and adjusted EBITDA for FY2021 were, however, impacted by the Strasbourg fire in the amount of €28.1 million. The Group also incurred non-current expenses of €56.7 million related to the incident, offset by a lump-sum insurance indemnity of €58 million.

Operating income (current EBITDA less depreciation and amortisation expenses, notably on servers manufactured by the Group, and the balance of other non-current operating income and expenses) for FY2021 amounted to €6.5 million. It was down compared to an operating profit of €30.6 million for FY2020, notably due to the impact of the Strasbourg fire of €28.1 million on revenue.

OVHcloud benefits from significant liquidity, as most of its customers prepay for services, which gives the Group a structurally negative working capital requirement. OVHcloud's operating cash flow allows it to fund capital expenditures required to maintain its revenue base, as well as a substantial share of its growth capital expenditures, all while maintaining financial debt at modest levels. OVHcloud's liquidity and capital resources (including capital expenditures and financial debt) are discussed further in Chapter 8, "Liquidity and Capital Resources".

7.2 Key indicators, definitions and segment reporting

7.2.1 Key factors impacting revenues

OVHcloud is positioned in a rapidly-growing global cloud market, deploying a strategy designed to capture customer growth in its existing markets, to realize growth from new cloud usages and innovative offerings, and to expand geographically. OVHcloud's revenue growth is based on the development of this strategy, which should enable it to fully benefit from a rapidly growing global cloud market.

OVHcloud believes that, as the only major European cloud service provider with a unique, sustainable and data -sovereign business model, it is well positioned to achieve sustainable and profitable growth in the coming years.

OVHcloud's revenue growth is derived from the net increase in the number of its customers, and from the revenue generated by each of its customers. OVHcloud uses a number of indicators to measure and analyze its actual and potential revenue growth, including in particular:

- *Revenue retention rate.* The revenue retention rate for any period is equal to the percentage calculated by dividing (i) the revenue generated in year N from customers that were present in year N-1, by (ii) the revenue generated from those customers in year N-1. When the revenue retention rate exceeds 100%, it means that the revenues from the relevant customers increased from the relevant period in year N-1 to the same period in year N (meaning that the net increase in revenue from customers present over the two periods exceeded the reduction in revenue generated by customers no longer present in the second period).
- *ARPAC.* Average revenue per active customer (ARPAC) represents the revenue recorded in a given period from a given customer group, divided by the average number of customers from that group in that period (the average number of customers for a period is equal to the average number of single customers generating revenue for each month during the twelve months ending at the end of that period. A customer that subscribes for multiple services is treated as a single customer). ARPAC increases as customers in a given group spend more on OVHcloud services. It can also increase due to a change in mix, as an increase (or decrease) in the proportion of high-spending customers would increase (or decrease) ARPAC, irrespective of whether total revenues from the relevant customer group increase. OVHcloud measures the impact of ARPAC for each segment, with the impact at Group level representing the sum of the figures for the segments (as a direct calculation at Group level would be significantly impacted by the segment mix, and would thus be less meaningful).

As a general matter, OVHcloud tends to experience a relatively high level of customer churn in the first year after acquiring new customers. After the first year, the customer base tends to be highly loyal. Private cloud and public cloud customers generally increase spending steadily, particularly in the first three or four years of becoming clients, by subscribing for additional products or upgrading the services for which they subscribe.

In FY2021, over 72% of OVHcloud's revenue was derived from customers that initially subscribed for services prior to FY2018 (excluding the U.S. entities, the majority of which subscribed following the acquisition of vCloudAir in 2017). The Group's revenue retention rate was 103% in FY2020 and 100% in FY2021. After adjusting the calculation of this rate for the direct effects of the Strasbourg fire, it amounted to 103% of revenue for FY2021.

7.2.2 Current EBITDA and adjusted EBITDA

Current EBITDA is an indicator presented in the consolidated income statement of OVHcloud. It is equal to revenues less the sum of personnel costs and other operating expenses. Current EBITDA excludes depreciation and amortization charges, as well as items that are classified as “other non-current operating income and expenses”. While current EBITDA is an indicator presented in the consolidated financial statements (and is not an alternative performance measure), it may be different from indicators with similar titles published by other groups.

In addition to current EBITDA, the Group follows an adjusted EBITDA corresponding to current EBITDA adjusted to exclude share-based compensation and expenses resulting from the spreading of earn-out compensations. The Group excludes these as it considers that they do not reflect the Group’s current operating performance and because they have no direct impact on cash flow (except for the associated social security and employer charges, or in the event that the Group decides to buy back the relevant shares, and the contingent earn-outs when they are actually paid).

The cost of manufacturing servers used by the Group is not included as an operating expense. These costs are classified as capital expenditures, and they are amortised over the useful lives of the servers. The amortisation charges impact operational income, but not current EBITDA.

Rental costs (primarily for data center space not owned by the Group) generally are not reflected in current EBITDA. In accordance with IFRS 16, lease rights-of-use are recorded as assets in the balance sheet and amortized over the life of the leases (impacting operating income), with a corresponding debt relating to the lease payments recorded in the balance sheet and amortised. The deemed interest portion of the lease payments is recorded as an interest expense in net financial expenses.

7.2.3 Presentation of segment information

OVHcloud has three business segments defined by product line: private cloud (which includes baremetal cloud and hosted private cloud), public cloud, and web cloud and other (which includes telephony and connectivity services).

For segment reporting purposes, the main aggregates presented are revenue, current EBITDA and capital expenditure (excluding business acquisitions) (capex). Operating expenses are broken down on the basis of the destination of expenses: direct costs, sales and marketing costs, general and administrative expenses, in each case excluding depreciation. This analysis is used by the main operational decision maker to assess performance and allocate resources within the Group.

In addition to its segment presentation, OVHcloud presents a breakdown of revenues by geographic region (based on customer location) in the notes to its consolidated financial statements.

7.3 Highlights of FY2021

7.3.1 Commercial performance

Throughout FY2021, OVHcloud accelerated the implementation of its technical and commercial roadmap in order to strengthen its positioning as a driving force serving a collective and trusted alternative in the global cloud industry. Thanks to its unique competitive advantages, the Group has achieved numerous commercial successes. Alone or with the contribution of its international partners (Atos, Capgemini, Sopra Steria, HCL, etc.), the Group has been able to support a wide range of uses, from cutting-edge technological firms such as Pechère Corner and Lydia, to key players in data-driven sectors such as aeronautics and defence (ESA via Serco), HRIS (Talentsoft) or finance (Paylib, Société Générale).

OVHcloud also remained focused on the development of new cloud uses and made progress in building its PaaS portfolio. Thus, the Group has successfully launched new solutions, some of which are based on its proprietary technology, including the AI notebook and ML engine, and also thanks to technological partnerships with leading players including Platform.sh and MongoDB.

7.3.2 Strasbourg fire

On the night of 9 to 10 March 2021, a fire broke out in one of the four OVHcloud data centers in Strasbourg, France. As electricity had to be cut, all the site's data center operations were shut down. The data center in which the fire broke out was destroyed and a second data center is no longer operational and will be dismantled. No human or bodily injury was reported, but several thousand customers were affected by the interruption and some of them lost data, the majority not having opted for a backup solution as proposed by the Group.

The fire had the following impacts on the financial statements at 31 August 2021:

A decrease in revenue of €28.1 million due to:

- The grant of vouchers for customers affected by a service interruption for €27.8 million of which €20.0 million have been used for the financial year ended 31 August 2021. Vouchers are deducted from revenue as the services are provided by the Group to customers. The balance of unredeemed vouchers amounted to €7.8 million at 31 August 2021, and to €5.7 million at the end of November 2021;
- The issuance of credit notes for service interruption for €5.2 million;
- €2.9 million of lost revenue due to services interruption and not invoiced to customers.

Non-current expenses directly related to the incident, of €56.7 million consisting of:

- One-off costs of €12.5 million due to the cleaning costs of servers and other equipment, site security, recovery and backup of disks, specific maintenance procedures and incremental remuneration related to the mobilisation of teams following this fire;
- A provision of €31.1 million intended to cover all the effects of the incident in respect of appraisal costs, procedural costs and customer claims;
- Scrapping of certain property, plant and equipment for a total amount of €13.1 million (corresponding to their net book value); and
- Accelerated depreciation of servers impacted during the fire.

These costs were offset by €58 million corresponding to the issuance by the insurance companies of a single lump sum indemnity for damage caused by the fire, which was received in September 2021 and recorded in the income statement in other non-current operating income.

In addition, during the fiscal year ended on 31 August 2021, OVHcloud incurred approximately €21 million of capital expenditure on new servers to serve customers whose service was interrupted by the fire. See Chapter 8.4, “capex”.

7.3.3 Acquisition of BuyDRM

On 22 July 2021, the OVHcloud Group acquired 100% of the shares of BuyDRM, a company specialising in digital rights management and content protection, for an initial acquisition price of \$15.3 million, fully paid in cash. The purchase agreement also provides for a contingent earn-out clause up to \$14 million, based on the achievement of revenue and EBITDA margins for the financial years ended 31 August 2022 and 2023, as well as the achievement of operational objectives and a presence condition.

For the fiscal year ended 31 December 2020, BuyDRM generated a revenue of approximately \$3 million and an EBITDA of approximately \$0.7 million (based on unaudited data).

7.4 Results for FY2021 compared with the results for FY2020

7.4.1 Revenue for FY2021

OVHcloud recorded revenue of €663.3 million in FY2021, an increase of 4.9% compared to the €632.1 million revenue for FY2020. Excluding the impact of the Strasbourg fire of €28.1 million indicated below, the revenue growth rate was 9.4%.

This growth was impacted by three specific factors:

- A negative impact of the Strasbourg fire of €28.1 million, as described above;
- A negative foreign exchange effect of €4 million, or 0.6 percentage points, mainly due to the weakening of the U.S. and Canadian dollars against the Euro. At constant exchange rates, revenue growth was 5.5%;
- A scope effect resulting from:
 - Certain income transfers and non-current payments recorded in 2020 and related to the acquisition in 2017 of vCloudAir (the last settlement agreement with the seller was signed during FY2020), plus the impact of the loss of a major U.S. corporate customer of vCloudAir that did not switch to the Group's data centers. Together, these two factors impacted revenue growth for FY2021 by €11 million, or 1.7 percentage points; and
 - The effect on the change in revenue of the full-year consolidation of Open IO and Exten, and the consolidation during FY2021 of BuyDRM.

The change in revenue on a comparable basis, adjusted for the above items, is €73.6 million, or 11.9%, between FY2020 and FY2021.⁵

In terms of reported revenue, net customer acquisitions contributed €22.4 million (5.1 percentage points) to the growth in FY2021. This was due, in particular, to an acceleration in the acquisition of private cloud customers, as a result of marketing investments in digital acquisition by commercial cluster, as well as continued growth in the number of public cloud and web cloud customers, in line with the dynamics observed historically⁶.

The effect of the change in ARPAC, based on the sum of the ARPAC impacts in each segment, was positive, but limited, at €8.8 million for the FY2021, mainly as a result of the impact of the Strasbourg fire. Excluding this effect, the Group saw a continued increase in spending by existing customers in the private cloud segment, and to a lesser extent in the public cloud and web cloud segments.

Lastly, the revenue retention rate is slightly lower than that of previous fiscal years, as revenue for the fiscal year ended 31 August 2021 was negatively impacted by the commercial gestures and credit notes related to the Strasbourg fire. It thus stands at approximately 100% for FY2021. As such, it is not fully representative of customer retention performance, especially as the Group suffered a relatively low customer churn as a result of the Strasbourg fire. Restated for commercial gestures related to the Strasbourg fire, OVHcloud estimates that the revenue retention rate was around 103%, i.e. identical to that of FY2020.

7.4.1.1 Revenues by Product Segment

OVHcloud recorded significant revenue growth in the public cloud segment, despite the impact of the fire in Strasbourg, the effects of which mainly affected the private cloud and public cloud segments. The exchange rate effect and the impact of one-off events in the United States negatively impacted the private cloud segment, particularly the Hosted Private Cloud line.

The following table sets forth a breakdown of revenues by product segment in FY2021 and FY2020.

⁵See Section 7.4.7 “*Alternative performance measures*” for a reconciliation of the figures on a comparable basis with the figures from the income statement.

⁶ See Section 7.4.7 “*Alternative performance measures*” for a reconciliation of the figures on a comparable basis with the figures from the income statement.

(millions of euros)	2020	2021	Variation (€M)	Variation (%)	% variation on a comparable basis
Private Cloud	389.1	397.5	8.4	2.2%	11.2%
o/w Baremetal	287.6	310.8	23.2	8.1%	
o/w Hosted Private Cloud	101.5	86.7	(14.8)	(14.6%)	
Public Cloud	82.3	94.4	12.1	14.7%	22.8%
Webcloud & Other	160.7	171.4	10.7	6.7%	7.5%
	632.1	663.3	31.2	4.9%	11.9%

a) Private Cloud

The private cloud consists of:

- *Baremetal Cloud* which represented OVHcloud's initial cloud solution, attractive to technology and software companies that are able to manage operating systems and software layers themselves. OVHcloud's baremetal offerings benefitted from its reputation with its web cloud customer base, as web cloud has served as an entry point for many customers that over time moved to baremetal cloud services.
- *Hosted Private Cloud* for which OVHcloud was one of the first providers of offerings in France and Europe, although in recent years a number of cloud providers have become active in this market. OVHcloud believes that its repositioned offering provides it with significant potential, particularly in France where its SecNumCloud certification provides it with a competitive advantage compared to other cloud providers. Coupled with the recovery of its activities in the United States, OVHcloud believes its revenue growth in hosted private cloud product line could approach the rate of growth of the market as a whole in the medium term.

Private Cloud revenue increased by €8.4 million, an increase of 2.2%. On a comparable basis, Private Cloud revenue growth would have been 11.2%.

The modest growth based on reported figures is due to a small increase in ARPAC of €0.8 million, explained by the Strasbourg fire and, on the Hosted Private Cloud product line, the impact of the exchange rate and non-current items related to vCloudAir, described above. After cancellation of these effects, the growth of ARPAC was €34.3 million for FY2021.

Net customer acquisition contributed €7.7 million to revenue growth. Past marketing investments in digital customer acquisition are producing results, and the net private cloud customer base is growing faster than historical trends.

OVHcloud's sustained growth is therefore the result of:

- increased spending by technology and software customers, due to their own increased needs resulting from increased traffic and activity, as well as demand for additional servers to meet those needs;
- growth in spending by small and medium-sized business customers, due to increased use of the cloud and enhanced customer support; and
- the sales and marketing efforts made by OVHcloud to support the digital acquisition of customers, which contributed to the increase in the number of private cloud customers.

b) Public Cloud

Public Cloud revenue increased by €12.1 million in FY2021, i.e. an increase of 14.7% compared to FY2020. On a comparable basis, public cloud revenue grew by 22.8%.

The growth, based on reported data, is partly explained by a strong increase in ARPAC (impact of €7.6 million), despite the impact of the Strasbourg incident, reflecting the current dynamic market.

The net acquisition of public cloud customers contributed significantly to revenue growth (impact of €4.5 million), benefiting from strategic digital marketing efforts deployed in the second half of FY2020 and FY2021. The number of technology and software customers is increasing significantly.

c) Webcloud & Other

Revenues from Webcloud & Other services increased by €10.7 million, or 6.7% (7.5% in comparable data), due primarily to the acquisition of new customers resulting from extensive digital marketing efforts (positive impact of €10.2 million) and an increase in ARPAC (impact of €0.5 million) despite the impact of the Strasbourg incident, which was less than in the private and public cloud segments. Support services (premium paid support offered to customers with a guaranteed response time), benefited from an acceleration in demand in FY2021.

7.4.1.2 Revenues by Geographic Region

Revenues increased in France and in Europe (excluding France), notwithstanding the impact of the fire in Strasbourg, which affected mainly French customers and, to a lesser extent, European customers outside France. Revenues generated in the Rest of the World increased slightly, as the impact of non-current items in the United States was more than offset by strong commercial performance.

The following table presents a breakdown of revenues by geographic region in FY2020 and FY2021.

(millions of euros)	2020	2021	Variation (€M)	Variation (%)	% variation on a comparable basis
France	328.6	342.6	14.0	4.3%	9.3%
Europe (excl. France)	179.9	192.6	12.7	7.1%	13.7%
Rest of the World	123.6	128.1	4.5	3.6%	16.6%
Total Revenues	632.1	663.3	31.2	4.9%	11.9%

Revenue growth in France was mainly driven by the growth in customer ARPAC in the technology and software segments, the expansion of the public cloud and the continued acquisition of customers in the web cloud. The French market also benefited from an increase in digital acquisition in the wake of the marketing investments made in the second half of FY2020 and extended in 2021. The growth in revenue also reflects the impact of the fire in Strasbourg, to which France was more exposed than the other regions. Adjusted for the effects of the Strasbourg fire, revenue growth amounted to 9.3% in France.

In other European countries, revenue growth largely follows the same trends as those observed in France while also benefiting from the initial impact of the implementation of dedicated regional sales teams. Digital revenue grew by 16% on a comparable basis, reflecting OVHcloud's geographical expansion ambitions in Europe.

In the Rest of the World, the impact of specific factors related to U.S. entities and unfavourable currency effects was largely offset by the strength of digital customer acquisition. Digital revenues soared by 41% on a comparable basis, with a particularly strong performance in the United States (+143% on a comparable basis).

7.4.2 Operating expenses

In FY2021, OVHcloud recorded total operating expenses reflected in current EBITDA of €423.3 million, an increase of 12.2% compared to €377.2 million in FY2020. This increase is the result of higher sales and marketing costs related to the implementation of the Group's growth strategy, and an increase in share-based compensation expenses. These figures exclude €27 million of capitalised personnel costs in FY2021 and €16 million in FY2020. Operating expenses represented 59.7% of revenues in FY2020, reaching 63.8% of revenues in FY2021, mainly due to share-based compensation expenses and expenses resulting from the spreading of earn-out compensation.

It should be noted that expenses related to the Strasbourg fire and insurance indemnities are recorded in other non-current operating income and expenses, and do not impact current EBITDA.

7.4.3 Operating expenses by destination

7.4.3.1 Gross Profit (Revenue less cost of sales)

Gross profit was €431.9 million in FY2021, an increase of €21.9 million, or 5.3%, compared to €410.0 million in FY2020, mainly reflecting the increase in revenue, partially offset by an increase in external service costs. Gross profit excludes €27 million of capitalised personnel expenses for development projects in FY2021, compared to €16 million in 2020.

Gross profit increased from 64.9% of revenues in FY2020 to 65.1% in FY2021. Adjusted for the €28.1 million of customer vouchers issued and unbilled services due to Strasbourg fire, the gross profit percentage would have been 66.5% of revenue, an improvement of 1.7 percentage points compared to FY2020.

7.4.3.2 Sales and marketing costs

Sales and marketing expenses increased from €57.0 million in FY2020 to €70.2 million in FY2021, an increase of 23.2%. As a percentage of revenue, sales and marketing costs also increased, from 9.0% in 2020 to 10.6% in 2021, and to 10.2% of revenue adjusted for the effects of Strasbourg fire on revenue.

This increase is mainly due to (i) the continued development of the geographical cluster sales initiative, which required the strengthening of the commercial teams, and (ii) targeted spending on online search engine optimisation and search engine advertising, which enabled growth in customer acquisition via the digital channel.

7.4.3.3 General and administrative expenses

General and administrative expenses increased by €23.6 million, or 24.0%, from €98.1 million in 2020 to €121.7 million in 2021. €13.8 million of this increase can be explained by:

- an increase in share-based compensation expenses compared to FY2020, mainly due to the accelerated vesting mechanism of the free share allocation plan (see Note 4.24 to the consolidated financial statements for the fiscal year ended 31 August 2021), the IPO transaction having been considered probable on 31 August 2021;
- the recognition of a provision for a contingent earn-out in respect of the acquisition of BuyDRM.

The Group has also continued to structure its teams to support its growth ambitions.

7.4.4 Current EBITDA and adjusted EBITDA

The following table provides information by product segment on current and adjusted EBITDA for FY2020 and FY2021

(millions of euros)	Private Cloud	Public Cloud	Webcloud & Other	Total 2020	Private Cloud	Public Cloud	Webcloud & Other	Total 2021
Current EBITDA	162,1	31,7	61,1	255,0	144,9	33,8	61,3	240,0
Current EBITDA / Revenues (%)	41,7%	38,5%	38,0%	40,3%	36,5%	35,9%	35,8%	36,2%
Adjusted EBITDA	166,8	33,1	63,2	263,1	158,2	37,0	66,9	262,0
Adjusted EBITDA / Revenues (%)	42,9%	40,3%	39,3%	41,6%	39,8%	39,2%	39,0%	39,5%

Adjusted EBITDA amounted to €262.0 million for FY2021, a slight decrease compared to the €263.1 million for FY2020, mainly due to the impact of the Strasbourg fire of €28.1 million on revenue. The

adjusted EBITDA margin for the fiscal year ended 31 August 2021 was 39.5% of revenue, compared with an adjusted EBITDA margin of 41.6% for the previous fiscal year.⁷

After deducting share-based compensation expenses and expenses resulting from the spreading of earn-out compensation, current EBITDA for FY2021 was €240.0 million, down compared to €255.0 million for FY2020. The current EBITDA margin amounted to 36.2% of revenue for FY2021 and to 40.3% for FY2020. In addition to the impact of the Strasbourg fire, the decrease in current EBITDA is mainly due to an increase in share-based compensation expenses compared to FY2020, mainly due to the accelerated vesting mechanism of the free share allocation plan.

Current EBITDA margin and the adjusted EBITDA margin were also impacted by an increase in sales and marketing costs as a percentage of revenues, in line with the commercial strategy, partially offset by better absorption of direct costs and general and administrative expenses. In the context of the acceleration of the development of new products, the Group has also capitalised more personnel expenses during the FY2021 compared to FY2020.

Restated for the impact of the fire on revenue (€28.1 million) and the increase in share-based compensation expenses (€12.8 million), the current EBITDA margin as a percentage of revenues adjusted for the effects of the Strasbourg incident (€691.4 million) remained relatively stable (40.6%).

For FY2021, adjusted EBITDA on a comparable basis, at constant exchange rates and excluding the impact of the Strasbourg fire on revenue, amounted to €290.7 million, an increase of 15.5% compared to FY2020 (see Section 7.4.7.3 “*Alternative performance measures - Adjusted EBITDA on a comparable basis*”).

7.4.5 Operating income (loss)

The operating income (loss) for FY2021 was a profit of €6.5 million, after a positive operating profit of €30.6 million recorded for FY2020. This difference reflects the factors described above and in particular the exceptional impact on revenue of the Strasbourg fire.

7.4.5.1 Depreciation and amortisation

Depreciation and amortisation charges increased by 3.9%, from €215.6 million in FY2020 to €224.0 million in FY2021. As a percentage of revenue, they rose from 34.1% in FY2020 to 33.8% in FY2021.

The rate of increase in depreciation expenses was lower than that of investments made during the fiscal year. A significant portion of the investments was spent on the production of servers placed in reserve to meet the needs of customers affected by the Strasbourg fire, and on the purchase of electronic components to alleviate global supply difficulties. These items are recorded as capital expenditures in progress, and the depreciation of servers and components begins only when they are put into service.

The increase in amortisation is due in part to intangible assets, in connection with the commissioning of development projects activated during the fiscal years 2021 and 2020.

7.4.5.2 Other non-current operating income and expenses

The main elements of this item for FY2021 are as follows:

- “Incident claims” (€56.7 million) correspond to the costs directly incurred from the occurrence of the Strasbourg incident, to a provision to cover all the appraisal and procedural costs related to the incident, and for possible claims for liability from certain customers, as well as the scrapping of property, plant and equipment, offset by the commitment to pay a single lump sum indemnity by the insurance companies for damage caused by the fire (€58.0 million).
- Costs related to capital transactions corresponding to the costs incurred by the Group in connection with the IPO project (mainly legal and advisory fees) for FY2021 and FY2020 (€8.1 million for FY2021 and €1.0 million for FY2020).

⁷ See Section 7.4.7 “*Alternative performance measures*” for a reconciliation of adjusted EBITDA with current EBITDA.

- Acquisition-related costs (€0.9 million for FY2021 and €0.8 million for FY2020), mainly corresponding to the acquisition costs of BuyDRM, and the residual acquisition costs of OpenIO and Exten, and costs related to disposals (€0.7 million for FY2021, zero for FY2020) on the disposal of HUBIC.
- Other income consisting mainly of capital losses on disposals of property, plant and equipment (€1.0 million for FY2021 and €7.0 million for FY2020).

7.4.6 Net income (loss)

7.4.6.1 Net financial expenses (income)

Net financial expenses decreased by €2.5 million, from €31.2 million for FY2020 to €28.6 million for FY2021, notably as a result of:

- An increase in interest expenses of €6.7 million, mainly due to the acceleration of the amortisation of borrowing costs, in line with the probable nature of the proposed IPO as at 31 August 2021, and the resulting probability of refinancing;
- The change in net foreign exchange gains of €9.9 million for FY2021, mainly due to the decline of the US dollar over the 2021 period.

7.4.6.2 Income tax

For FY2021, OVHcloud recorded a tax expense of €10.2 million, down slightly compared to €10.7 million for FY2020. During FY2021, OVHcloud incurred tax losses and deferred tax assets that were not recognised. The Group has also written down certain previously recognised tax loss carryforwards and deferred tax assets.

7.4.6.3 Net income (loss)

OVHcloud recorded a net loss of €32.3 million for FY2021, compared to €11.3 million for FY2020, which reflects the impact of the Strasbourg incident and the exceptional costs related to the IPO for a total amount before tax of €63 million. Excluding these non-current items, net income would have been positive.

7.4.7 Alternative performance measures

7.4.7.1 Revenue on a comparable basis

The table below illustrates the transition from the change in revenue on a reported basis to the change in revenue on a comparable basis.

<i>(millions of euros)</i>	2020	2021	Variation (%)
Reported revenues	632.1	663.3	4.9%
Impact of exchange rate fluctuations	(3.5)		
Impact of variations in scope	(8.0)	2.7	
Impact of the Strasbourg incident ⁽¹⁾		28.1	
Revenue on a comparable basis	620.6	694.2	11.9%

⁽¹⁾ €28.1 million of impacts from the fire at the Strasbourg site on revenue, explained as follows:

- The granting of vouchers for customers affected by a service interruption for €27.8 million of which €20.0 million have been used during the fiscal year ended 31 August 2021. Vouchers are deducted from revenue as the services are provided by the Group to customers. Unredeemed vouchers at 31 August 2021 amounted to €7.8 million. (see Note 2 “Significant events” to the Consolidated Financial Statements).
- The issuance of credit notes for service interruption for €5.2 million
- €2.9 million of lost revenue due to services interruption and not invoiced to customers.

OVHcloud presents the change in its reported revenues at constant scope of consolidation and exchange rates, in order to show the evolution of its revenues without taking into account acquisitions, divestitures and changes in exchange rates. OVHcloud does this by (i) annualising the results of operations of businesses acquired during the two periods under consideration (there were no divestitures having a material impact on revenues in the period discussed in this Chapter), (ii) eliminating the non-recurring effects of certain transactions related to the acquisition of vCloudAir (see 7.4.1 above) from income for FY2020, and (iii) applying the exchange rate of year N to the revenues of year N-1 reported by Group entities with reporting currencies other than the euro (the Canadian dollar and U.S. dollar are the most significant functional currencies of foreign subsidiaries).

7.4.7.2 Adjusted EBITDA

The table below illustrates the transition from current EBITDA to adjusted EBITDA over the last two fiscal years:

<i>(in thousand euros)</i>	2020	2021
Current EBITDA	255.0	240.0
Equity-settled and cash-settled compensation plans	8.2	21.0
Earn out compensation		0.9
Adjusted EBITDA	263.1	262.0

7.4.7.3 Adjusted EBITDA on a comparable basis

OVHcloud presents changes in adjusted EBITDA at constant scope of consolidation and exchange rates. With respect to exchange rates, OVHcloud entities generally incur operating expenses largely in the same currencies as they record revenues, offsetting a large portion of the impact of exchange rates on adjusted EBITDA. Exchange rates can have a more significant impact on cash flow, as a significant portion of capital expenditures (particularly on server components) are incurred in U.S. dollars.

<i>(millions of euros)</i>	2020	2021
Reported adjusted EBITDA	263.1	262.0
Impact of exchange rate fluctuations	(0.3)	-
Impact of variations in scope	(11.1)	0.7
Impact of the fire	-	28.1
Adjusted EBITDA on a comparable basis	251.7	290.7

8. LIQUIDITY AND CAPITAL RESOURCES

8.1 General presentation and overview

OVHcloud's activities generate substantial operating cash flow, which has been growing in recent years in line with the increase in current EBITDA. Because most customers pay in advance for services, and given that OVHcloud does not hold any inventory, OVHcloud's working capital requirements are structurally negative. The Group uses its operating cash flow, together with the proceeds of its financing instruments, to fund capital expenditures (capex) (primarily for the production of servers, the construction of data centers and product development), as well as acquisitions.

In addition to its operating cash flow, OVHcloud has access to liquidity through its revolving credit facility. Apart from this revolving credit facility, OVHcloud's financial debt primarily includes, during FY2020 and FY2021, term loans and privately placed notes.

Following its initial public offering on 15 October 2021, the Group redeemed the full amount of the previous Loan Agreements (Term Loan and Revolving Credit Facility), as well as the Euro PP bonds for an amount of €705.2 million on 25 October 2021, thanks to the establishment of a new unsecured senior loan agreement with a total principal amount of €920 million (the "New Debt"), to replace the previous Loan Agreements. The New Debt, which is not subject to a guarantee given by the Company, includes a new term loan of €500 million, with a maturity of five years, and the setting up of a new revolving credit facility (RCF) for a maximum capacity of €420 million with an initial maturity of five years eligible to two extended options for one more year each.

OVHcloud has traditionally maintained its total financial debt at moderate levels compared to adjusted EBITDA, and plans to continue to do so while implementing its growth strategy. Thus, as part of its initial public offering on 15 October 2021, OVHcloud issued 18,918,919 shares at a unit value of €18.50, i.e. a primary offering of approximately €350 million, thereby reducing the ratio between the net financial debt and the adjusted EBITDA to 1.4x (ratio calculated on the basis of the financial statements at 31 August 2021, adjusted for the effects of the capital increase related to the Group's IPO).

8.2 Overview of cash flows

The following table sets forth the principal items from OVHcloud's consolidated statement of cash flows for FY2020 and FY2021.

<i>(millions of euros)</i>	2020	2021
Cash flow from operations	252.9	289.5
Change in operating working capital requirement	21.9	(20.0)
Tax paid	(4.4)	(1.3)
Cash flows from operating activities	270.4	268.2
Net cash flows used in investing activities	(299.9)	(354.5)
Cash flows from financing activities	91.0	54.6

8.2.1 Cash flows from operating activities

The Group's cash flow increased by 14.5% for FY2021 compared to FY2020. This increase is mainly due to the recognition of insurance compensation income for the Strasbourg fire, partially offset by additional costs related to the same incident and costs incurred by the Group in the context of the IPO project (mainly legal and advisory fees).

After taking into account changes in working capital requirements (see Section 8.3 "*Working capital requirement*" of this document) and tax payments, cash flows from operating activities were stable, going from €270.4 million in FY2020 to €268.2 million in FY2021, despite the cash impact of the Strasbourg incident and the costs incurred by the Group in connection with the IPO (mainly legal and advisory fees).

8.2.2 Cash flow from investment transactions

Cash flows from investing activities amounted to €299.9 million in FY2020 and €354.5 million in FY2021. These flows almost all represent capital expenditure, which are described in Section 8.4 “*Capital expenditure (excluding business acquisitions) (capex)*” of this document.

During FY2021, OVHcloud invested €12.7 million (acquisition price net of acquired cash) in the acquisition of BuyDRM, a company specialising in digital rights management and content protection.

8.2.3 Cash flow from financing transactions

During FY2021, cash flows from financing activities amounted to €54.6 million, and were mainly characterised by new borrowings of €120 million via the use of the revolving credit facility obtained as part of the syndicated bank loans signed in 2019, the repayment of financial debts and lease debts amounting to €25.4 million and €19.1 million respectively, as well as the payment of interest on the debt in the amount of €20.7 million.

In addition, in June 2021 the Group refinanced the two BPI loans granted in October 2014 (term loan A and term loan B) for a total amount of €7 million. Term loan A amounts to €5 million with a maturity of ten years and a fixed rate of 4.21%. This loan was refinanced with a green loan of €5 million with BPI France, with an interest rate of 0.98%, repayable in 20 quarterly instalments between 30 September 2023 and 30 June 2028.

During the fiscal year ended 31 August 2021, the euro PP 2020 bond was fully redeemed for a nominal amount of €20 million.

8.3 Working capital

OVHcloud’s working capital requirements are structurally negative, as most customers pay in advance for services and no inventory is registered on the balance sheet of OVHcloud.

The change in working capital in the cash flow statement is different from the change in balance sheet working capital items, primarily for the following reasons:

- The change in working capital in the cash flow statement excludes the effect of changes of payables for fixed assets, which are recognised within “Net cash-flow allocated to investment transactions”, except the supplier payables for server components. Because they enter into the server production process, their changes are an integral part of the working capital requirement; and
- Elimination of non-cash foreign exchange impacts, and the impact of the changes in the scope of consolidation

The following table sets forth information on the composition of the Group's working capital over the periods indicated.

<i>(millions of euros)</i>	2020	2021
Trade receivables	25.4	35.5
Other receivables and assets	44.1	132.0
Total operating receivables from balance sheet items	69.4	167.4
Trade payables	(92.1)	(149.5)
Other operating liabilities	(137.7)	(164.6)
<i>Of which deferred income</i>	<i>(63.9)</i>	<i>(70.1)</i>
Total operating payables from balance sheet items	(229.8)	(314.1)
Total working capital requirement from balance sheet items	(160.3)	(146.7)
Change in working capital requirement based on balance sheet items	(30.9)	13.7
Impact of exchange rate and other	8.9	6.4
Change in working capital requirement from the statement of cash flows	(21.9)	20.0

The change in working capital during the period reflects a decrease in liquidity of €20 million, which is mainly due to two factors:

- on the one hand, an increase in operating receivables, resulting in particular from:
 - the change in trade receivables over the 2021 period, in the cash flow statement, i.e. after elimination of unrealised exchange rate effects, reflects a cash outflow of €10.1 million, consistent with the increase in activity;
 - the granting by the insurance companies of a single lump-sum indemnity for the damage caused by the fire at the Strasbourg site for an amount of €58 million, recorded in the financial statements at 31 August 2021 but received in September;
 - the recognition as prepaid expenses of costs incurred in connection with the IPO project, which must be deducted from the share premium of the capital increase in respect of the €350 million received by the Group in October 2021 (the prepaid expense recorded in this way is equivalent to the trade payables recorded in respect of the initial public offering on 31 August 2021, as described below); and
 - a higher level of tax receivables (in particular VAT), in the context of the increase in activity; and
- on the other hand, an increase in operating liabilities from balance sheet items, which mainly reflects:
 - A sharp increase in trade payables, reflecting the combined effect of:
 - an increase in component purchases, in particular to enable the Group to anticipate any stock-outs at suppliers in a context of growth in activity, to anticipate the launch of new offers, and a calendar effect of separation of fiscal years for the weekly supplier payment campaign, which was carried out at the beginning of September and not at the end of the fiscal year;
 - trade payables related to the costs incurred by the Group in connection with the IPO (mainly legal and advisory fees) (equivalent to the amount of the receivables mentioned above); and
 - to a lesser extent, a price increase, particularly in connection with the increase in certain taxes (such as the Contribution to the Public Service for Electricity); and
 - the increase in other liabilities, which reflects, among other things, the increase in customer prepayments for cloud services and the increase in tax liabilities (including VAT), all in the context of increased activity. To a lesser extent, social debts in respect of phantom shares (for an amount of €6 million as of 31 August 2021 compared to €0.2 million as of 31 August 2020)

were up due to the acceleration of the service condition, the change in estimate of the probable number of instruments actually acquired and the revaluation of historical plans to take into account the probability of completion of the IPO on the date of 31 August 2021.

8.4 Capital Expenditures (excluding company acquisitions) (“capex”)

Capex (purchases of property, plant and equipment and intangible assets net of disposals of property, plant and equipment and intangible assets and including the change in loans and advances granted) was €276.0 million for FY2020 and €343.0 million for FY2021. capex expenditure for FY2021 includes around €21 million of investment expenditure on new servers, to replace the servers destroyed during the fire at the Strasbourg site.

8.4.1 Types of capital expenditures

OVHcloud’s capex includes primarily investments in the production of servers and in the construction of data centers.

As part of its vertically integrated model, OVH fully manages the production and life cycle of its servers. This allows the Group to extend the useful life of server components by reusing them in the various offering ranges. As a consequence, the same component may be reused several times within the same product segments, but also in another segment than its segment of origin.

OVHcloud maintains a stock of IP V4 addresses to ensure its ability to service customers, and typically makes purchases on an opportunistic basis. IP V4 addresses have an unlimited life and as such are not depreciated.

Other capital expenditures reflect primarily investments in the development of hardware, new technology and software, and administrative systems.

The following table provides a breakdown of the main capex items for the periods indicated.

<i>(millions of euros)</i>	2020	2021
IT equipment ⁽¹⁾	173.6	196.8
Data center infrastructure ⁽²⁾	38.8	55.7
Network ⁽³⁾	7.6	18.6
IP addresses	3.2	4.1
Total capital expenditure (capex) for data centers	223.2	275.3
Other	52.8	67.7
Total capital expenditure (capex)	276.0	343.0

⁽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 data center, between data centers and data centers to the end customers.

The increase in IT equipment capex from €173.6 million in FY 2020 to €196.8 million in FY2021 reflects an increase in the number of servers produced as a result of the increase in activity and OVHcloud’s desire to stock more components to cover any supplier shortages.

The increase in investment spending on IT equipment is also linked to the production of servers to meet the needs of customers affected by the Strasbourg fire: these investments totalled €21 million over FY2021 (including €2.6 million of infrastructure and networks directly linked to the Strasbourg data center).

The increase in data center infrastructure capex from €38.8 million in FY2020 to €55.7 million in FY2021 reflects the acceleration of expansion projects in Canada, France and Germany and the creation of additional electrical capacity in the United States. To a lesser extent, capital expenditures on infrastructure were also affected by the non-recurring impact of the Strasbourg incident, particularly through the commissioning of additional servers.

The change in capex reflects to a large extent the trends discussed above as well as investments in network uniformity. Network investment expenses also include, for FY2021, non-recurring investments related to the Strasbourg incident.

Other capital expenditures amounted to €52.8 million in FY2020 and €67.7 million in FY2021. Expenditures in FY2021 include €35.6 million for administration and production systems, mainly related to the SAP implementation, and €32.2 million for internal technology and software development.

8.4.2 Recurring capital expenditures and growth capital expenditures

For purposes of analysing its capex, OVHcloud divides it into two categories:

- The first category is called “recurring capex” and represents the capital expenditures on servers (and related infrastructure and networks) needed to maintain revenues at the same level from one period to the next. It reflects the capital expenditures needed to produce new servers to replace the revenues from servers that were downgraded or taken offline during the period (either definitively or for refurbishment), determined on the basis of the average revenues per server taken offline and of the average revenues of new servers assembled during the period.
- The second category is called “growth capital expenditures” and represents all capital expenditures other than recurring capital expenditures, necessary to deliver the growth in revenue. Capital expenditure related to the Strasbourg fire is included in the “growth capex” category.

The following table sets out a breakdown of OVHcloud’s capital expenditures (capex) between recurring and growth capital expenditures for the periods indicated.

<i>(millions of euros)</i>	2020	2021
Recurring Capex	126.7	122.2
Growth Capex	149.3	220.8
Total capital expenditure <i>(excluding business combinations)</i>	276.0	343.0

Recurring capex represented 18.4% of revenue in FY2021.

Growth capex over the period varied mainly as a result of the projects to extend data centers, as well as the increase in capital expenditures for product development and administrative systems, in addition to the non-recurring capex of €21 million related to the Strasbourg fire.

8.4.3 Free operating cash flow less recurring capital expenditures and return on growth capital expenditures growth

For the purposes of analysing its cash flow generation, OVHcloud tracks free cash flow from operations less recurring capital expenditures (hereafter defined as “Free operating cash flow less recurring capex”) from operations. It is defined as adjusted EBITDA as defined in chapter 7 of this document, plus the change in working capital requirement excluding debt related to compensation plans settled in treasury and equity instruments, less recurring capex (i.e. as defined in sub-section 8.4.2 of this chapter), after reintegration of rental expenses in application of IFRS 16 “Leases”. The “free operating cash flow less recurring capex” indicator permits OVHcloud to measure the operating cash flow that is available for financing growth investments.

This aggregate, which amounted to €138.5 million for FY2020, decreased by €44.7 million over FY2021 to stand at €93.8 million. This decrease is due to the impact of the Strasbourg fire (impact on revenue of €28.1 million and on the working capital requirement of €58 million related to the insurance compensation), partially offset in the amount of €18.1 million by the increase in trade payables resulting from the calendar effect of the separation of fiscal years for the supplier weekly payment campaign (see Section 8.3 “Working Capital Requirement”).

Excluding these non-current impacts, and as presented in the table below, the operating free cash flow less recurring capex would have amounted to €161.9 million for FY2021, an increase of €23.3 million compared to FY2020.

Millions of euros	2021 reported	Restatement of IFRS 16 lease expenses ⁽¹⁾	Expenses resulting from share- based payments	Earn out compensatio n	2021 adjusted data	Restatement of the effects of the Strasbourg incident ⁽²⁾	Calendar effect on suppliers	2021 restated data
Adjusted and restated EBITDA	262.0				262.0	28.1		290.1
Change in working capital requirement	(20.0)		(6.3)	(0.9)	(27.2)	58.0	(18.1)	12.7
Recurring Capex	(122.2)	(18.7)			(141.0)			(141.0)
Operational free cash flow less recurring Capex	119.7	(18.7)	(6.3)	(0.9)	93.8	86.1	(18.1)	161.9
Growth Capex	220.8	-			220.8	(21.1)		199.8

Millions of euros	2020 reported	Restatement of IFRS 16 lease expenses ⁽¹⁾	Expenses resulting from share- based payments		2020 adjusted data		2020 restated data
Adjusted EBITDA	263.1				263.1		263.1
Change in working capital requirement	21.9		1.8		23.7		23.7
Recurring Capex	(126.7)	(21.6)			(148.3)		(148.3)
Operational free cash flow less recurring Capex	158.4	(21.6)	1.8		138.5		138.5
Growth Capex	149.3	-			149.3		149.3

⁽¹⁾ See Note 4.23 “Leases” to the Consolidated Financial Statements

⁽²⁾ Concerning the growth capex: capital expenditure on new replacement servers (see Note 2 “Significant events” to the Consolidated Financial Statements).

On the basis of free operating cash flow less recurring capex, OVHcloud tracks another indicator aimed at measuring the effectiveness of growth capital expenditures. Called the “return on growth capex,” it is calculated by dividing the difference between free operating cash flow less recurring capex for the current year and the previous year, by growth capex of the previous year.

The table below shows the calculation of the ratio for FY2020 and FY2021:

<i>Millions of euros</i>	2020	2021
Operational free cash flow less recurring Capex - previous period	99.2	138.5
Operational free cash flow less recurring Capex - current period	138.5	93.8
Change in operating free cash flow less recurring Capex	39.3	(44.7)
<i>As a percentage</i>		2021
Return on growth Capex	28.6%	(30.0%)

The ratio for FY2021 was impacted by the same non-current factors as operating free cash flow less recurring capex. The following table shows the calculation of the ratio restated for these non-current factors.

<i>Millions of euros</i>	2020	2021
Operational free cash flow less recurring Capex - previous period	99.2	138.5
Operational free cash flow less recurring Capex - current period	138.5	161.9
Change in operating free cash flow less recurring Capex	39.3	23.3
<i>As a percentage</i>	2020	2021
Return on growth Capex	28.6%	15.6%

This ratio amounted to 14.8% in FY2019, 28.6% in FY2020 and 15.6% (restated) in FY2021. Over the three fiscal years, using the ratio restated for FY2021, the cumulative ratio stands at 19.7%.

OVHcloud's management uses this aggregate on a multi-year basis to measure the effectiveness of growth investments and the value creation of its investments. Nevertheless, this indicator has significant limitations, and investors are advised to evaluate it with caution:

The lifecycle of growth capital expenditures spending can have a significant impact on the ratio, as data center deployments require significant investments while conversion to revenue and free operating cash flow less recurring capital expenditures can take more than a year. The opening of new data centers requires investments in infrastructure and network growth with a conversion in revenue of more than one year.

- During recent fiscal years, OVHcloud managed to significantly improve its current EBITDA by benefiting from revenue growth without a similar increase in its cost base (current EBITDA margin increased from 28.8% in 2018 to 35.5% in 2019 and 40.3% in 2020), positively impacting the ratio. This positive impact is the result of the business strategy and increased spending by existing customers (ARPAC), and does not represent the conversion of growth capital expenditures into revenues or cash flow.
- In FY2021, OVHcloud incurred significant maintenance capital expenditures due to line renewals, negatively impacting the ratio.
- The increase in the proportion of "PaaS" services in OVHcloud's offers should tend to reduce the intensity of capital expenditures and allow OVHcloud to better leverage existing infrastructure, positively impacting the ratio in the long term.

8.5 Financial indebtedness

8.5.1 Indebtedness at 31 August 2021

At 31 August 2020, OVHcloud's outstanding gross financial debt was €762.2 million, and its net financial debt was €708.6 million, in each case including €52.9 million of lease rights of use recorded as debt in accordance with IFRS 16 "Leases". The ratio of OVHcloud's net financial debt to Adjusted EBITDA (as defined in Section, 7.2.2.1, "Current EBITDA and adjusted EBITDA" in this document) was 2.2x at 31 August 2020 and 2.7x at 31 August 2021.

The following table sets forth a summary of OVHcloud's net and gross financial debt at 31 August 2020.

<i>(millions of euros)</i>	<i>Interest rate</i>	<i>Final maturity</i>	2020	2021
Bond A	2.50%	17/12/2020	20.4	-
Bond B	4.00%	17/11/2021	58.5	58.8
Bond C	4.13%	27/05/2022	10.3	10.3
Term facility	IBOR + margin	04/12/2026	391.6	400.3
Revolving credit facility	IBOR + margin	04/12/2025	119.0	234.0
Term loan A (BPI loan)	4.21%	31/10/2024	3.5	-
Term loan B (BPI loan)	0.96%	31/10/2021- 31/03/2026	0.7	0.5
Green loan (BPI loan)	0.98%	30/06/2028	-	5.0
Bank overdraft			0.1	-
Total financial debt ⁽¹⁾			604.1	709.0
Lease liabilities (IFRS 16)			56.2	52.9
Bank overdrafts			6.2	0.3
Total financial debt			666.4	762.2
Cash and cash equivalents			(90.8)	(53.6)
Net financial debt			575.6	708.6
Leverage ratio			2.2	2.7

⁽¹⁾ Based on the amortised cost method under IFRS, including accrued interest

8.5.2 Refinancing

On 24 September 2021, OVHcloud signed a new senior loan agreement (the “New Credit Agreement”) with a pool of banks for unsecured refinancing of €920 million.

OVHcloud decided to undertake this refinancing because of good market conditions and the favourable evolution of its credit profile in connection with the IPO.

Following its initial public offering, on 25 October 2021, the Group repaid in full the previous loan agreement (Term Loan and Revolving Credit Facility), as well as the Euro PP bonds, for an amount of €705.2 million.

The credit facilities include a term loan (the “**New Term Loan**”) in the amount of €500 million and a revolving credit facility (the “**New Revolving Credit Facility**”) in the amount of €420 million. These amounts will be used in particular to repay in full the amounts that will fall due under the Existing Facilities Agreement, on the date of which the facilities will be drawn down for the first time, and the remaining Euro private placement bonds. The new loan agreement (the “**New Debt Facilities Agreement**”) also provides for additional uncommitted term and revolving loans (the “**Uncommitted Facilities**”) subject to meeting certain conditions.

The New Revolving Credit Facility and the Uncommitted Facilities will be made available to OVHcloud and any of its wholly-owned subsidiaries which will have acceded to the New Debt Facilities Agreement as borrower (the “**Additional Borrowers**”). The obligations of the Additional Borrowers will be guaranteed by OVHcloud and any Additional Borrower will have to guarantee the obligations of OVHcloud and the other Additional Borrowers (subject to customary guarantee limitation language).

The interest rate payable on loans drawn under the New Term Loan and New Revolving Credit Facility is equal to the aggregate of (i) the applicable margin (which varies depending on the leverage ratio level), and (ii) (1) for any loan in euro, EURIBOR, (2) for any loan in GBP, SONIA plus a credit adjustment spread, (3) for any loan in USD, LIBOR but with hardwired transition mechanics to SOFR, plus a credit adjustment spread following the occurrence of certain events but in any case no later than

31 March 2023 and (4) for any loan in Canadian dollar, CDOR. The margin will vary between 0.40 points and 2.40 points depending on the credit lines and the level of leverage. The margin for the New Term Loan will be between 0.80 points and 2.40 points and the margin for the New Revolving Credit Facility will be between 0.40 points and 2.00 points.

The New Debt Facilities Agreement includes a 4.00 to 1.00 leverage ratio covenant (being the ratio of total net debt over consolidated EBITDA (calculated based on consolidated operating income adjusted for depreciation, amortization and impairment, restructuring costs, acquisition and M&A costs, management share ownership plan costs, disposal-related effects and subsidiary contingencies, start-up or initial costs for any project or new production line, division or new line of business or other business optimization expenses or reserves, and other items) calculated without giving effect to IFRS 16). It may exceed 4.00 to 1.00, on no more than two occasions over the life of the facilities, for two consecutive period following an acquisition, provided that the enterprise value of the acquisition exceeds €10 million and the leverage ratio does not exceed 4.50 to 1.00.

The New Debt Facilities Agreement will provide the lenders with the right to require the cancellation of any commitment and the repayment of any outstanding amounts under the New Debt Facilities Agreement (i) if (1) a person or group of persons acting in concert (other than the Company's existing shareholder groups) acquires more than 50% of the share capital or voting rights exercisable of the Company or (2) the Klabá family ceases to control directly or indirectly the Company or (ii) upon the sale of all or substantially all of the assets of the Group to persons who are not members of the Group (whether in a single transaction or a series of related transactions). The Company will have to repay, within 15 business days following notification by the agent, any outstanding amounts under the New Debt Facilities Agreement due to lenders who have requested such repayment.

The New Debt Facilities Agreement contains events of default, in particular for non-payment, non-compliance with obligations and covenants and, certain cross-acceleration, certain insolvency events or proceedings affecting the Company or any material subsidiary, certain enforcement proceedings, the occurrence of any event having a material adverse effect, the cessation of business by the Company or the unlawfulness of any material provision of the finance documents relating to the Company's obligations. If an event of default occurs, the facility agent may (and must if so directed by the majority of the lenders) take various actions, including accelerating the amounts due under the New Debt Facilities Agreement and cancelling the lenders' commitments, subject to certain grace periods and exceptions.

Additionally, the BPIfrance Term Loan B 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.

8.6 Equity

Shareholders' equity attributable to owners of the Company was €108.8 million at 31 August 2021, and €120.4 million at 31 August 2020. The change from year-end 2020 to year-end 2021 reflects primarily the net loss for the period, as well as the change in the translation reserve.

OVHcloud Groupe S.A. was listed on the compartment A of Euronext Paris regulated market on 15 October 2021 to finance its growth strategy, including the financing of its geographical expansion, the construction of data centers, the development of new products and external growth transactions where applicable. The total number of OVHcloud shares newly issued as part of the initial public offering is 18,918,919, with a unit value of €18.50, i.e. a primary offering of approximately €350 million.

9. LEGISLATIVE AND REGULATORY ENVIRONMENT

9.1 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.

9.1.1 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 July 9, 2016, established requirements for cloud service providers with respect to security of network and information systems. According to French law transposing Directive (EU) 2016/1148, cloud service providers are classified as digital service providers. As a digital service provider, OVHcloud must guarantee a level of information security adapted to the relevant risks and adopt appropriate organisational and technical measures. In the event of a security incident having a significant impact on the provision of services, a declaration must be made with the French National Information Security Agency (“ANSSI”). The French Prime Minister may also open investigations upon receipt of information of a non-compliance by the digital service provider with security obligations. Fines for non-compliance with security obligations range from €50,000 to €100,000.

The ANSSI has adopted security standards for cloud service providers. In particular, cloud companies must set up a security policy for information relating to the service and carry out a risk assessment covering the entire service. If applicable security standards are met, the ANSSI delivers a qualification called “SecNumCloud” certifying an enhanced level of security for storage of sensitive information. In January 2021, the ANSSI granted a security visa to OVHcloud for the “SecNumCloud” qualification for its hosted private cloud, valid until June 2022. For the protection of critical information systems, the ANSSI recommends that operators of essential services (e.g. gas supply companies, airline carriers, health institutions, banks) use security products and services with an ANSSI security visa.

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

9.1.2 Data protection

General principles

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

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

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

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

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

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

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

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

Key controller obligations

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

Controllers are responsible in particular for (i) implementing technical and organisational measures to protect the data, (ii) ensuring the processing of data in a lawful and transparent manner to the customers, (iii) using only processors that can provide sufficient guarantees to implement appropriate technical and

organisational measures in such a manner that processing will meet the requirements of EU Laws⁸ and, in particular, the GDPR, and (iv) notifying the supervisory authority of any breaches likely to result in a risk to the rights and freedoms of natural persons and the relevant data subjects.

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

Compliance tools

In order to ensure compliance with applicable data protection regulations, OVHcloud has implemented a Personal Information Management System based on the ISO27701 standard.

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

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

OVHcloud will also rely on the CISPE Code of Conduct to ensure and demonstrate compliance of its IaaS activities.

Cross-border transfers

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

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

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

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

⁸ Such as Regulation (EU) 2018-1725 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data and repealing Regulation (EC) N° 45/2001 and Decision N° 1247/2202/EC.

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

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

Data transfers between the European Union and the United States

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

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

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

OVHcloud’s non-U.S. entities do not transfer their customers’ data to the U.S. Data centers located in the U.S. do not host any of the services provided by OVHcloud’s non-U.S. entities. Additionally,

OVHcloud's U.S. entities do not participate in the services provided by OVHcloud's non-U.S. entities. As a result, the invalidation of the "EU-US Privacy Shield" should have no impact on such services.

9.1.3 Free movement of non-personal data

Regulation (EU) 2018/1807 of 14 November 2018 (the "**Free Flow of Non-Personal Data Regulation**"), aims to ensure free movement of non-personal data across EU member states (the "**Member States**") and IT systems in the EU. Non-personal data is either (i) data not related to identified or identifiable natural persons or (ii) personal data which is made anonymous. This regulation enables the storage and processing of non-personal data anywhere in the EU, prohibits data localization and ensures the availability of data for regulatory control.

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

9.1.4 Online content moderation

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

European proposal for regulating digital services

On 15 December 2020, the European Commission published a proposal for a regulation of digital services (the "**Digital Services Act**") which would be applicable to OVHcloud as a cloud service provider. The Digital Services Act would harmonize EU regulation and, in particular, would create obligations on digital services providers such as OVHcloud in connection with the handling of illegal or potentially harmful content online, would increase transparency obligations with respect to measures taken against illegal content and with respect to online advertising. OVHcloud will monitor the process of adoption of the Digital Services Act in order to comply with any obligations that may be imposed on OVHcloud once the final version of the regulation comes into force.

9.1.5 Other applicable regulations and initiatives

Telecom sector

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

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

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

Health sector

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

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

Financial sector

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

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

With respect to bank data hosting and the reduction of card fraud, OVHcloud’s premier hosted private cloud is compliant with the Payment Card Industry Data Security Standard (“**PCI DSS**”). OVHcloud’s data centers in France, Canada, the United Kingdom, Germany and Poland in accordance with PCI-DSS.

On 24 September 2020, the European Commission proposed a Regulation on Digital Operational Resilience for the Financial Sector (“**DORA**”), which, if adopted, would impose a number of requirements on cloud outsourcing arrangements in the financial sector. The proposed regulation would, if adopted, cover a broad range of regulated financial entities, including credit institutions (such as banks), central securities depositaries, insurance companies and certain fund managers, among other entities. It would impose a number of risk management requirements on these financial entities relating to information and communications technology, some of which apply directly to outsourced cloud activities. On 24 November 2021, the Council of the European Union adopted its position on the DORA proposal constituting a Council mandate opening trilogue negotiations with the Council and the European Parliament in order to achieve the formal adoption of the DORA.

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

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

Environmental and industrial risks

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

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

9.2 Legislative and regulatory environment in the United States of America

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

The CLOUD Act

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

be in the possession, custody or control of the U.S. subsidiary. As of the date of this Universal Registration Document, OVHcloud is not aware of any case law with respect to this issue. Accordingly, such electronic information generally should not be subject to compelled disclosure under the Stored Communications Act.

The CLOUD Act also allows the U.S. government to enter into data-access agreements with foreign states through which the participating states' law enforcement can request information held by businesses subject to the partner country's jurisdiction. As of the date of this Universal Registration Document, the U.S. government has a bilateral agreement with the United Kingdom pursuant to which U.S. law enforcement officials can obtain electronic information stored by cloud companies subject to U.K. jurisdiction, and U.K. law enforcement officials can likewise obtain electronic information stored by cloud companies subject to U.S. jurisdiction, such as OVHcloud's U.S. subsidiary. OVHcloud is closely following the new potential decision from the European Commission with respect to the U.S.-U.K. 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 U.K., unless such customer expressly chooses a service located in OVHcloud's U.K. data center. Furthermore, the ability of OVHcloud's U.K.-based team to access European customers' data in European data centers is restricted and controlled.

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

California Consumer Privacy Act

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

Virginia Consumer Data Privacy Act

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

10. TREND INFORMATION

10.1 Recent Developments

On 30 November 2021, the Group signed an energy purchase agreement with EDF Renouvelables France. The contract provides for the supply by EDF Renouvelables France of electricity from an agrivoltaic park located in the South of France. OVHcloud plans to consume 100% of the green energy produced by this park, from January 2025, representing around 25% of the current annual electricity needs in France. The duration of the contract is for a minimum of 15 years (renewable for three-year periods after 15 years and for a total period up to 24 years).

10.2 Recent Developments in the Group's Results and Financial Situation

OVHcloud's business has grown substantially since its inception. From FY2018 to FY2021, OVHcloud has achieved significant growth, although the pace of growth has varied over the period. This growth has been driven by OVHcloud's strategic initiatives, including diversification of product lines, targeting a wider range of enterprise customer segments, and geographic expansion. The increase in revenue over FY2018-FY2020 reflects both net customer acquisitions, and an increase in ARPAC, with a net revenue retention rate of more than 100% throughout this period. These positive effects were partially offset by (i) the difficulties associated with the integration of vCloudAir, acquired in 2017, (ii) in FY2020, the deferred launch of some of OVHcloud's new and enhanced product offerings, as well as the loss of several large customers (including in particular customers affected by the COVID-19 pandemic), and (iii) for FY2021, the fire at its Strasbourg data center. In this context, OVHcloud recorded revenue growth of 13.4% for FY2019, 8.9% for FY2020 and 4.9% for FY2021 (11.9% on a comparable basis, as defined in Chapter 7 of this Universal Registration Document).

From FY2018 to FY2020, OVHcloud saw its adjusted EBITDA margins increase significantly, driven by improved operational performance and, in the U.S., the recovery of margins after the completion of the transition of vCloudAir customers to OVHcloud data centers. The Group's adjusted EBITDA margin increased from 30.4% in FY2018, to 36.7% in FY2019, and to 41.6% in FY 2020. It fell slightly to 39.5% in 2021 due to the effects of the Strasbourg fire on revenue (€28.1 million). The Group's objective is to maintain an adjusted EBITDA margin between 40% and 42% excluding exceptional events.

10.3 Medium-term prospects

OVHcloud is positioned strongly in the rapidly growing global cloud market, deploying a strategy to capture growth in its existing markets, to achieve growth from new cloud usages and innovative offerings, and to expand geographically. OVHcloud's revenue growth will depend on its ability to successfully deploy its strategy, enabling it to take full advantage of favourable trends in the global cloud market.

OVHcloud believes that, as the only large-scale European-based provider of cloud services, with its unique business model of sustainability and data-sovereignty, it is in a strong position to achieve sustainable and profitable growth in the years to come.

As part of the implementation of its strategy, OVHcloud has set a number of medium-term financial objectives. These objectives are based on data, assumptions and estimates considered reasonable by OVHcloud at the date of this registration document, based on its expectations of future economic conditions and the anticipated impact of the successful implementation of OVHcloud's strategy. These data, assumptions and estimates on which OVHcloud has based its objectives are likely to change or be modified during the period in question due to uncertainties related, in particular, to the economic, financial, competitive, tax or regulatory environment, market developments or other factors of which OVHcloud is not aware at the date of this Universal Registration Document. The occurrence of one or more of the risks described in Chapter 3, "*Risk factors*" could affect OVHcloud's business, commercial situation, financial situation, results or prospects and therefore affect its ability to achieve the objectives presented below.

Assumptions

OVHcloud's financial objectives are based on a number of assumptions concerning the evolution of the market and the economic environment. The main assumptions used by OVHcloud to establish its objectives are as follows:

- The use of the last vouchers for free services related to the Strasbourg fire in the first quarter of FY2022.
- Growth in the global cloud market and cloud segments in line with the forecasts described in Section 5.5, "*Presentation of markets and competitive position*".
- An offset between the impact of inflation on the Group's revenues and the impact of inflation on its operating costs.
- An exchange rate of USD1.21 = EUR 1.00.

Medium-term growth prospects

In the medium-term, OVHcloud will seek to accelerate its revenue growth through the ramp-up of its strategic initiatives, including the deployment of its PaaS offering, the acceleration of its activity in Europe (outside France), the United States and Asia, the acquisition of new customers through the digital marketing channel, and an increase in its corporate customer base. Its ambition is to achieve organic annual revenue growth in the mid-twenties by FY2025. OVHcloud anticipates that approximately one-quarter of the increase in its revenue growth rate could come from a shift in its business mix, approximately one-third from its growth in PaaS, approximately one-quarter from its international expansion, and approximately one-sixth from a market shift to hybrid- and multi-cloud, as well as an anticipated focus on data sovereignty.

- This growth is expected to come mainly from the public cloud segment, which could account for more than 20% of revenue in FY2025 (compared with 14.2% in FY2021), and the private cloud segment, which should remain at around 60% of revenue in FY2025, but with a greater weighting of the Hosted Private Cloud line. Web cloud and other revenues are expected to grow, but at a slower pace than the other segments, with its share of total group revenues declining from 26% in FY2021 to around 15% in FY2025.
- The geographical diversification of revenues is expected to continue, with growth targeted particularly in the United States, supported by the success of the digital marketing channel and the deployment of the Group's full range of solutions, and in the Rest of the World, in particular in Canada and Asia, as well as in Europe outside France. Revenues in France are expected to return to a strong level of growth once the effect of the Strasbourg fire has passed, but France is expected to account for less than 50% of revenues by FY2025.
- Growth is expected to come mainly from large corporate customers, the public sector and technology and software companies. The white label offer is expected to grow in percentage terms, but as a start-up product, its share of FY2025 revenues is expected to remain modest.

OVHcloud will seek to achieve this accelerated growth while maintaining its adjusted EBITDA margin in line with that of FY2020. The adjusted EBITDA margin should benefit from economies of scale and leveraging of fixed costs, an increase in ARPAC thanks to a mix effect resulting from the greater weight of public cloud and private cloud compared to Web cloud, and the deployment of higher-ends servers in conjunction with PaaS solutions for the Public Cloud and Hosted Private Cloud lines.

The growth in revenue is expected to generate an increase in advance payments from customers (and thus deferred revenue), which should add to the Group's structural negative working capital. This impact may decrease over time as the proportion of corporate customers (who pay in advance less frequently than other customer categories) increases within the Group's customer base.

The Group anticipates that recurring capex will be on the order of 14% to 16% of revenues in FY2025, down from FY2021 due to productivity improvements. Growth capital expenditures are expected to

remain in line with FY2021 as a percentage of revenue, with new server manufacturing to accommodate growth, and the opening of nine data centers in addition to the four planned for FY2022 and early FY2023 (described above), for a total of 13 data centers over the entire period. The nine additional data centers are expected to include four in Asia (co-locations), one in Canada, three new centres in Europe and one new centre in the U.S. dedicated to the new “Edge” technology.

Growth capex, which by their nature are flexible and determined by management, are expected to be correlated with revenue growth. Through the targeted improvement of the productivity of OVHcloud’s growth capital expenditures, which should be facilitated by the expansion of its PaaS offering, the Group will seek to progressively reduce its growth capex to a level of approximately 1.4 times revenue growth. The Group also anticipates that its cash tax expenditures over the medium-term should converge at a level around 25% of pre-tax profit, a modest increase compared to the level observed for FY2020 and FY2021, resulting from the expansion of the business in Europe outside France.

OVHcloud expects to complement its organic growth with external growth, which could include the acquisition of technologies or new products to accelerate the deployment of its PaaS strategy. It is targeting acquisitions in an amount of around €100 million to €150 million over the medium-term (an average of one transaction per financial year). OVHcloud does not rule out making larger acquisitions, in particular to accelerate the expansion of its customer base. In such event, taking into account the proceeds of the primary portion of the initial public offering, the cash flow from changes in its working capital, its targeted free cash flow net of recurring capital expenditures (as defined in section 8.4.3, “*Free operating cash flow less recurring capex and return on growth capital expenditures growth*”), and the expected levels of growth capital expenditures and adjusted EBITDA, its objective will be to maintain a leverage ratio of less than 3x.

10.4 Dividend policy

OVHcloud intends to invest its profits in the growth of its business and does not plan to distribute dividends in the medium-term.

11. PROFIT FORECASTS OR ESTIMATES

On 16 November 2021, the Group announced its initial forecasts for 2022 in IFRS data when it published its 2021 preliminary unaudited annual results. These forecasts are consistent with the objectives shared at the time of its IPO with dynamic commercial growth and sustained profitability.

The Group's forecasts are estimates and, by their nature, are subject to revision based on changes in market conditions and exchange rates during the 2022 fiscal year (twelve-month period ending on 31 August 2022). They are expressed in accordance with the accounting methods applied by the Group.

For FY2022, OVHcloud anticipates:

- revenue growth compared to FY2021 in the upper half of the target range of 10 to 15% initially communicated. The sales performance recorded by the Group over the last two months confirms this objective, and
- an adjusted EBITDA margin of approximately 40% of revenue.

In addition, the Group continues to anticipate capex, expressed as a percentage of revenue, in line with the outlook given previously, i.e. recurring capex of between 16% and 20% of revenue and between 30% and 34 % of revenue for growth capex.

These forecasts for FY2022 are based on the assumptions described in Chapter 10, "*Information on Trends*", as modified by the following assumptions:

- the financial objectives are based on exchange rate assumptions for 2022 of US\$1.21 = €1.00.
- Real inflation in line with that observed in 2021

The data presented above includes statements on the operational framework and future financial performance targets of OVHcloud. These forward-looking statements are based on the opinions and assumptions of the Group's management at the date of this Universal Registration Document and involve known and unknown risks and uncertainties. Results and performance may be adversely and significantly affected and differ from those stated in these statements due to a number of factors described in this Universal Registration Document. For more information on the risks incurred by the Group, see Chapter 3 "*Risk factors*".

12. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND MANAGEMENT

As of the date of this Universal Registration Document, the Company is a public limited company (*société anonyme*) with a Board of Directors.

12.1 Composition of management and supervisory bodies

a) Board of Directors

As of the date of this Universal Registration Document, the Company has a Board of Directors composed of nine members, including four directors appointed on the proposal of the Klabá family (Octave Klabá (Chairman), Mirosław Klabá, Henryk Klabá and Michel Paulin (Chief Executive Officer)) and five independent directors (Bernard Gault (lead director), Isabelle Tribotté, Corinne Fornara, Diana Einterz and Sophie Stabile), i.e. a majority of independent directors.

The table below shows the composition of the Board of Directors at the date of this Universal Registration Document.

This table also sets forth the positions (as officer or otherwise) held by such persons outside of the Company (whether inside or outside the Group) during the last five years.

i. Directors

Surname and first name	Nationality	Business address	Date of expiry of the term of office	Main function exercised in the Company	Number of Company shares held as of 30 November 2021	Number of current terms of office in listed companies	Independent Director (within the meaning of the AFEP-MEDEF Code)	Main terms of office (as executives or other functions) exercised outside of the Company over the last five years
Octave Klabá	French	2 rue Kellermann, 59100 Roubaix, France	Shareholders' Meeting called to approve the financial statements for the fiscal year ended 31 August 2025	Chairman of the Board of Directors	64, 310,342 shares	None	-	<u>Terms of office (as executives or other functions) exercised as at the date of this Universal Registration Document:</u> <i>Within the Group:</i> Chairman of the Board of Directors of the Company <i>Outside the Group:</i> Chairman of DIGITAL SCALE SAS, YELLOW SOURCE SAS, MANOVH and MENOVH Manager of GREEN BRICK Representative of DIGITAL SCALE SAS, Chairman of JEZBY VENTURES SAS Representative of DIGITAL SCALE SAS, representative of SAS JEZBY VENTURES, itself Chairman of SAS MUSIC FOR FREEDOM Representative of DIGITAL SCALE SAS, representative of SAS JEZBY VENTURES, itself Chairman of SAS POWEEND <u>Terms of office (as an executive or other function) exercised over the last five years and which are no longer exercised:</u>

Surname and first name	Nationality	Business address	Date of expiry of the term of office	Main function exercised in the Company	Number of Company shares held as of 30 November 2021	Number of current terms of office in listed companies	Independent Director (within the meaning of the AFEP-MEDEF Code)	Main terms of office (as executives or other functions) exercised outside of the Company over the last five years
								<i>Within the Group:</i> Before the transformation of the Company into a public limited company (<i>société anonyme</i>), Octave Klabar was Chairman of the Company in its simplified joint stock company (<i>société par actions simplifiée</i>) form. Deputy 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 <i>Outside the Group:</i> N/A
Michel Paulin	French	2 rue Kellermann, 59100 Roubaix, France	Shareholders' Meeting called to approve the financial statements for the fiscal year ended 31 August 2025	Chief Executive Officer	87,728 shares	None	-	<u>Terms of office (as executives or other functions) exercised as at the date of this Universal Registration Document:</u> <i>Within the Group:</i> Chief Executive Officer of the Company Chairman of OVH SAS <i>Outside the Group:</i> Chairman of Erraza SAS Independent Director of Opencell <u>Terms of office (as an executive or</u>

Surname and first name	Nationality	Business address	Date of expiry of the term of office	Main function exercised in the Company	Number of Company shares held as of 30 November 2021	Number of current terms of office in listed companies	Independent Director (within the meaning of the AFEP-MEDEF Code)	Main terms of office (as executives or other functions) exercised outside of the Company over the last five years
								other function) exercised over the last five years and which are no longer exercised: Within the Group: Before the transformation of the Company into a public limited company (<i>société anonyme</i>), Michel Paulin was Chief Executive Officer of the Company in its simplified joint stock company (<i>société par actions simplifiée</i>) form. Outside the Group: N/A
Mirosław Kłaba	French	2 rue Kellermann, 59100 Roubaix, France	Shareholders' Meeting called to approve the financial statements for the fiscal year ended 31 August 2022	Director R&D Director	623106,096 shares	None	-	<u>Terms of office (as executives or other functions) exercised as at the date of this Universal Registration Document:</u> Within the Group: Chairman of Technologies OVH INC. Chairman of Hébergement OVH INC. Director OVH Australia Pty Ltd Manager (<i>Geschäftsführer</i>) 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 (<i>Prezes Zarządu</i>) of OVH Sp. Z.o.o. Director of UAB OVH Director of OVHTECH R&D (India) Outside the Group: Manager of BLUE SPACE Chairman of DEEP CODE SAS, INNOLYS SAS and BLEU SOURCE SAS Representative of DEEP CODE, Chairman of SNC FLY AWAY <u>Terms of office (as an executive or other function) exercised over the last</u>

Surname and first name	Nationality	Business address	Date of expiry of the term of office	Main function exercised in the Company	Number of Company shares held as of 30 November 2021	Number of current terms of office in listed companies	Independent Director (within the meaning of the AFEP-MEDEF Code)	Main terms of office (as executives or other functions) exercised outside of the Company over the last five years
								five years and which are no longer exercised; <i>Within the Group:</i> Before the transformation of the Company into a public limited company (<i>société anonyme</i>), Mirosław Kłaba was Deputy Chief Executive Officer of the Company in its simplified joint stock company (<i>société par actions simplifiée</i>) form. Chief Executive Officer of OVH SAS Prior to the sale of the entire share capital and voting rights of CENTRALE EOLIENNE DE ORTONCOURT and DDIS to Poweend, Mirosław Kłaba was Manager of CENTRALE EOLIENNE DE ORTONCOURT and Chairman of DDIS.⁹ Prior to the sale of the entire share capital and voting rights of Shadow to Jezby Ventures, Mirosław Kłaba was Chairman of Shadow (formerly Hubic).¹⁰ 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 (<i>Geschäftsführer</i>) of OVH BSG GmbH Manager (<i>Geschäftsführer</i>) of DCD Data Center Deutschland GmbH Director of Data Center Erith Ltd <i>Outside the Group:</i> Chief Executive Officer of MANOVH
Henryk Kłaba	French	2 rue Kellermann, 59100 Roubaix, France	Shareholders' Meeting called to approve the financial statements for the fiscal year ended 31 August 2023	Director R&D Director Infrastructures	21,907	None	-	<u>Terms of office (as executives or other functions) exercised as at the date of this Universal Registration Document:</u> <i>Within the Group:</i> Director of OVH B.V. Chief Executive Officer (<i>Jednatel</i>) of

⁹ See Chapter 17, paragraph 17.1.2 of this Universal Registration Document

¹⁰ See Chapter 17, paragraph 17.1.2 of this Universal Registration Document

Surname and first name	Nationality	Business address	Date of expiry of the term of office	Main function exercised in the Company	Number of Company shares held as of 30 November 2021	Number of current terms of office in listed companies	Independent Director (within the meaning of the AFEP-MEDEF Code)	Main terms of office (as executives or other functions) exercised outside of the Company over the last five years
								OVH CZ, s.r.o. Sole Director (<i>Administrador único</i>) of OVH Hispano S.L. Manager of OVH SARL (Senegal) Manager of OVH SARL (Tunisia) Manager of OVH Tunisie <i>Outside the Group:</i> Chairman of INVEST BLEU Manager of SCI IMMOSTONE, SCI IMMOBLES, SCI OVH, SOCIETE CIVILE IMMOBILIERE IMMOLYS <u>Terms of office (as an executive or other function) exercised over the last five years and which are no longer exercised:</u> <i>Within the Group:</i> Before the transformation of the Company into a public limited company (<i>société anonyme</i>), Henryk Kłaba was Deputy Chief Executive Officer of the Company under its simplified joint stock company (<i>société par actions simplifiée</i>) form. Chairman of OVH SAS Vice-Chairman and Director of OVH Holding US INC. Vice-Chairman of Data Center Vint Hill LLC Vice Chairman of Data Center West Coast LLC Vice Chairman of OVH Data US LLC Chairman and Director of Holding OVH Canada INC. Chairman and Director of Hébergement OVH Canada INC. Chairman and Director of OVH Infrastructures Canada INC. Chairman and Director of OVH Serveurs INC. Chairman and Director of Technologies OVH INC. Director of Altimat Data Center Singapore Pte Ltd.

Surname and first name	Nationality	Business address	Date of expiry of the term of office	Main function exercised in the Company	Number of Company shares held as of 30 November 2021	Number of current terms of office in listed companies	Independent Director (within the meaning of the AFEP-MEDEF Code)	Main terms of office (as executives or other functions) exercised outside of the Company over the last five years
								Manager (<i>Geschäftsführer</i>) of DCD Data Center Deutschland GmbH Manager (<i>Geschäftsführer</i>) 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 zoo Director of OVH Sp zoo <i>Outside the Group:</i> N/A
Bernard Gault	French	Apt 301 - 4 Pearson Square - London W1T 3 BH - UK	Shareholders' Meeting called to approve the financial statements for the fiscal year ended 31 August 2024	Independent Director and advisor	54,843 shares	Director and Chairman of the Compensation Committee of Elixir Group	X	<u>Terms of office (as executives or other functions) exercised as at the date of this Universal Registration Document:</u> <i>Within the Group:</i> N/A <i>Outside the Group:</i> Manager of Barville & Co Senior adviser of Perella Weinberg Partners Director of FFP UK Director and Chairman of the Compensation Committee of Elixir Group Member of the Advisory Board of Port Noir SA Director of Fondation Centrale Supélec Director of the Fonds Saint-Michel endowment fund Manager of Prime Vineyards Partners SA and its subsidiaries SCI de la Vigne aux Dames and SCEA de la Vigne aux Dames <u>Terms of office (as an executive or other function) exercised over the last five years and which are no longer exercised:</u> <i>Within the Group:</i> Before the transformation of the

Surname and first name	Nationality	Business address	Date of expiry of the term of office	Main function exercised in the Company	Number of Company shares held as of 30 November 2021	Number of current terms of office in listed companies	Independent Director (within the meaning of the AFEP-MEDEF Code)	Main terms of office (as executives or other functions) exercised outside of the Company over the last five years
								Company into a public limited company (<i>société anonyme</i>), Bernard Gault was Director of the Company in its simplified joint stock company (<i>société par actions simplifiée</i>) form. <i>Outside the Group:</i> Director of Balmain SA
Diana Einterz	American	75, 14 th street, Atlanta, GA 30309 USA	Shareholders' Meeting called to approve the financial statements for the fiscal year ended 31 August 2024	Independent Director	0 shares ¹¹	None	X	<u>Terms of office (as executives or other functions) exercised as at the date of this Universal Registration Document:</u> <i>Within the Group:</i> N/A <i>Outside the Group:</i> <i>Chairperson Americas of SITA (Geneva)</i> <u>Terms of office (as an executive or other function) exercised over the last five years and which are no longer exercised:</u> <i>Within the Group:</i> N/A <i>Outside the Group:</i> Key Accounts Director at Orange Business Services France (2013 - 2017)
Corinne Fornara	French	6, rue du Caporal Peugeot 94210 - La Varenne Saint Hilaire	Shareholders' Meeting called to approve the financial statements for the fiscal year ended 31 August 2024	Independent Director	2,703 shares	None	X	<u>Terms of office (as executives or other functions) exercised as at the date of this Universal Registration Document:</u> <i>Within the Group:</i> N/A <i>Outside the Group:</i> Chief Financial Officer of the AccorInvest Group Director of SHAC Manager of Berlin Checkpoint Charlie Holding

¹¹ From the date of the Company's IPO, the Directors are required to hold a minimum of 1,000 shares in accordance with the Board of Directors' Internal Regulations and shall have a period of six months to acquire these shares from their appointment.

Surname and first name	Nationality	Business address	Date of expiry of the term of office	Main function exercised in the Company	Number of Company shares held as of 30 November 2021	Number of current terms of office in listed companies	Independent Director (within the meaning of the AFEP-MEDEF Code)	Main terms of office (as executives or other functions) exercised outside of the Company over the last five years
								Manager of Hig Lux S.a.RL Manager of Accor Newday Holdings Luxembourg Sàrl Manager of Accord Newday German Holdco Sàrl Member of the Supervisory Board of AHN Director of SONKK Director of RCH Member of the Supervisory Board of ACCORINVEST GERMANY GMBH Director of CHB <u>Terms of office (as an executive or other function) exercised over the last five years and which are no longer exercised:</u> <i>Within the Group:</i> N/A <i>Outside the Group:</i> Chief Financial Officer/Group Controller of Constellium (July 2016 to May 2018) Offices held in Constellium Group companies
Isabelle Tribotté	French	1Q rue Champ Lagarde - 75800 Versailles	Shareholders' Meeting called to approve the financial statements for the fiscal year ended 31 August 2022	Independent Director	0 shares ¹²	None	X	<u>Terms of office (as executives or other functions) exercised as at the date of this Universal Registration Document:</u> <i>Within the Group:</i> N/A <i>Outside the Group:</i> Independent Director of FORSEE POWER Advisory/consultant of BPI/CD Sud <u>Terms of office (as an executive or other function) exercised over the last five years and which are no longer exercised:</u>

¹² From the date of the Company's IPO, the Directors are required to hold a minimum of 1,000 shares in accordance with the Board of Directors' Internal Regulations and shall have a period of six months to acquire these shares from their appointment.

Surname and first name	Nationality	Business address	Date of expiry of the term of office	Main function exercised in the Company	Number of Company shares held as of 30 November 2021	Number of current terms of office in listed companies	Independent Director (within the meaning of the AFEP-MEDEF Code)	Main terms of office (as executives or other functions) exercised outside of the Company over the last five years
								<i>Within the Group:</i> N/A <i>Outside the Group:</i> N/A
Sophie Stabile	French	4 rue de Presbourg - 75016 Paris	Shareholders' Meeting called to approve the financial statements for the fiscal year ended 31 August 2023	Independent Director	0 shares ¹³	Independent Director and Chairperson of the Audit Committee of Sodexo	X	<u>Terms of office (as executives or other functions) exercised as at the date of this Universal Registration Document:</u> <i>Within the Group:</i> N/A <i>Outside the Group:</i> Group Chief Financial Officer of Lagardère Independent Director and Chairperson of the Audit Committee of Sodexo Independent Director and Chairperson of the Appointments Committee of BpiFrance Treasurer and Director of the Institut Français des Administrateurs Manager of Révérence EURL (consulting and investment company (since 2018)) <u>Terms of office (as an executive or other function) exercised over the last five years and which are no longer exercised:</u> <i>Within the Group:</i> N/A <i>Outside the Group:</i> Chairperson of the Supervisory Board of Orbis Member of the Board of Directors of Ingenico Chief Executive Officer of

¹³ From the date of the Company's IPO, the Directors are required to hold a minimum of 1,000 shares in accordance with the Board of Directors' Internal Regulations and shall have a period of six months to acquire these shares from their appointment.

Surname and first name	Nationality	Business address	Date of expiry of the term of office	Main function exercised in the Company	Number of Company shares held as of 30 November 2021	Number of current terms of office in listed companies	Independent Director (within the meaning of the AFEP-MEDEF Code)	Main terms of office (as executives or other functions) exercised outside of the Company over the last five years
								HotelsServices France and Switzerland Chief Financial Officer and member of the Executive Committee of Accor Member of the Supervisory Board of Unibail-Rodamco-Westfield Independent Director of BPI Investissement Member of the Supervisory Board of Altamir

The General Shareholders' Meeting of the Company of 14 October 2021 decided to modify the term of office of directors to allow staggered renewal, subject to the condition precedent of the admission of the shares to trading on the Euronext Paris regulated market. Accordingly, the terms of office of directors is as follows:

- Miroslaw Klaba: one year, i.e. until the end of the Ordinary General Shareholders' Meeting called to approve the financial statements for the fiscal year ended on 31 August 2022;
- Isabelle Tribotté: one year, i.e. until the end of the Ordinary General Shareholders' Meeting called to approve the financial statements for the fiscal year ended on 31 August 2022;
- Henryk Klaba: two years, i.e. until the end of the Ordinary General Shareholders' Meeting called to approve the financial statements for the fiscal year ended on 31 August 2023;
- Sophie Stabile: two years, i.e. until the end of the Ordinary General Shareholders' Meeting called to approve the financial statements for the fiscal year ended on 31 August 2023;
- Corinne Fornara: three years, i.e. until the end of the Ordinary General Shareholders' Meeting called to approve the financial statements for the fiscal year ended on 31 August 2024;
- Bernard Gault: three years, i.e. until the end of the Ordinary General Shareholders' Meeting called to approve the financial statements for the fiscal year ended on 31 August 2024; and
- Diana Einterz: three years, i.e. until the end of the Ordinary General Shareholders' Meeting called to approve the financial statements for the fiscal year ended on 31 August 2024;

the terms of office of Michel Paulin and Octave Klaba remain unchanged.

In addition, two directors representing employees will be appointed within six months of the IPO.

The Company's Compensation Committee and the Board of Directors have assessed the independence of the above-mentioned independent directors. The table below summarises the current position of each director with respect to the criteria of independence in Article 9 of the AFEP-MEDEF Code, as assessed by the Compensation Committee and the Board of Directors of the Company.

Independence of Directors	Diana Einterz	Corinne Fornara	Isabelle Tribotté	Bernard Gault	Sophie Stabile
Criterion 1: Not to be or have been an employee or corporate officer during the previous five years	✓	✓	✓	✓	✓
Criterion 2: Not to hold conflicting positions	✓	✓	✓	✓	✓
Criterion 3: Not to have significant business relationships	✓	✓	✓	✓	✓
Criterion 4: Not to have any 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 be a director of the Company for more than 12 years	✓	✓	✓	✓	✓
Criterion 7: Status of the non-executive director executive officer: may not receive variable compensation in cash or securities or any compensation linked to the performance of the Company	✓	✓	✓	✓	✓
Criterion 8: Status of the significant shareholder: may not participate in the control of the Company	✓	✓	✓	✓	✓
Independent director after under the AFEP-MEDEF Code criteria	Yes	Yes	Yes	Yes	Yes

In this table: “✓” signifies that an independence criterion is satisfied and “✗” signifies that an independence criterion is not satisfied.

In accordance with Article 13.3 of the Company’s Bylaws and Article L. 225-27-1 of the French Commercial Code, Directors representing employees will be appointed within six months following the amendment of the Company’s Bylaws.

Share ownership

From the date of the Company’s IPO, the Directors are required to hold a minimum of 1,000 shares in accordance with the Board of Directors’ Internal Regulations and shall have a period of six months to acquire these shares from their appointment.

As of the date of this Universal Registration Document, Octave Klabá, Mirosław Klabá and Henryk Klabá are direct and indirect shareholders of the Company and Bernard Gault, Michel Paulin and Corinne Fornara are direct shareholders of the Company.

Biographical information of the members of the Board of Directors

Octave Klabá: Born in Poland in 1975, Octave Klabá arrived in France at the age of 16, not speaking a word of French. Passionate about computer science, he earned a computer science degree from ICAM Lille in 1999, and at the same time, created OVH for one simple reason: no provider was able to meet

his expectations. Twenty years later, Octave is still working on growing his business from his base in Roubaix, France.

Michel Paulin: Michel Paulin has spent most of his career in the IT, telecom and internet sectors. He was Chief Executive Officer of Neuf Cegetel, for which he made the initial public offering, Méditel (now Orange Morocco) and SFR. His appointment is part of a new phase in the development of OVHcloud. Michel Paulin will oversee the implementation of the Smart Cloud strategic plan, aimed at consolidating OVHcloud's position as an alternative leader in the cloud sector. Michel Paulin graduated from Ecole Polytechnique.

Mirosław Kłaba: Mirosław Kłaba is R&D Director the Company. After earning an engineer degree from ICAM Lille, he joined OVHcloud in 2004, holding different positions on project development. As part of his mission, Mirosław Kłaba leads the teams encouraging transformation and participating in the maturity of businesses by providing tools and an information system to help increase effectiveness.

Henryk Kłaba: Henryk Kłaba is an engineer, graduated from the Polytechnic School in Warsaw. He settled in France after the fall of the Berlin Wall. He is currently an employee of the Company, as R&D Director for Infrastructures.

Bernard Gault: Bernard Gault is an investment banker and investor and is the founding partner of the investment firm Barville & Co, formed in 2016. 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 *Directeur Général* of the bank's Paris office and head of its private equity fund for Europe, Morgan Stanley Capital Partners. He is an engineer from Ecole Centrale Paris and holds a degree from Institut d'Etudes Politiques de Paris.

Diana Einterz: Diana Einterz is, since 2018, *President, Americas* at SITA. She began her career at AT&T Corporation and held several positions there until 2000. She joined Orange in 2000 where, from 2013 to 2017, she was "Directrice des Grands Comptes" at Orange Business Services. She graduated from McGill University with a degree in Computer Science.

Corinne Fornara: Corinne Fornara is, since 2018, Groupe Finance Officer in charge of Finance, Internal Audit and Risk management of AccorInvest. She began her career at Deloitte as Financial Auditor before joining the Kering Group in 1993 as head of the consolidation department. In 1995, she joined the Atos group where she held various positions in the finance department. In 2000, she has been appointed Chief Financial Officer of Atos Euronext in charge of Finance, Legal, 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 Chief Financial Officer in 2016. Corinne was also a member of the Constellium Executive Committee. Corinne Fornara graduated from ESCEM, Tours Business School and also hold a DESCF degree in Accounting and Finance.

Isabelle Tribotté: Since 2018, Isabelle Tribotté joined the Medium Voltage Division of Schneider Electric to lead the international business operations. She joined Schneider Electric in 2000, where she 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 Ecole Centrale de Nantes and ESCP Paris.

Sophie Stabile: Sophie Stabile is Group Chief Financial Officer of Lagardère. She began her career by holding several positions at Deloitte, before holding various management positions within the Accor Group until 2018. She notably held the position of Chief Executive Officer of HotelsServices France and Switzerland and that of Chief Financial Officer and member of the Executive Committee of Accor. She is a graduate of the Ecole Supérieure de Gestion et Finances.

Family relationships between members of the Board of Directors

The following members of the Kłaba 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 Klabá (Chairman and member of the Board of Directors as from the conversion of the Company into a limited liability company (*société anonyme*), founder of the Company), his father Henryk Klabá (member of the Board of Directors) and his brother Miroslaw Klabá (member of the Board of directors). In addition, Miroslaw Klabá is the R&D Director of the Company and Henryk Klabá 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 Klabá family, there are no family relationships among the members of the Board of Directors, or between members of the Board of Directors and members of the Company's senior management.

As of the date of this Universal Registration Document, to the Company's knowledge, there are no family ties between the non-voting members of the Board of Directors and members of the Board of Directors or members of the General Management of the Company.

Nationality of members of the Board of Directors

As of the date of this Universal Registration Document, Diana Einterz, American, is the only member of the Board of Directors of foreign nationality.

Balanced representation of men and women

As of the date of this Universal Registration Document, five directors have been qualified as independent with regard to the criteria defined in the AFEP and MEDEF Corporate Governance Code for listed companies (the "**AFEP-MEDEF Code**").

In addition, the Board of Directors has four women among its nine members, more than the minimum percentage of 40% required by law.

Diversity policy within the Board of Directors

The Directors of the Company come from different backgrounds and have varied experience and skills, thus reflecting the objectives of the Board of Directors. The presentation of the profile of each Director in this chapter provides a better understanding of this diversity and complementarity of experience.

In accordance with its Internal Regulations, the Board of Directors examines the desirable balance of its composition and that of its committees, particularly in terms of diversity (representation of women and men, nationalities, age, qualifications and professional experience, etc.).

ii. Non-voting directors

Karim Saddi and Jean-Pierre Saad were appointed as non-voting directors of the Board of Directors on 18 October 2021. Non-voting directors will not be remunerated. Non-voting directors will participate in the work of the Board of Directors without having a right to vote and will not, at this stage, benefit from any specific missions.

Karim Saddi is Co-Chairman and Managing Director of TowerBrook, Co-Chairman of the Portfolio Committee and member of the Management Committee. Mr. Saddi was a member, then a partner, of Soros Private Equity. Prior to that, he was a member of the mergers, acquisitions and restructuring department of Morgan Stanley Dean Witter in London and Los Angeles. Karim Saddi is a graduate of HEC Paris.

Jean-Pierre Saad joined KKR in 2008 and is currently a partner in the Private Equity department in London and a member of the European Private Equity platform where he manages the Technologies - Media - Telecommunications activities. He is also a member of the European Private Equity Investment Committee, the Portfolio Management Committee and the Investment Committee of KKR for Next Generation Technologies. He led KKR's investments in Cegid, Devoteam, Masmovil, Exact, OVH,

SoftwareONE and United Group and was previously involved in NXP Semiconductors, Acton, Van Gansewinkel and Legrand. He currently sits on the Board of Directors of Cegid, Castillon (Devoteam), Masmovil, Exact, OVH and SoftwareONE. Before joining KKR, he worked in the telecoms and media team of Lehman Brothers in London. Jean-Pierre Saad holds a Grande Ecole degree from HEC Paris and an engineering degree with honours in computer science and communications from the American University of Beirut.

Surname and first name	Nationality	Business address	Date of expiry of the term of office	Main function exercised in the Company	Number of current terms of office in listed companies	Main terms of office (as executives or other functions) exercised outside of the Company over the last five years
Karim Saddi	French	1 St James's Market, Carlton Street, London SW1Y 4AH, United Kingdom	Shareholders' Meeting called to approve the financial statements for the fiscal year ended 31 August 2025	Non-voting director	N/A	<u>Terms of office (as executives or other functions) exercised as at the date of this Universal Registration Document:</u> <i>Within the Group:</i> N/A <i>Outside the Group:</i> 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 Canosque Holdings SAS (La Maison Bleue) Director of Infopro Digital Group BV Director of TCP Kaporal Holdings Sarl, Kaporal Manco Sarl and Kaporal 5 Sarl <u>Terms of office (as an executive or other function) exercised over the last five years and which are no longer exercised:</u> <i>Within the Group:</i> N/A <i>Outside the Group:</i> Director of Metallo Holdings 1 B.V., Metallo Holdings 2 B.V. and Metallo Holdings 3 B.V. (Metallum) Director of GSE (Luxembourg) Sarl

Surname and first name	Nationality	Business address	Date of expiry of the term of office	Main function exercised in the Company	Number of current terms of office in listed companies	Main terms of office (as executives or other functions) exercised outside of the Company over the last five years
						Director of Comidas Holdings 1 BV (Van Geloven)
Jean-Pierre Saad	Belgian	18 Hanover Square, London W1S 1JY, United Kingdom	Shareholders' Meeting called to approve the financial statements for the fiscal year ended 31 August 2025	Non-voting director	Director of SoftwareONE Holding AG and member of the Audit Committee	<u>Terms of office (as executives or other functions) exercised as at the date of this Universal Registration Document:</u> <i>Within the Group:</i> N/A <i>Outside the Group:</i> 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 and member of the Audit Committee of SoftwareONE Holding AG <u>Terms of office (as an executive or other function) exercised over the last five years and which are no longer exercised:</u> <i>Within the Group:</i> N/A <i>Outside the Group:</i> Director of United Group B.V.

b) General Management

At its meeting of 28 September 2021, the Board of Directors of the Company decided that the General Management of the Company will be exercised by a Chief Executive Officer and that, accordingly, the Chairman of the Board of Directors will not hold the functions of Chief Executive Officer.

Octave Klabla 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 Shareholders' Meeting of the Company called to approve the financial statements for the fiscal year ended on 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 Shareholders' Meeting of the Company called to approve the financial statements for the fiscal year ended on 31 August 2025.

As of the date of this Universal Registration Document, he has not been appointed Vice-Chairman of the Board of Directors.

In addition to Michel Paulin, the executive team of the Company includes the following persons:

Thierry Souche, Chief Technology Officer: Thierry Souche joined the Company in March 2021 to manage the Products Business Unit, the team in charge of Research & Development, as well as the deployment of the OVHcloud products and solutions offered across the Company's four target audience universes. Thierry Souche spent 25 years in the Orange group where he led entrepreneurial projects to transform the business and develop product and customer centricity.

Yann Leca, Executive Vice President - Chief Financial Officer: Yann Leca is responsible for the Company's corporate functions and manages all aspects of the financial scope, from accounting to corporate finance, real estate, procurement and pricing. Yann Leca joined the Company in January 2019, after 30 years in corporate financial functions, including 23 years as a CFO of large, international fast-growing companies.

François Sterin, Executive Vice President - Chief Industrial Officer: Francois Sterin leads the Company's technical infrastructure, from the server assembly lines to the design, construction and operations of the Group's data centers globally. Francois joined OVHcloud in July 2017, after 15 years of experience developing global infrastructure for Telecom and Internet companies.

Sylvain Rouri, Chief Sales Officer: Sylvain Rouri is responsible for successfully driving the Company's growth since he joined in December 2017. Focusing on meeting the needs of the OVHcloud universes (target audiences), Sylvain Rouri leads both direct and indirect sales forces to implement global sales strategies. Previous to OVHcloud, Sylvain Rouri worked 22 years in sales at both SMB's and at large companies, including Survey Sampling International where he held the position of SVP of Global Sales Operations.

Dominique Michiels, Chief Service Delivery Officer: Dominique Michiels joined OVHcloud in January 2018. His role involves running all services delivered to the Group's customers. An IT enthusiast for 40 years, he accumulated his considerable experience in IT production and development, performing diverse roles at Worldline (Atos subsidiary), such as the management of large cost centres & profit centres, including running large, complex international projects. In a multicultural landscape, he was also a key contributor to the various M&A and transformation programs.

Line Cadet, Chief Human Resources Officer: In her role, Line Cadet leads all HR activities, from recruitment, training, talent management & development to social and payroll operations at a global level. Line Cadet joined OVHcloud in January, 2017, as HR Business Partner and became CHRO in November 2018. She has 12 years of experience in HR in various environments such as IT & Digital and retail companies.

Cristina Guttuso, Chief Legal Officer: Before joining OVHcloud in March 2021, Cristina Guttuso spent 25 years in leading legal positions at some of the world's largest Telecom and IT groups, such as Oracle, Nokia and Microsoft, with work experience from different European countries. In her role she is in charge of driving the Company's legal and corporate policies towards consolidating OVHcloud's position as cloud leader providing unique trusted solutions in compliance with the European values of fairness, openness and data sovereignty.

Frédéric Etheve, Executive Vice President - Chief Operations Officer: Frédéric Etheve has been Chief Operations Officer since August 2017. After working 17 years in the tech industry in Europe, North America and Africa, Frédéric Etheve leads the development and management of the OVHcloud's operations activities to support and accelerate the Group's overall growth and drive OVHcloud's transformation.

Axel McNamara, Chief Customer Officer: Axel McNamara is in charge of ensuring customer success through the various support offers and the accompanying of key accounts. Axel McNamara joined

OVHcloud in March 2021. As a result of his strong background covering both consulting and industry, he is a strong contributor to OVHcloud's strategy thanks to his pragmatic approach on complex transformations. For more than 14 years, Axel McNamara has been implementing innovative strategies within international companies and SMEs, in tech and aeronautics sectors.

Ludivine Boutry, Chief Digital Marketing Officer: Ludivine arrived at OVHcloud in February 2020 as Chief Digital Marketing Officer, responsible for elevating the brand and developing digital assets to promote the company's solutions. Prior to OVHcloud, Ludivine worked for fifteen years in global marketing agencies Publicis & Havas Group, as well as three years in the international retail sector where she held the role of Chief Customer Activation Officer.

12.2 Statements relating to the Board of Directors and Senior Management

To the Company's knowledge, over the course of the past five years, (i) none of the members of the Board of Directors or of the senior management has been convicted of fraud; (ii) none of the members of the Board of Directors or of the Senior Management has been associated with any bankruptcy, receivership, judicial liquidation or company put into administration, (iii) no official public incriminations or sanctions have been brought against any members of the Board of Directors or of the senior management by statutory or regulatory authorities (including designated professional bodies), (iv) none of the members of the Board of Directors or of the senior management has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer, or from being involved in the management or performance of business of any issuer.

To the best of the Company's knowledge over the past five years, (i) no convictions for fraud have been pronounced against the Board of Directors' non-voting members; (ii) no non-voting member of the Board of Directors has been associated with a bankruptcy, receivership, liquidation or placing of companies under receivership; (iii) no incrimination and/or official public sanction has been pronounced against the non-voting members of the Board of Directors by judicial or administrative authorities (including designated professional bodies); and (iv) no non-voting member of the Board of Directors has been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer or from acting in the management or the conduct of the business of an issuer.

12.3 Conflicts of interest

To the Company's knowledge and other than the relationships described in Chapter 17 of this Universal Registration Document, as of the date of this Universal Registration Document, there are no potential conflicts of interest between the duties of the members of the Board of Directors and of the senior management to the Company and their private interests.

The non-voting members of the Board of Directors were appointed on the proposal of Spiral Holdings B.V. and Spiral Holdings S.C.A., respectively.

To the Company's knowledge, as of the date of this Universal Registration Document, there are no agreements or undertakings of any kind with shareholders, customers, suppliers or others pursuant to which any member of the Company's Board of Directors or Senior Management has been appointed to such position. It is however specified that that a shareholders' agreement has been entered into between members of the Klabá family on 26 October 2021, and that this agreement provides for the appointment by the Klabá family of at least half of the members of the Board of Directors of the Company (including the Chairman), as long as the Klabá family controls the Company. In this respect, the first members of the Board of Directors of the Company as of the IPO, appointed on a proposal by the Klabá family, are Messrs Octave Klabá, Henryk Klabá, Mirosław Klabá and Mr. Michel Paulin.

To the Company's knowledge, as of the date of this Universal Registration Document, commitments under free share allocation plans (refer to Chapter 13, section 13.1 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 Klabá family (which is described in Chapter 16 of this Universal Registration Document). Furthermore, the members of the Board of Directors and the senior management have not agreed to any restriction on their right to

sell shares of the Company, with the exception of rules relating to prevention of insider trading and the recommendations of the AFEP-MEDEF Code or of the law imposing a lock-up on the shares.

13. COMPENSATION AND BENEFITS

The tables below summarise the compensation and benefits of any kind paid by (i) the Company and (ii) companies controlled by the Company within the meaning of article L. 233-16 of the French Commercial Code and in which corporate offices are held, to the Chairman of the Company's Board of Directors, to the Chief Executive Officer and to members of the Board of Directors.

13.1 Compensation policy for corporate officers

The Company refers generally, and in particular with regard to compensation, to the recommendations of the AFEP-MEDEF Corporate Governance Code for listed companies, as interpreted by the High Committee on Corporate Governance (HCGE) in its application guide for the AFEP-MEDEF Code as well as its activity reports and the AMF recommendations contained in its guide for the preparation of universal registration documents, in its recommendation for 2012-02 and in its latest report on corporate governance and the compensation of executives of listed companies.

In application of Articles L. 22-10-8 and R. 22-10-14 of the French Commercial Code, the compensation policy for corporate officers established by the Board of Directors, on the proposal of the Appointments, Compensation and Governance Committee, will be the subject of draft resolutions submitted for the approval of the Company's General Shareholders' Meeting of 15 February 2021 and each year, and at the time of each significant change.

The Corporate Governance report was reviewed by the Appointments, Compensation and Governance Committee on 13 December 2021 and approved by the Board of Directors on 15 December 2021.

In accordance with applicable legal and regulatory requirements, the compensation policy for corporate officers will include (i) information relating to all corporate officers and (ii) items specific to each category of corporate officers.

The compensation policy applied to all corporate officers will follow the criteria defined in Article R. 22-10-14 I. of the French Commercial Code. The following developments constitute the compensation policy for the Company's corporate officers.

13.2 Compensation and benefits paid to senior executives and non-executive officers

13.2.1 Compensation of the members of the Board of Directors

In accordance with the law, the maximum amount of compensation allocated to directors is set by the General Shareholders' Meeting. During the written consultation of the shareholders closed on 27 September 2021, the shareholders set the total annual amount of compensation allocated to the Board of Directors for the fiscal year 2022 at €500,000.

On 28 September 2021, 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 (fixed portion of €7,500 and variable portion of €10,000, increased to €16,000 and €16,500 for the Chairman of the Audit Committee and the Appointments, Compensation and Governance Committee, and a fixed portion of €5,000 (€8,000 for the Chairman) and a variable portion of €7,500 (€9,500 for the Chairman), for the Strategy and CSR Committee).

Only independent directors will receive compensation. The compensation of the members of the Board of Directors is paid quarterly in arrears for the fixed portion and annually in arrears for the variable portion. The members of the Board of Directors will be reimbursed for their expenses (including travel expenses) incurred in the course of their duties.

The non-voting members perceive no compensation, even if the Board of Directors has the power to allocate part of the compensation to non-voting members and to grant additional compensation for special assignments.

Table 3 (AMF nomenclature)

Table of compensation received by directors and other compensations received by non-executive officers				
Non-executive officers	Amounts granted during the fiscal year ended August 31, 2020	Amounts paid during the fiscal year ended August 31, 2020	Amounts granted during the fiscal year ended August 31, 2021	Amounts paid during the fiscal year ended August 31, 2021
Henryk Klaba⁽¹⁾⁽³⁾				
Compensation (fixed, variable)	208,000	208,000	208,000	208,000
Other compensation ⁽⁴⁾	12,037.9	12,037.9	4,216.66	4,216.66
Miroslaw Klaba⁽¹⁾⁽³⁾				
Compensation (fixed, variable)	202,883	202,883	195,000	195,000
Other compensation ⁽⁴⁾	9,676.95	9,676.95	8,651.69	8,651.69
Bernard Gault				
Compensation (fixed, variable)	75,000	0	75,000	356,250 ⁽²⁾
Other compensation	N/A	N/A	N/A	N/A

(1) It is recalled that Messrs Henryk Klaba and Miroslaw Klaba are employees of the Company. Their compensation in such capacity for fiscal year 2022 will be respectively of 300,000 and 195,000 euros. They also benefit from a company car.

(2) For the period from October 2016 to June 2021, the amounts due for the fiscal years prior to FY2021 were paid in 2021 only; they were previously provisioned in the Company's accounts.

(3) During fiscal years 2020 and 2021, Messrs. Henryk and Miroslaw Klaba were both "Directeur general délégué" of the Company and received their compensation in that capacity.

(4) Company car

13.2.2 Compensation of corporate officers

a) Chairman of the Board of Directors

Octave Klaba was appointed Director by written consultation of the shareholders of the Company closed on 27 September 2021, then Chairman of the Board of Directors by decision of the Board of Directors of the Company under its new form of public limited company (*société anonyme*) on 28 September 2021, for a period equivalent to his term of office as a Director, i.e. until the end of the Company's

Ordinary General Shareholders' Meeting called to approve the financial statements for the fiscal year ended on 31 August 2025.

In respect of his office as Chairman of the Board of Directors of the Company, the compensation of Octave Klabá 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 Chairman of the Board of Directors is fully in line with the compensation policy.

Compensation

The compensation of the Chairman of the Board of Directors includes an annual fixed compensation of five hundred and twelve thousand two hundred euros (€512,200), paid annually in thirteen equal monthly instalments.

This compensation corresponds to the compensation that was allocated to him for his duties as Chairman of the Company prior to its transformation into a public limited company (*société anonyme*), in view of his new duties and his specific role in this respect in terms of strategy and innovation.

The compensation of the Chairman of the Board of Directors does not include a variable portion.

The amount of fixed compensation is determined by the Company's Board of Directors on the recommendation of the Appointments, Compensation and Governance Committee, taking into account market practices and the compensation observed for similar positions in French listed companies.

Exceptional compensation

None

Compensation as a Director

The Chairman of the Board of Directors may receive compensation in respect of his office as a Director. The Chairman will not receive any compensation as a Director beyond his compensation as Chairman of the Board of Directors.

Other collective benefits

The Chairman of the Board of Directors may also benefit from all the collective rights and benefits enjoyed by Company executives from the date of his appointment.

Benefits in kind

The Chairman of the Board of Directors benefits from the provision of a company car in accordance with the Car Policy in force in the Company or the reimbursement of mileage allowances according to tax scales if the use of a personal vehicle is preferred.

The Chairman of the Board of Directors is also entitled to the reimbursement of reasonable business travel and entertainment expenses incurred in the course of his duties.

He is covered by the Company's pension, mutual and provident schemes applicable to managers, under the same conditions.

Share options, performance shares or other long-term compensation items

None

Supplementary pension scheme

The Chairman of the Board of Directors does not currently benefit from any supplementary pension scheme.

Severance pay: departure benefit

The Chairman of the Board of Directors does not receive any severance pay.

Non-compete compensation

The Chairman of the Board of Directors does not receive any non-compete compensation.

This compensation policy is subject to approval from the General Shareholders' Meeting under the resolution reproduced below:

Eighth resolution: (Approval of the compensation policy of the Chairman of the Board of Directors for the fiscal year 2022)
The General Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary general shareholders' meetings, having heard the report on corporate governance describing the elements of the compensation policy for corporate representatives, approves, in accordance with Article L. 22-10-8, II of the French Commercial Code, the compensation policy of the Chairman of the Board of Directors for the fiscal year 2022, as presented in the Corporate Governance Report and as contained in the Universal Registration Document 2021 (Section 13.2.2). The following tables below set out the compensation paid by the Company and by any company of the Group during the fiscal years ended 31 August 2020, and 31 August 2021 to Mr. Octave Klabo, president of the Company in its form as a simplified joint-stock company and intended to be the Chairman of the Board of Directors as of the conversion of the Company into a public limited company.

Table 1 (AMF nomenclature)

Summary of compensation, options and shares granted to each senior executive		
	2020	2021
	(amounts paid in euros)	
Octave Klabo		
Chairman		
Compensation for the fiscal year (see Table 2 below for details)	513,004.14	517,843.44
Value of multi-year variable compensation paid during the fiscal year	N/A	N/A
Value of stock options granted during the fiscal year (see Table 4 below for details).....	N/A	N/A
Value of free shares granted (see Table 6 below for details)	N/A	N/A
Value of other long-term incentive plans	N/A	N/A
Total	513,004.14	517,843.44

Table 2 (AMF nomenclature)

Summary of compensation paid to each senior executive		
	2020	2021

	Amounts granted	Amounts paid	Amounts granted	Amounts paid
	(amounts paid in euros)			
Octave Klabá				
Chairman				
Fixed compensation*	512,200	512,200	512,200	512,200
Annual variable compensation*	N/A	N/A	N/A	N/A
Multi-year variable compensation*	N/A	N/A	N/A	N/A
Exceptional bonus*	N/A	N/A	N/A	N/A
Compensation received as member of the Board of Directors	N/A	N/A	N/A	N/A
Benefits in kind ⁽¹⁾	804.14	804.14	5,643.44	5,643.44
Total.....	513,004.14	513,004.14	517,843.44	517,843.44

* On a gross basis before social security contributions and taxes

(1) Company car

Table 11 (AMF nomenclature)

Executive officers	Employment contract		Supplementary pension plan		Termination benefits		Non-compete indemnity	
	Yes	No	Yes	No	Yes	No	Yes	No
Octave Klabá <i>Chairman</i>		X		X		X		X

b) Chief Executive Officer

Michel Paulin was appointed Director by written consultation of the shareholders of the Company closed on 27 September 2021, then Chief Executive Officer by decision of the Board of Directors of the Company in its new form of public limited company (*société anonyme*) on 28 September 2021, for a period equivalent to his term of office as a Director, i.e. until the end of the Company's Ordinary General Shareholders' Meeting called to approve the financial statements for the fiscal year ended 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 fiscal years ended after the date of admission of the Company's shares to trading on the Euronext Paris

regulated market will be subject to the approval by an Ordinary General Shareholders' Meeting of the components of compensation paid to the Chief Executive Officer during the course of the last fiscal year.

Fixed compensation

The amount of fixed compensation is determined by the Company's Board of Directors on the recommendation of the Appointments, Compensation and Governance Committee, taking into account market practices and the compensation observed for similar positions in French listed companies of comparable size.

The annual fixed compensation of the Chief Executive Officer is set at €500,000 gross, paid in thirteen equal monthly instalments.

Annual variable compensation

The variable portion of the Chief Executive Officer's compensation is equal to 100% of his fixed compensation if the targets are achieved, with a decelerating coefficient below 100%. This percentage may reach 145% of the fixed portion of his compensation in the event of overperformance in respect of the criteria defined by the Board of Directors.

For the fiscal year 2022, the performance criteria defined by the Board of Directors are as follows, with the weightings indicated below: (i) growth in revenue (this indicator is 40% of the annual variable compensation. In case of overperformance, it is possible to evaluate the achievement with a maximum rate capped at 200%), (ii) growth in EBITDA (this indicator is 25% of the annual variable compensation. In case of overperformance, it is possible to evaluate the achievement with a maximum rate capped at 120%), (iii) weight of maintenance capex in relation to revenue (this indicator is 5% of the annual variable compensation. In case of overperformance, the achievement rate is capped at 100%), , (iv) weight of growth capex in relation to revenue growth (this indicator is 5% of the annual variable compensation. In case of overperformance, the achievement rate is capped at 100%), (v) Carbon Usage Effectiveness (this indicator is 10% of the annual variable compensation. In case of overperformance, the achievement rate is capped at 100%) and (vi) employee engagement, a criterion measured on the basis of surveys carried out using survey software (*Peakon*) (this indicator is 15% of the annual variable compensation. In case of overperformance, the achievement rate is capped at 100%).

The criteria and their weighting will be reviewed by the Board of Directors, in principle annually.

Annual variable compensation

Payment of the variable compensation awarded for the past fiscal year (for the fiscal years ended from the date of admission of the Company's shares to trading on the Euronext Paris regulated market) is subject to approval by the Ordinary General Shareholders' Meeting of the elements comprising the compensation and benefits in kind paid to the Chief Executive Officer during the fiscal year just ended or granted in respect of said fiscal year.

Exceptional compensation

None

Compensation as a Director

The Chief Executive Officer may receive compensation in respect of his office as a Director. He does not perceive any compensation as a Director.

Benefits in kind

The Chief Executive Officer benefits from:

- the reimbursement of reasonable business travel and entertainment expenses incurred in the performance of duties upon presentation of receipts;
- a company vehicle, in accordance with the Car Policy in force in the Company or reimbursement of mileage expenses related to the use of the personal vehicle;
- “Formula 70” GSC (private unemployment insurance) cover for 12 months paid in full by the Company (generating a benefit in kind in this respect);
- the pension, mutual and welfare plans in force within the Company applicable to managers, under the same conditions; and
- 25 working days off per year.

In addition, the Company has taken out third-party liability insurance for all directors and the Chief Executive Officer.

Other collective benefits

The Chief Executive Officer may also benefit from all the collective rights and benefits enjoyed by the Company’s executives from the date of his appointment.

Share options, performance shares or other long-term compensation items

The Chief Executive Officer has the option, where applicable, of receiving long-term compensation defined by the Board of Directors, see Section 13.3 of this chapter.

Supplementary pension scheme

The Chief Executive Officer does not currently benefit from any supplementary pension plan.

Severance pay: departure benefit

The Chief Executive Officer does not receive any severance pay.

Non-compete compensation

The Chief Executive Officer benefits from a non-compete clause for a period of one year following the end of his term of office, in exchange for compensation equal to 50% of the compensation (fixed + variable) in respect of the fiscal year prior to departure. This clause will not apply in the event of retirement and in the event of reaching the age of 65.

The Company reserves the right to unilaterally waive this non-compete commitment from the date of notification of the termination of office, in which case the Chief Executive Officer will be free and no compensation will be due to him.

This compensation policy is subject to approval from the General Shareholders’ Meeting under the resolution reproduced below:

Ninth resolution: (Approval of the Chief Executive Officer’s compensation policy for the fiscal year 2022)

The General Shareholders’ Meeting, acting under the conditions of quorum and majority required for ordinary general shareholders’ meetings, having read the report on corporate governance describing the elements of the compensation policy of the company representatives, approves, in accordance with

Article L. 22-10-8, II of the French Commercial Code, the compensation policy of the Chief Executive Officer established by the Board of Directors for the fiscal year 2022, as presented in the corporate governance report in the 2021 Universal Registration Document (Section 13.2.2).

The following tables below set out the compensation paid to Mr. Michel Paulin, Chief Executive Officer of the Company, by the Company and by any company of the Group during the fiscal years ended 31 August 2020, and 31 August 2021.

Table 1 (AMF nomenclature)

Summary of compensation, options and shares granted to each senior executive		
	2020	2021
	(amounts paid in euros)	
Michel Paulin		
Chief Executive Officer		
Compensation for the fiscal year (see Table 2 below for details) ..	1,005,775.52	1,005,715.92
Value of multi-year variable compensation paid during the fiscal year	N/A	N/A
Value of stock options granted during the fiscal year (see Table 4 below for details)	N/A	N/A
Value of free shares granted (see Table 6 below for details)	N/A	N/A
Value of other long-term incentive plans	N/A	N/A
Total	1,005,775.52	1,005,715.92

Table 2 (AMF nomenclature)

Summary of compensation paid to each senior executive				
	2020		2021	
	Amounts granted	Amounts paid	Amounts granted	Amounts paid
	(amounts paid in euros)			
Michel Paulin				
Chief Executive Officer				
Fixed compensation*	500,000	500,000	500,000	500,000
Annual variable compensation*	500,000	375,000	500,000	375,000
Multi-year variable compensation*	N/A	N/A	N/A	N/A
Exceptional bonus*	-	20,270 ⁽¹⁾	-	N/A
Benefits in kind ⁽²⁾	5,775.52	5,775.52	5,715.92	5,715.92
Total	1,005,775.52	901,045.52	1,005,715.92	880,715.92

* On a gross basis before social security contributions and taxes

(1) Corresponding to an exceptional bonus payment decided for outperformance with respect to an EBITDA target

(2) Company car

Table 11 (AMF nomenclature)

Executive officers	Employment contract		Supplementary pension plan		Termination benefits		Non-compete indemnity	
	Yes	No	Yes	No	Yes	No	Yes	No
Michel Paulin <i>Chief Executive Officer</i>		X		X		X	X	

c) Equity ratios

In accordance with points 6 and 7 of Article L. 22-10-9 of the French Commercial Code, the Company must present the ratios and the changes between the level of compensation of the Chairman of the Board of Directors and the Chief Executive Officer and the median compensation of employees other than corporate officers. However, it should be noted that the Company completed its initial public offering during FY2022. Consequently, the presentation of ratios over a five-year period does not seem appropriate since the Company was not subject to the same level of legal requirements as it now faces as an entity for which shares are admitted to trading on the Euronext Paris regulated market.

For illustrative purposes, the ratio is nevertheless presented for the fiscal years 2018, 2019, 2020 and 2021. Thus, the compensation of the Chairman of the Board of Directors and the compensation of the Chief Executive Officer used for the purposes of this calculation include the compensation components (base salary and variable compensation) during the fiscal years 2018, 2019, 2020 and 2021.

The ratios were calculated on the basis of the median and the average compensation to Company employees.

Changes

The total compensation awarded to the Chairman of the Board of Directors during 2021 amounted to €512,200, i.e. the same fixed compensation as in 2020 (€512,200). Total compensation remained stable between 2020 and 2021. This change is compared to the growth in adjusted EBITDA and a change in average employee compensation of 4.52%.

Equity ratios

The ratio of average compensation of employees and the ratio of median compensation of employees, compared to the compensation of the Chairman of the Board of Directors and the Chief Executive Officer, tend to decrease, as shown in the tables below. It is in absolute value.

Table - Comparison of the compensation of executive corporate officers with the Company's performance and average and median compensation of employees

Chairman of the Board of Directors	2018	2019	2020	2021	Evolution 2020/2021
Compensation (in euros)	5112,200	512,200	512,200	512,200	0
Ratio compared to the average compensation of employees	11.38	10.62	10.21	9.76	-4.4%
Ratio compared to the median compensation of employees	13.41	13.13	12.31	11.73	-4.7%
Growth in adjusted EBITDA	-8.6%(*)	37.1%	23.5%	-0.4%	-0.4%

Chief Executive Officer	2018	2019	2020	2021	Evolution 2020/2021
Compensation (in euros)	512,200(**)	1,000,000	1,000,000	1,000,000	0

Ratio compared to the average compensation of employees	11.38	20.73	19.92	19.06	-4.3%
Ratio compared to the median compensation of employees	13.41	25.64	24.04	22.91	-4.7%
Growth in adjusted EBITDA	-8.6%(*)	37.1%	23.5%	-0.4%	-0.4%

The equity ratios take into account the components of compensation (fixed compensation and variable compensation). In order to avoid potential bias, employer contributions and benefits in kind are not considered in these ratios.

The population used to establish these ratios is composed of the permanent workforce in France (permanent contract, on a full-time basis, and present for the last twelve months). France represents nearly 70% of the total permanent workforce as defined above. This avoids any potential bias in exchange rates and local remuneration practices.

(*) Ratio determined by CRC99-02 reference

(**) Mr. Octave Klabla was acting Chief Executive Officer during the fiscal year 2018

13.3 Stock purchase and subscription option grants - Free shares grants

Stock option grants

Table 4 (AMF nomenclature)

Stock options granted during the year to each senior executive by the issuer and by any Group company						
Name of senior executive	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 granted during the year	Exercise price	Exercise period
Octave Klabá	N/A	N/A	N/A	N/A	N/A	N/A
Michal Paulin	N/A	N/A	N/A	N/A	N/A	N/A
Henryk Klabá	N/A	N/A	N/A	N/A	N/A	N/A
Mirosław Klabá	N/A	N/A	N/A	N/A	N/A	N/A

Table 5 (AMF nomenclature)

Stock options exercised during the year by each senior executive			
Name of senior executive	Plan no. and date	Number of options exercised during the year	Exercise price
Octave Klabá	N/A	N/A	N/A
Michel Paulin	N/A	N/A	N/A
Henryk Klabá	N/A	N/A	N/A
Mirosław Klabá	N/A	N/A	N/A

Table 8 (AMF nomenclature)

Historical information about stock option grants				
Information about stock options				
	Plan no. 1	Plan no. 2	Plan no. 3	etc.
Date of General Shareholders' Meeting	N/A			
Date of President's decisions				
Total number of shares under option, including the number that may be subscribed for or purchased by:				
Starting date of exercise period.....				
Expiry date of exercise period.....				
Exercise or purchase price				
Exercise procedures (if the plan includes several tranches)				
Number of shares subscribed for				

Historical information about stock option grants	
Cumulative number of cancelled or forfeited options	
Options outstanding at year-end.....	

Table 9 (AMF nomenclature)

Stock options granted to the top ten employees who are not corporate officers and options exercised by them	Total number of options granted/shares subscribed for or purchased	Weighted average price	Plan no. 1	Plan no. 2
Options granted during the year by the issuer and any companies included in the stock option plan to the ten employees of the issuer or of those companies who received the most options (aggregate)		N/A		
Options held in the issuer and in the above-mentioned companies that were exercised during the year by the ten employees of the issuer or of those companies who exercised the most options (aggregate)				

Free shares grants

A lock-up requirement for Mr. Paulin was voted at the Board of Directors meeting of 15 November 2021. Michel Paulin is subject to a lock-up for a period of one year. From the end of this lock-up period, he is subject to an obligation to retain 75% of the free shares attributed in 2019 and definitively vested for a period expiring at the end of his term of office.

Table 6 (AMF nomenclature)

Free shares granted to each corporate officer						
Free shares granted during the fiscal year to each corporate officer by the general shareholders' meeting of the issuer and of any Group company (list of names)	Plan no. and date	Number of shares granted during the fiscal 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 Klabla	N/A	N/A	N/A	N/A	N/A	N/A
Michel Paulin	N/A	N/A	N/A	N/A	N/A	N/A
Henryk Klabla	N/A	N/A	N/A	N/A	N/A	N/A
Mirosław Klabla	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 fiscal year	Vesting conditions
Octave Klabla	N/A	N/A	N/A
Michel Paulin	N/A	N/A	N/A
Henryk Klabla	N/A	N/A	N/A
Mirosław Klabla .	N/A	N/A	N/A

Table 10 (AMF nomenclature)

	History of free share grants				
	Information on free shares				
Free share plans	Plan no. 1	Plan no. 2	Plan no. 3	Plan no. 4	Plan no. 5
Date of General Shareholders' Meeting	10 October 2017	10 October 2017	13 July 2020	13 July 2020	13 July 2020
Date of President's decisions	20 October 2017	15 February 2019	22 July 2020	23 February 2021	20 July 2021
Total number of free shares granted, of which the number granted to:					
<i>Octave Klaba</i>	N/A	N/A	N/A	N/A	N/A
<i>Michel Paulin</i>	N/A	861,562	N/A	N/A	N/A
<i>Henryk Klaba</i>	N/A	N/A	N/A	N/A	N/A
<i>Miroslaw Klaba</i>	N/A	N/A	N/A	N/A	N/A
Share vesting date	20 October 2018	15 February 2020	22 July 2021	23 February 2022	20 July 2022
End of lock-up period	20 October 2019	15 February 2021	22 July 2022	23 February 2023	20 July 2023
Number of shares subscribed for	1,008,105	1,733,779	371,952	0	0
Cumulative number of cancelled or expired shares	405,108	184,329	13,284	0	0
Free shares outstanding	702,941	1,591,987	371,952	442,186	250,976

In addition to holding shares under the free share plans referred to above, the Company's employees and managers are intended to become shareholders of the Company on the date of completion of the IPO through the merger of MANOVH and MENOVH into the Company.

The Company's ambition is to continue to develop employee shareholding and, in this respect, is considering the implementation of a capital increase reserved for employees in France and abroad in the context of the initial public offering. The terms of this transaction, amounting to a maximum of approximately 0.5% of the share capital, will be specified in the prospectus relating to the admission of the Company's shares to the regulated market of Euronext Paris.

13.4 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 officers.

14 OPERATION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

14.1 Terms of office of members of the administrative and management bodies

The terms of office of the members of the Company's Board of Directors and senior management can be found in Chapter 12, Section 12.1, of this Universal Registration Document.

14.2 Activities of the Board of Directors during the fiscal year ended 31 August 2021

During the fiscal year ended 31 August 2021, the Company was a simplified joint stock company (*société par actions simplifiée*). Since 28 September 2021, the Company has been a French public limited company (*société anonyme*) with a Board of Directors.

14.3 Information on service agreements between members of the Board of Directors and the Company or any of its subsidiaries

As of the date of this Universal Registration Document, to the Company's knowledge, there are no service agreements between members of the Board of Directors and the Company or any of its subsidiaries providing for benefits.

It is specified that Mr. Mirosław Kłaba and Mr. Henryk Kłaba were employees of the Company before their appointment as directors, and will remain employees after such appointment. They are employed respectively as R&D Director and R&D Director for Infrastructures.

14.4 Lead Director

The Board of Directors may appoint a Lead Director whose duties include (i) reviewing agreements with related parties, (ii) assisting the Chairman in organizing meetings of the Board of Directors (and replacing him when he is unable to chair meetings of the Board of Directors), and (iii) managing relations with the Directors.

Mr. Bernard Gault has been appointed lead director by the Board of Directors.

14.5 Board committees

As of the date of this Universal Registration Document, the Company is a public limited company (*société anonyme*) with a Board of Directors.

In accordance with Article 16 of the Company's Bylaws, the Company's Board of Directors may set up committees responsible for examining any matter submitted by the Board of Directors or its Chairman.

Three Board of Directors' Committees have been set up: an Audit Committee, an Appointments, Compensation and Governance Committee and a Strategy and CSR Committee. The main provisions of the internal regulations of these committees are presented below.

Their composition complies with the recommendations of the AFEP-MEDEF Code.

a) Audit Committee

The main provisions of the internal regulations of the Audit Committee, which became effective as from the listing of the Company's shares on the regulated market of Euronext Paris, are as follows:

Composition

The Audit Committee is composed of three to five members, including at least two-thirds of whom will be independent directors.

At the date of this Universal Registration Document, the members of the Audit Committee are:

- Sophie Stabile (Chairwoman)
- Corinne Fornara
- Mirosław Kłaba

Duties

The goal of the Audit Committee is to monitor questions related to the preparation and the control of accounting and financial information and to monitor the efficiency of risk monitoring and operational internal control, in order to facilitate the Board of Director's duties to control and verify such matters.

The Audit Committee's main duties are as follows:

1. monitoring the financial reporting process;
2. monitoring the effectiveness of internal control, internal audit and risk management systems relating to financial and accounting information;
3. monitoring the statutory audit of the financial statements and consolidated financial statements by the Company's statutory auditors;
4. monitoring the independence of the Company's statutory auditors and their selection and reappointment procedures; and
5. 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.

b) Nomination, Remuneration and Governance Committee

The main provisions of the internal regulations of the Nomination, Remuneration and Governance Committee, which became effective as from the listing of the Company's shares on the regulated market of Euronext Paris, are as follows:

Composition

The Nomination, Remuneration and Governance Committee is composed of three-to-five members, including a majority independent directors.

At the date of this Universal Registration Document, the members of the Nominations, Remuneration and Governance Committee are:

- Bernard Gault (Chairman)
- Isabelle Tribotté
- Sophie Stabile
- Octave Klabá
- Henryk Klabá

Duties

The Nomination, Remuneration and Governance Committee is a specialized 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 officers, including any deferred benefits and/or benefits arising upon voluntary or involuntary departure from the Group.

c) Strategic and ESG Committee

The main provisions of the internal regulations of the Strategic and ESG Committee, which became effective as from the listing of the Company's shares on the regulated market of Euronext Paris, are as follows:

Composition

The Strategic and ESG Committee is composed of 3 to 6 members.

At the date of this Universal Registration Document, the members of the Strategic and ESG Committee are:

- Octave Klabá (Chairman)

- Isabelle Tribotté
- Diana Einterz
- Michel Paulin
- Mirosław Kłaba

Duties

In the fields falling within the scope of its duties, the Strategic and ESG 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 sector, particularly concerning innovations and disruptive technologies;
- ensuring that matters relating to social and environmental responsibility (such as diversity and non-discrimination policies and compliance and ethics policies) are taken into account in the Group’s strategy and in its implementation;
- examining the non-financial performance statement on social and environmental matters provided for in Article L. 22-10-36 of the French Commercial Code;
- examining the opinions expressed by investors, analysts and other third parties and, if applicable, the potential action plan drawn up by the Company to improve the points raised on social and environmental matters; and
- reviewing and assessing the relevance of the Group’s social and environmental commitments and strategic directions on social and environmental matters, in light of the challenges specific to its activity and objectives, and following their implementation; and
- all other relevant matters which do not fall within the scope of the duties of the Company’s Audit Committee or Nomination, Remuneration and Governance.

To fulfil its duties, the Strategic and ESG Committee may meet with managers of the Company or the Group whose responsibilities or expertise are useful to the works of the committee.

The Strategic and ESG Committee may resort to external experts where necessary.

14.6 Statement on corporate governance

Since the admission of the Company’s shares to trading on the Euronext Paris regulated market in October 2021, the Company has referred to and complies with the Corporate Governance Code for Listed Companies drawn up by the French Association of Private Companies (the “**AFEP**”) and the *Mouvement des entreprises de France* (the “**MEDEF**”) in its version updated in January 2020 (the “**AFEP-MEDEF Code**”).

The AFEP-MEDEF Code with which the Company complies may be consulted online at www.medef.com or www.afep.com. The Company permanently maintains copies of such code that may be reviewed by the members of its corporate bodies.

14.7 Internal control

The internal control systems implemented within the Group are described in Chapter 3, Section 3.8, of this Universal Registration Document.

This Universal Registration document, which includes the management report of the Company’s Board of Directors to the General Shareholders’ Meeting, includes information on the internal control and risk management procedures implemented within the Company, pursuant to the provisions of Articles L. 22-10-35 of the French Commercial Code, and on how the Company takes into account the social and

environmental consequences of its business, as well as its social commitments to sustainability, diversity and anti-discrimination, pursuant to the provisions of Articles L. 225-102-1 and L. 22-10-36 of the French Commercial Code.

15. EMPLOYEES

15.1 Employment data

15.1.1 Number and breakdown of employees

As of the date of this Universal Registration Document, the Group has 2,567 employees within its scope of consolidation, an increase of more than 5% since the end of the last fiscal year. At that same date, 70% are employed in France.

The table below shows the trend, over the past three years, of the Group's headcount by geographic area:

	Headcount* as of August 31		
Geographic area	2021	2020	2019
France	1,682	1,512	1,378
Europe (other than France), Middle East and Africa	325	333	291
North America	350	329	279
Pacific Asia.....	78	79	61
Total	2,435	2,253	2,009

**Headcount excluding temporary workers and trainees.*

The table below shows the trend, over the past three fiscal years, of the breakdown of the headcount by type of employment contract:

	Headcount* as of 31 August		
Breakdown of headcount* by type of employment contract	2021	2020	2019
Permanent contracts	2,377	2,192	1,961
Fixed-term contracts	58	61	48
Total	2,435	2,253	2,009

**Headcount excluding temporary workers and trainees.*

Over 98% of the workforce is employed under permanent contracts. This structure of the workforce has remained constant over the last three fiscal years.

The table below shows the trend, over the past three fiscal years, of the breakdown of the headcount by gender:

	Headcount* as of 31 August		
Breakdown of workforce* by gender	2021	2020	2019
Women	487	420	352
Men	1,948	1,833	1,657
Total	2,435	2,253	2,009

**Headcount excluding temporary workers and trainees.*

Although the core of OVHcloud's activity is based on jobs with few female members, the proportion of women is steadily increasing, rising from 17.5% of the workforce for the fiscal year ended on 31 August 2019 to 20% for the fiscal year ended 31 August 2021. The Executive Committee is composed of 27%

women. The table below shows the trend in France, over the past three years, of the breakdown of the headcount by socio-professional category (SPC):

	Headcount* as of 31 August		
Breakdown of headcount by SPC	2021	2020	2019
Engineers and managers	1,046	887	748
Technicians	254	252	214
Workers	382	373	416
Total	1,682	1,512	1,378

**Headcount excluding temporary workers and trainees.*

The workforce in France is mainly composed of engineers and managers. This structure can be observed over the last three fiscal years.

15.1.2 Employment

Following a massive hiring of staff in the fiscal year ended 31 August 2018, recruitment continued in the financial year ended 31 August 2019 at a deliberately lower rate to facilitate the integration of the 2018 newcomers. In the year ended 31 August 2020, despite the health crisis, recruitment has increased again. This trend was confirmed for the fiscal year ended 31 August 2021.

The table below shows trends in employment within the Group over the past three years:

	Fiscal year ended on 31 August		
Employment*	2021	2020	2019
Number of terminations of permanent contracts	314	274	542
Number of voluntary terminations (including resignations)	253	217	422
Number of recruitments	561	488	317

**Headcount excluding temporary workers and trainees.*

15.1.3 Working conditions and human resources policy

During the first part of the fiscal year ended 31 August 2021, the Group's workforce increased by almost 20%, solely through external recruitment, to support the rapid evolution of the Group, in a context of strong changes. In addition to the challenges of integrating and acculturating these new employees, the organisation was in flux and had to reinvent itself rapidly on several occasions, generating a higher rate of voluntary departures than in previous years, but still in line with what is seen in the IT business. This volume of departures decreased by 40% between the fiscal year ended 31 August 2019 and the fiscal year ended 31 August 2021.

The importance of the health, safety and well-being of all its employees is part of the Group's DNA.

In concrete terms, this translates into dedicated teams, such as the Office team (in charge of offices, their layout and their adaptation to the different forms of work) or the medical centre (based in Roubaix, composed of a nurse and a physician and offering expertise to all employees by leading conferences, responding to concerns, especially in this period of health crisis).

In addition to the teams, programmes have also been set up, including programmes offered directly to employees, such as an employee assistance scheme (which offers legal advice and psychological support for employees and their families - 100% of its employees throughout the world are covered by this programme), and a global programme dedicated to the identification and prevention of psycho-

social risks (organisation of groups of employees from different countries and business lines in order to understand their perceptions, to report on them and to define action and communication plans). In order to prevent any inappropriate behaviour, an ethical code setting out the Group's responsibilities as a company and as an employer has been defined. To allow for possible reporting, a ROGER (Respect OVHcloud Guidelines and Ethical Rules) alert platform has been set up and made accessible by computer, tablet and smartphone.

Since the beginning of 2020, an action plan was put in place to improve the well-being of the Group's employees in both the physical and psychological dimensions. Indeed, partnerships in France and Canada have enabled medical teleconsultation (covering more than 80% of the Group's employees). Across the entire Group, e-sports sessions were offered to all employees, as well as specific training to manage the complexity of working remotely (particularly in periods of lockdown) and part of the cost of public transport season tickets (even in the absence of a legal obligation) has been paid. In order to limit the environmental impact of these journeys, kilometre-based bicycle allowances were rolled out in France in 2020. The aim is to extend this scheme to all Group employees in the medium term.

In addition, the organisation of work within the Group was reviewed in 2020 to offer more flexibility to employees and to better take into account the balance between professional and personal life. The main changes in the organisation of work in France are the possibility to increase the number of teleworking days per week for teleworkers from 3 to 4 and to have increased, in the framework of the Home Office policy, the number of days available from 20 to 40 per year (subject to compatibility with the obligations of the job and to local constraints in terms of networks and infrastructures).

As evidence of the approval of these measures, the employee commitment score in dedicated internal surveys increased during the fiscal year from 7¹ points (out of 10) in December 2019 to 7.4¹ in December 2020 and 7.3 in June 2021. The management of the COVID crisis was widely approved with a score of 8.9/10 for the statement "OVHcloud is putting in place appropriate measures to protect me during the pandemic."

In a context marked by remote reception and integration procedures for employees and the Strasbourg incident, the loyalty rate (indicator measuring the percentage of employees on permanent contracts still in the company after one year) decreased slightly from 84% in 2020 to 77% in 2021. However, this rate remains consistent with 2019 (76%).

Finally, the Group has continued to increase its actions in relation to employee health and safety. These actions are articulated around 3 main areas: definition of a health, safety and environmental policy, implementation of this policy and compliance. The objectives are as follows:

- Reduce workplace accidents as much as possible;
- Comply with all applicable legal requirements in terms of health, safety and environment;
- Implement all satisfactory measures to protect the health and physical integrity of employees, customers and communities in the vicinity of the Group's activities and to protect the environment;

The implementation measures included the following:

- Involve the entire management team in the implementation of its health, safety and environmental policy;
- Make all employees responsible for maintaining a healthy and safe workplace;
- Generate a culture of professionalism, rigor and compliance with rules among all employees;
- Ensure the implementation of the "Be Smart, Be Safe!" policy.

The compliance measures with the health, safety, environmental policy have resulted in:

- Updating the operating permits for its data centers;
- The organisation of intervention protocols on industrial sites in coordination with emergency services;
- Adaptation of protocols for interventions on cooling networks;
- The launch of an audit on legal compliance.

The table below shows the trends in workplace safety over the past three years (these indicators started to be monitored from the fiscal year ending 31 August 2019):

Workplace safety	Year ended August 31		
	2021	2020	2019
Number of accidents with time off work).....	27	16	27
Number of accidents without time off work	27	19	25
Frequency rate (with time off work)(FR1)	7.04	4.20 [√]	8.65
Frequency rate (with and without time off work)(FR2).....	14.09	9.18 [√]	16.65

* Number of work-related accidents per million hours worked

15.1.4 Employee relations

In France, employee representation is organised in an economic and social unit (*unité économique et sociale*). A social and economic committee (*comité social et économique*) was elected in 2019, currently composed of 33 elected members (incumbent and alternates combined). In addition, local representatives (*représentants de proximité*) have been appointed in the sites that do not have an elected representative at the social and economic committee. There is no designated trade union organisation in France.

An Enterprise Consultative Commission (ECC) is also in place in Tunisia.

The Group considers that the social dialogue, which is based on regular exchanges, is of a high quality, and has been strengthened especially in the context of Covid-19 pandemic.

15.1.5 Compensation policy

For the fiscal year ended 31 August 2021, the Group's personnel expenses were €172,477,000 compared to €150,572,000 for the fiscal year ended 31 August 2020

The remuneration of the Group's employees consists mainly of a fixed base salary and bonuses for certain activities. In line with the Group's DNA, the remuneration policy is based on meritocracy and fairness. A salary increase campaign based on performance and potential is held each year. Exceptional promotions and recognitions are possible throughout the year.

Finally, to ensure its competitiveness and market positioning, positions are rated by a specific methodology taking into account several parameters (such as levels of responsibility and geographical location) and benchmarks are carried out every year.

15.1.6 Training

The Group, like all companies in its sector, is faced with tensions in certain jobs and with the rapid evolution of technologies that require continuous updating of knowledge. In addition, the health crisis has highlighted the importance of leadership and soft skills. As a result, the Group's training policy focuses mainly on digitalisation and technologies (by offering self-service training to employees), management and leadership (with different courses adapted to the employees' management level), and agility and project management.

The table below presents trends in training over the past three fiscal years:

	Fiscal year ended on 31 August		
Training	2021	2020	2019
Percentage of workforce trained	66% ^v	60%	58%
Number of training hours per employee	25	23	25
Percentage per type of training:			
Technical	60%	60%	52%
EHS	4%	9%	10%
Management	11%	11%	11%
Language	13%	11%	10%
Other	12%	9%	17%

15.2 Shareholdings and free shares

See Chapter 13 of this Universal Registration Document.

15.3 Description of any arrangements for involving the employees in the capital of the Company

Other than the free share plan described in Section 13.4 of this Universal Registration Document, the Group, on the occasion of its IPO, made a reserved offer to its employees.

Furthermore, the Group has established certain plans which allow to share the profit generated by its operations with its eligible employees or which allow such employees to invest in a portfolio of securities.

15.3.1 Employee shareholding

On the occasion of its initial public offering, the Company proposed an offer reserved for employees, as part of the Group savings plan and the OVH Groupe international group savings plan. The subscription of shares was possible through the “OVHcloud Shares” mutual fund (FCPE) or, depending on the applicable local regulations, by subscription of shares directly by employees.

Around 1,900 employees became Company shareholders through the OVHcloud Shares mutual fund and around 340 employees in a personal capacity. As of the date of this Universal Registration Document, employees and former employees hold approximately 1.67 % of the Company’s share capital, of which 0.64 % of the share capital through the OVHcloud Shares mutual fund.

Shares held by employees via the OVHcloud Shares mutual fund 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.

15.3.2 Profit-sharing agreements

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

15.3.3 Global incentive plan

In France, a global incentive plan (*accord d’intéressement*) 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 according to performance indicators such as the amount of the REBITDA (Recurring Earnings before Interest, Taxes, Depreciation and Amortization) and the increase of the turnover.

The application of this agreement is extended to the international level. The amount of the global incentive plan to be distributed is defined according to the proportion of the country’s gross salary to the total gross salary of the Group.

15.3.4 Employee savings plans and similar plans

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

- a Group Savings Plan (*plan d'épargne groupe*), which allows eligible employees to invest their savings, including payments under the profit-sharing agreement and the global incentive plan, in diversified investment funds and to benefit from certain social and tax advantages in exchange of a lock-up period of generally five years;
- a Time Savings Account (Compte Epargne-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 (*PERCO*) which allows eligible employees to invest the payments under the profit-sharing agreement and the global incentive plan in diversified investment funds in view of their retirement. This scheme allows employees to benefit from certain social and tax advantages in exchange of 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.

16. MAJOR SHAREHOLDERS

16.1 Shareholders

As of the date of this Universal Registration Document, the Company is a public limited company with a Board of Directors (*société anonyme*) controlled by the Klabla family.

The table below provides a description of the shareholdings of in Company's share capital as of 30 November 2021:

Shareholders	Number of shares	% of the share capital	Number of voting rights	% of voting rights
Klabla family ¹	18,304,400	9.64%	18,304,400	9.64%
DIGITAL SCALE SAS ²	26,547,759	13.98%	26,547,759	13.98%
YELLOW SOURCE SAS ³	24,026,666	12.65%	24,026,666	12.65%
DEEP CODE SAS ⁴	25,505,256	13.43%	25,505,256	13.43%
BLEU SOURCE SAS ⁵	24,026,666	12.65%	24,026,666	12.65%
INNOLYS SAS ⁶	13,146,668	6.92%	13,146,668	6.92%
INVEST BLEU SAS ⁷	432,433	0.23%	432,433	0.23%
Total Klabla family and entities controlled by the Klabla family	131,989,848	69.5%	131,989,848	69.5%
Spiral Holdings BV ⁸	15,014,452	7.91%	15,014,452	7.91%
Spiral Holdings SCA ⁹	15,014,452	7.91%	15,014,452	7.91%

Executives and directors ¹⁰	945,274	0.50%	945,274	0.50 %
Employees (current and former) ¹⁴	3,179,989	1.67%	3,179,989	1.67%

¹⁴ Including employees holding shares in the OVHcloud Shares mutual fund, employees who, depending on applicable local regulations, have subscribed directly to the Company's shares under the offer reserved for employees on the occasion of the initial public offering of the Company and the employees directly holding Company shares following the Reorganisation.

Float	23,754,041	12.51%	23,754,041	12.51%
TOTAL	189,898,056	100%	189,898,056	100%

¹ The Klabas family includes Messrs Henryk, Octave and Mirosław Klabas and Ms Halina Klabas.

^{2,3} Entities controlled by Octave Klabas and members of his family.

^{4,5} Entities controlled by Mirosław Klabas and members of his family.

⁶ Entity owned by Messrs Octave and Mirosław Klabas.

⁷ Entity owned by Henryk Klabas and Halina Klabas

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 Klabas family

Shareholding by the Klabas family

The Klabas family includes Messrs. Henryk, Octave and Mirosław Klabas, Ms Halina Klabas, as well as entities controlled by the Klabas family. As of the date of this Universal Registration Document, such entities include Digital Scale SAS, Deep Code SAS, Yellow Source SAS, Innolys SAS and Invest Bleu SAS. Digital Scale SAS and Yellow Source SAS are controlled by Octave Klabas. Deep Code SAS and Bleu Source SAS is directly controlled by Mirosław Klabas. Octave Klabas and Mirosław Klabas each hold 50% of the share capital and voting rights of Innolys SAS.

Shareholding by Spiral Holdings B.V

Spiral Holdings B.V is a Dutch company indirectly owned by investment funds managed or advised by TowerBrook Capital Partners.

TowerBrook Capital Partners is a purpose-driven investment management firm headquartered in London and New York. The firm has raised in excess of \$17.4 billion to date and invests in private equity and structured opportunities through its family of funds. As a disciplined investor with a commitment to fundamental value, the firm seeks to deliver superior, risk-adjusted returns to investors on a consistent and responsible basis. TowerBrook Capital Partners's value creation strategy aims to transform the capabilities and prospects of the businesses in which it invests. TowerBrook Capital Partners is the first mainstream private equity firm to be certified as a B Corporation. B Corporation certification is administered by the non-profit B Lab organisation and is awarded to companies that demonstrate leadership in their commitment to environmental, social and governance (ESG) standards and responsible business practices.

Spiral Holdings B.V acquired an equity stake in the Company in 2016.

Shareholding by Spiral Holdings S.C.A.

Spiral Holdings SCA is a Luxembourg company indirectly owned by investment funds and other entities managed or advised by KKR.

KKR is a leading global investment firm providing alternative solutions in asset management, capital markets and insurance. KKR aims to generate attractive investment returns through a thoughtful and disciplined approach, employing the best experts and growing its portfolio companies and their environments. KKR sponsors investment funds that invest in private equity, credit, and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life insurance and reinsurance products under the management of The Global Atlantic Financial Group. The interest held by KKR Shareholder in the Company's capital was acquired in 2016.

To the Company's knowledge, no other partner holds, directly or indirectly, alone or in concert, more than 5% of the Company's capital and/or voting rights.

16.2 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 Shareholders' Meetings, the double voting right provided for in Article L22-10-46 of the French Commercial Code being expressly excluded by the Company's Bylaws.

16.3 Control of the Company

As of the date of this Universal Registration Document, the Company is controlled by a concert of members of the Klabá family which holds approximately 70% of the share capital and voting rights of the Company directly and indirectly through their companies Bleu Source, Deep Code, Digital Scale, Innolys, Invest Bleu and Yellow Source.

The Company believes that there is no risk that such control will be exercised in an abusive manner. In fact, as from the listing of the Company's shares on the regulated market of Euronext Paris on 15 October 2021, five independent directors have been appointed in accordance with the criteria set forth in the AFEP-MEDEF Code, representing more than a third of the directors, in compliance with the recommendations of the AFEP-MEDEF Code. Furthermore, the offices of Chairman of the Board of Directors and Chief Executive Officer are held by two distinct persons, Mr Octave Klabá and Mr Michel Paulin (see also Chapter 12 "*Management and Supervisory Bodies*" of this Universal Registration Document).

16.4 Agreements likely to result in a change of control

To the Company's knowledge, there was no agreement as of the date of this Universal Registration Document whose implementation might, at a later date, lead to a change in its control.

16.5 Shareholders' agreements

On October 6, 2016, a shareholders' agreement, as amended from time to time, was entered into by and between Mr. Henryk Klabá, Mrs. Halina Klabá, Mr. Octave Klabá, Mr. Mirosław Klabá, Spiral Holdings S.C.A, Spiral Holdings B.V, TSO European Holdings 2 B.V, Provestis Partenariat, and Mr. Bernard Gault, in the presence of the Company, setting forth the governance rules and securities transfer rules applicable to the Company. This shareholders' agreement was automatically terminated as of the date of listing of the Company's shares on the regulated market of Euronext Paris on 15 October 2021.

In addition, on 13 October 2017, a second agreement entitled "new securityholders' agreement" was entered into by and between Mr. Henryk Klabá, Mrs. Halina Klabá, Mr. Octave Klabá, Mr. Mirosław Klabá, Spiral Holdings S.C.A, Spiral Holdings B.V, Provestis Partenariat, Bernard Gault, Digital Scale SAS, Yellow Source SAS, Innolys SAS, Bleu Source SAS, Deep Code SAS, MANOVH, MENOVIH and some free share beneficiaries. This agreement, which coexisted with the 2016 shareholders' agreement and set forth securities transfer rules applicable to the Company, was automatically terminated as of the date of listing of the Company's shares on the regulated market of Euronext Paris on 15 October 2021.

Octave Klabá, Mirosław Klabá, Henryk Klabá and Halina Wachel, Klabá's spouse, directly or via their personal holding companies, signed a family pact dated 26 October 2021 (the "**Pact**"). The purpose of the Pact is to organise the exercise of the Founders' rights with respect to the Company's governance (in compliance with the recommendations of the Afep-Medef Code) and to define certain restrictions on the transfer of the Company's shares held directly or indirectly by the parties to the Pact.

The Pact will expire on 31 December 2022 and will be replaced by a new family pact covering the children of Messrs Octave and Mirosław Klabá and certain restrictions on transfers of shares in the Company held directly or indirectly by the parties to the pact.

The main provisions of the Pact are presented below:

Governance

The parties undertake to ensure that the Board of Directors of the Company is composed of at least four directors (including the Chairman) appointed on the proposal of the Klabá family. These directors will be appointed by the Founders and will include Octave Klabá, Miroslaw Klabá and Henryk Klabá (the “**Founders**”) and, at the date of admission to trading, Michel Paulin. The parties undertake to ensure that the directors appointed by the family vote in favour of the appointment of Octave Klabá as Chairman of the Board of Directors. The Founders also undertake to consult each other on the appointment of candidates for the position of director and the parties undertake to vote at the Board of Directors and at the General Shareholders’ Meeting in favour of the candidates approved at the end of this consultation.

The Pact also provides for an obligation to consult with a view to seeking a common position on the decisions to be adopted by the Board of Directors and the General Shareholders’ Meeting and a commitment to vote at the General Shareholders’ Meeting in favour of the resolutions approved by the directors appointed by the family.

Lastly, the Pact provides that in the event of the termination of the duties of Michel Paulin, the family group shall submit to the Board of Directors the appointment of his successor after agreement between the Founders and on the proposal of Octave Klabá. It also provides that the vote of the Founders in favour of the dismissal of the Chief Executive Officer must be subject to a prior agreement between the Founders.

Transfers of securities

Retention commitment: The pact provides for a commitment not to directly or indirectly transfer their securities until 31 December 2022, with the exception of securities to be transferred as part of the IPO and transfers of securities by a party to a family holding company controlled by this party.

Promise to sell in the event of death of a party: The parties will benefit from a sale agreement on the securities transferred to a third party in the event of the death of a party for a price equal to the weighted average price over the last 20 trading days exercisable for a period of six (6) months from the date of death, with the exception of direct or indirect transfers to descendants or spouse.

16.6 Threshold crossing

In a letter dated 18 October 2021 and in accordance with Article 10 of the Company’s Bylaws, Digital Scale SAS notified the Company of the downward crossing of the statutory threshold of 14% of the Company’s share capital, which took place on 18 October 2021. This crossing of the statutory threshold was the result of the sale of 567,568 ordinary shares as part of the secondary tranche of the Company’s IPO (the “**IPO**”). As a result, Digital Scale SAS declared that, as of 18 October 2021, following the completion of the IPO and on the basis of a total number of 188,532,716 Company shares and voting rights, that it held 25,980,191 ordinary Company shares representing 13.78% of the Company’s share capital and voting rights.

As of the date of this Universal Registration Document, the Company has not been informed of any other crossing of the statutory threshold or provided for by law.

17. RELATED-PARTY TRANSACTIONS

17.1 Main related-party transactions

Related entities mainly include companies controlled by Mr. Octave Klabá, the Company's founder and current Chairman (*Président*), and other entities controlled by other members of the Klabá family, direct or indirect shareholders of the Company. The Company is currently controlled by the Klabá family.

Pursuant to the agreements detailed below entered into with entities controlled by the Klabá family and related to the conduct of the business, the Group recorded a total amount of operating expenses of €7,873,000 for FY2021 versus €5,837,000 for FY2020, and concerning the financial profit and loss (IFRS 16), €(140,000) for FY2021 versus €(165,000) for FY2020. More detailed figures for the related-party transactions are set out in Note 5.3 to the consolidated financial statements for the fiscal years ended 31 August 2021, contained in Chapter 18 of this Universal Registration Document. In addition, in 2021, the Group sold two non-strategic businesses to entities controlled by the Klabá family.

The main related-party transactions are described in this Chapter.

17.1.1 Agreements related to the conduct of the business

Supply agreements

Supply of metal components

The Group purchases parts for the manufacturing of its servers from AixMétal, a company that specializes in the supply, milling, machining and assembly of metal parts. AixMétal is a French joint stock company (*société par actions simplifiée*) controlled indirectly by Mr. Henryk Klabá and Mrs Halina Klabá. The Group is supplied by AixMétal in the following three areas: research and development (such as prototype launch), mass production such as serial manufacturing for server production needs and the manufacturing of finished or semi-finished products for the datacentres.

The supply of metal components by AixMétal to the Group is governed by an industrial subcontracting agreement signed on August 24, 2021, to which a catalog of products and services supplied to the Group by AixMétal is attached. The catalog is updated on a quarterly basis according to changes in the price of raw materials. The sale of products and services is invoiced according to the prices detailed in a price list negotiated between the Group and AixMétal (and revised quarterly according to changes in the price of raw materials) or the price detailed in the purchase orders. This subcontract is concluded for a period of three years and is tacitly renewable for successive periods of one year, unless terminated in advance. The Group's orders have represented between 60% of AixMétal's annual revenues in FY19 to FY20. In view of its terms, this agreement was not subject to the scope of regulated agreements.

Leases

Production site of Croix

The production site of Croix, France, is owned by SCI Immostone, a company controlled by the Klabá family. In 2018, OVH SAS, a wholly-owned subsidiary of the Company, entered into two commercial lease agreements with SCI Immostone. Pursuant to the first agreement dated 1 March 2018, OVH SAS rents a building with a surface of about 4,600 square meters including in particular offices and storage spaces as well as outdoor parking spaces for a rent of approximately €157,000 per year (subject to an annual rent indexation). According to the second agreement dated 1 September 2018, as amended by an amendment date 1 November 2019, OVH SAS rents a building with a surface of about 6,000 square meters including in particular offices, a catering area, storage spaces, as well as outdoor parking spaces, for a rent of approximately €204,000 per year (subject to an annual rent indexation). Both commercial lease agreements have been entered into for an initial term of nine years. A portion of the same site is also leased to AixMétal. The catering area of the Croix site is shared between OVH SAS, AixMétal and Inodesign, a Group supplier from whom it obtains its cables. In view of its terms, these agreements were not subject to the scope of regulated agreements; the Company considers these to be routine transactions entered into under normal market conditions.

"Campus" in Roubaix

SCI OVH, a company controlled by Octave Klabá and his family, is the owner of the office premises rented to OVH SAS. Pursuant to the terms of a first commercial lease agreement dated 1 December 2015, OVH SAS rents a building with a surface of about 2,800 square meters including offices and multipurpose rooms, as well as outdoor parking spaces, for a rent of approximately €360,000 per year (subject to an annual rent indexation). A second commercial lease agreement dated 1 December 2017, as amended by an amendment dated 1 April 2018, provides for the rental of a building with a surface of about 3,200 square meters including offices, a catering area, and parking spaces in the vicinity for a rent of approximately €492,000 per year (subject to an annual rent indexation). Both commercial lease agreements have been entered into for an initial term of nine years. In view of its terms, these agreements were not subject to the scope of regulated agreements; the Company considers these to be routine transactions entered into under normal market conditions.

“Roubaix 3”

OVH SAS also entered into two commercial leases on 1 July 2003 with SCI Immolys, a company controlled by Mr. Henryk Klabá and Mrs Halina Klabá, for an initial term of nine years, tacitly extended. In the premises leased to the Group, with a surface area of approximately 1,000 square meters under each lease, the Group has a data storage activity. For FY21, this agreement was considered to fall within the scope of regulated agreements, in particular because of the work carried out in connection with this lease. As this work has now been completed, the agreement has been amended for the 2022 fiscal year and should, in view of its new terms, no longer be subject to the scope of regulated agreements; The Company considers this to be a routine transaction entered into under normal market conditions. The new lease agreement entered into on 14 September 2021 and effective 1 September 2021 with SCI Immolys covers 3,000 square meters for a period of ten years, with a three-year termination option in accordance with Article L. 145-4 of the French Commercial Code, for an annual rent of €120,000 per year, excluding expenses.

17.1.2 Other transactions

Since the end of the last fiscal year, the main related-party transactions entered into by the Group are as follows:

Transactions entered into as part of the Group’s disposal of its wind activities

Pursuant to the terms of a share purchase agreement dated 2 April 2021, the Company sold the entire share capital of DDIS for a total amount of €250,000 to Poweend, a company controlled by Mr. Octave Klabá. DDIS is an engineering company that designs, assembles and markets wind turbines based on technology it has developed. The Company decided to dispose of DDIS in order to refocus its activity on the Group’s core business. It was therefore not envisaged to develop DDIS’ activity within the Group in the future.

As part of the disposal of the Group’s wind activities, OVH SAS also entered into a share purchase agreement with Poweend on 2 April 2021 under which OVH SAS sold to Poweend the entire share capital of Centrale Eolienne d’Ortoncourt for a total amount of €1,000,000. Centrale Eolienne d’Ortoncourt is a French limited liability company holding and operating wind turbines in France. The existing wind farm was until the date of transfer maintained by DDIS.

In each case, the sales price was evaluated by an independent expert and a sale process was organised with the assistance of an investment bank.

These agreements are transactions that are not entered into in the ordinary course of business and therefore fall within the scope of regulated agreements. These agreements were entered into during the current fiscal year and will therefore be subject to approval by a future Shareholders’ Meeting of the Company because they concern agreements entered into by the Company.

Transactions with Shadow

a) Sale of Shadow (formerly Hubic) to Jezby Ventures

Pursuant to the terms of a share purchase agreement dated 18 December 2020, OVH SAS sold the entire share capital of Shadow (formerly Hubic) to Jezby Ventures SAS, a company controlled by Octave

Klaba, for a total amount of €500,000. Shadow (formerly Hubic) offers file storage and other related digital services to individuals. Hubic was subject to a partial contribution of assets (*apport partiel d'actifs*) by OVH SAS in its favor (customer base, brands and websites/applications), prior to its sale to Jezby Ventures SAS. The development of this activity by the Group has ceased over the last two years as it did not constitute a strategic activity for the Group. The sales price of the Shadow (formerly Hubic) shares was also evaluated by an independent expert.

In this context, a transitional services agreement has been entered into between OVH SAS and Shadow (formerly Hubic) on 11 February 2021, as amended on 2 August 2021, pursuant to which OVH SAS has committed to provide services to Shadow (formerly Hubic) such as customer support, billing systems and claims management for an initial duration of six months, followed by an automatic renewal by one month period, unless terminated by the parties. In the event of a renewal of this agreement for certain services, the parties have agreed to discuss in good faith the price to be applied for the services concerned. For providing such services, OVH SAS will receive a flat rate equal to an amount of €500,000 (excluding taxes) until 10 August 2021, and, in connection with a decrease of services, an amount of €21,200 (excluding taxes) per month starting from 11 August 2021.

As part of the transaction, OVH SAS and Shadow (formerly Hubic) have also entered into a framework agreement (the “**Framework Agreement**”) dated 11 February 2021, pursuant to which OVH SAS becomes Shadow (formerly Hubic) provider in relation with its cloud solution requirements and Hubic has agreed to purchase cloud services from OVH SAS. The monthly price for a firm twelve-month commitment has been set at a flat fee of €149,000 (excluding VAT) for the first order. The Framework Agreement provides services in the areas of public cloud for data storage and Hosted Private Cloud for application management. It has been concluded for an initial period of three years and may be tacitly renewed for successive one-year periods.

In this respect, Mr. Octave Klabba (on his own behalf and on behalf of Jezby Ventures and its other affiliates) has undertaken to grant the Group an exclusivity, for a period of five years, for the supply to Shadow (formerly Hubic) of the services covered by the Framework Agreement, provided that they are supplied under market conditions, and has committed not to develop internally during this same period and under the same conditions, any service or product falling within the scope of the services or products provided for in the Framework Agreement, in each case in the territories where the Group is able to offer these services and products.

These agreements are transactions that are not entered into in the ordinary course of business and therefore fall within the scope of regulated agreements. These agreements were entered into during the current fiscal year and will therefore be subject to approval by a future Shareholders’ Meeting of the Company because they concern agreements entered into by the Company.

b) Acquisition of assets from Shadow following the acquisition of Blade

By judgment of the Paris Commercial Court dated 2 March 2021, receivership proceedings (*procédure de redressement judiciaire*) were opened against the company Blade. In the context of these proceedings, Shadow, a company controlled by Mr. Octave Klabba¹, presented an offer (*offre de reprise*) which was accepted by the Paris Commercial Court by a judgement dated 30 April 2021. Following this judgment, the contract entered into between Blade and OVH SAS on 16 October 2019 (as amended, the “**2019 Agreement**”), under the terms of which OVH SAS provides Blade with dedicated servers operated in IaaS mode for a total price of €132,963.10 (excluding taxes) per month, was transferred to Shadow.

In Europe, as part of the acquisition by Shadow of the cloud computing activities of the Blade Group, the Group acquired from Shadow in July 2021, for €2.275 million, computer equipment located in Europe, mainly consisting of computing servers (including GPUs) and storage. These servers will be transferred in FY22 to Group’s data centers.

Specifically, under the terms of two contracts dated 30 July 2021, OVH SAS has acquired from Shadow the computer equipment necessary to provide the Additional Dedicated Servers. Shadow sold to OVH SAS for €807,072 computer equipment located in France (including computing servers and network equipment) as well as software licenses that may be necessary to operate this equipment. Under the

terms of the second contract, OVH SAS and Shadow have also concluded the sale to OVH SAS for an amount of €1,468,136 of computer equipment located in the Netherlands (including computer servers, network equipment and storage servers) as well as the software licenses that may be required to operate this equipment. Following Shadow's acquisition of Blade and the subsequent purchase of the servers by OVH SAS from Shadow under the terms of the 30 July 2021 agreements, OVH SAS and Shadow entered into a framework agreement (the "**2021 Agreement**") on 27 August 2021, as well as several implementing agreements, replacing the 2019 Agreement to allow for additional services based on the servers purchased from Shadow (the "**Additional Dedicated Servers**"). The 2021 Agreement is effective retroactively to 1 July 2021 and is in effect until the expiration of the term of the last implementation agreement.

The acquisition of this computer equipment is being made under the terms of the 2021 Agreement's implementation contracts. Under the terms of these implementation agreements, OVH SAS has agreed to provide the Additional Dedicated Servers operated in IaaS mode using the hardware acquired from Shadow in the first instance.

At the same time, in the United States, the assets of Blade Global Corporation, a subsidiary of Blade, were acquired by Shadow's American subsidiary, Blade Acquisition Inc. Under the terms of an agreement entered into on 1 July 2021, the Group (through its subsidiary Data Center Vint Hill, LLC) has acquired from Blade Acquisition Inc. and Shadow, for \$4.9 million, computer equipment located in the United States, including computing servers, network equipment and storage servers, as well as any software licenses that may be required to operate this equipment.

As a result of this server purchase agreement, OVH US LLC and Blade Acquisition Inc. entered into a master agreement on 1 September 2021, as well as several implementation agreements, to govern the services based on the servers purchased from Blade Acquisition Inc. and Shadow.

In addition, in both Europe and the United States, some of the servers are currently located in third-party data centers (not operated or controlled by OVHcloud). These servers will be repatriated to data centers operated or controlled by OVHcloud, but this repatriation requires migration operations that will take place over several months in FY2022. During this transition period, Shadow will provide OVHcloud with server hosting services to enable the operation of servers (including operational maintenance and maintenance and transfer of rights under contracts with the data centers where the servers are currently located) where the servers are currently located).

The agreements corresponding to (i) the acquisition of computer equipment and associated software licenses and (ii) the temporary hosting of servers by Shadow for the benefit of OVHcloud are not ordinary agreements and agreements and therefore fall within the scope of regulated agreements. These agreements were entered into during the current fiscal year and will therefore be subject to approval by a future Shareholders' Meeting of the Company because they concern agreements entered into by the Company.

The Company believes that the provisions of Additional Dedicated Servers are transactions in the ordinary course of business and therefore do not fall within the scope of regulated agreements.

Agreements entered into as part of the Company's initial public offering

a. Underwriting Agreement between the Company and the selling shareholders and the guaranteeing banks

The placement of the Company's shares as part of its initial public offering was guaranteed by a group of financial institutions comprising BNP Paribas, Citigroup Global Markets Europe AG, J.P. Morgan AG and KKR Capital Markets (Ireland) Limited as global coordinators (the "**Global Coordinators**"), lead managers and associate bookrunners, of Crédit Suisse Bank (Europe) SA, Goldman Sachs Bank Europe SE, Morgan Stanley Europe SE and Société Générale in their capacity as lead managers and associate bookrunners and Crédit Industriel et Commercial SA as associate manager (the "**Guarantee institutions**") relating to all the shares offered under an English-language contract entitled "Underwriting Agreement" (the "**Underwriting Agreement**").

This agreement was entered into on 14 October 2021 between the Company, BNP Paribas Securities Services (“**BP2S**”, acting as seller, on behalf of individuals from whom BP2S acquired shares of the Company) and the other selling shareholders, namely Spiral Holdings SCA, Spiral Holdings BV, Deep Code SAS and Digital Scale SAS (together with BP2S, the “**Selling Shareholders**”), on the one hand, and the Guarantee Institutions on the other hand, the latter having each undertaken up to a maximum number of shares offered specified in the said contract, to acquire and pay, subscribe and pay up, or where applicable to acquire and pay up, subscribe for and release themselves, the shares offered as part of the initial public offering at the price of the offer on the settlement date.

The maximum amount of fees payable by the Company under the Underwriting Agreement amounts to approximately €9.7 million excluding tax.

The signature of the Underwriting Agreement was authorised by the Company’s Board of Directors at its meeting of 14 October 2021.

17.2 Procedure implemented pursuant to Article L. 22-10-12 of the French Commercial Code

During FY2021, the Company’s Board of Directors will meet in accordance with the provisions of Article L. 22-10-12 of the French Commercial Code, in order to set up a procedure for the annual assessment of the agreements relating to day-to-day operations and concluded under normal conditions.

17.3 Statutory auditor’s special reports on related-party transactions

17.3.1 Statutory auditor’s special report on related-party transactions as of and for the fiscal year ended 31 August 2021

This is a translation into English of a report issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Statutory auditors' report on related party agreements

OVH Groupe

Shareholders' Meeting held to approve the financial statements
for the year ended August 31, 2021

To the Annual General meeting of OVH Groupe,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit to the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R.225-31 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

Agreements submitted for approval to the Annual General Meeting

Agreements approved and entered into during the year

We hereby inform you that we have not been notified of any agreements authorized and concluded during the year to be submitted to the Annual General Meeting for approval in accordance with Article L.225-38 of the French Commercial Code (*Code de commerce*).

Agreements approved and entered into since the end of the previous fiscal year

In accordance with Article L.225-40 of the French Commercial Code (*Code de commerce*), we were informed of the following agreement entered into since the end of the previous fiscal year and that received prior approval from your Board of Directors:

Underwriting Agreement between the company and the selling shareholders and the guaranteeing banks

The placement of the shares of the OVH Group in the context of its initial public offering has been guaranteed by a group of financial institutions composed of BNP Paribas, Citigroup Global Markets Europe AG, J.P. Morgan AG and KKR Capital Markets (Ireland) Limited as global coordinators (the "Global Coordinators"), joint lead managers and joint bookrunners, Crédit Suisse Bank (Europe) S.A, Goldman Sachs Bank Europe SE, Morgan Stanley Europe SE and Société Générale as joint lead managers and joint bookrunners and Crédit Industriel et Commercial S.A. as joint lead manager (the "Guarantor Institutions") in respect of all of the shares offered under the terms of an English-language Underwriting Agreement (the "Underwriting Agreement").

This agreement was entered into on October 14, 2021 between the company, BNP Paribas Securities Services "BP2S" (BP2S, acting as assignor, in particular on behalf of individuals from whom BP2S has acquired shares in the company) and the other assigning shareholders, namely Spiral Holdings SCA, Spiral Holdings BV, Deep Code SAS and Digital Scale SAS (together with BP2S, the "Assigning Shareholders"), on the one hand, and the Guarantor Institutions on the other hand, each of the latter having undertaken, up to a maximum number of shares offered as specified in the said Agreement, to have the shares offered in the IPO acquired and paid for, subscribed for and paid up, or, as the case may be, to acquire and pay for, subscribed for and paid up themselves, at the offer price on the settlement-delivery date.

The Guarantee Agreement having been entered into with entities holding more than 10% of the company's capital (namely Digital Scale SAS, wholly owned by Octave Klaba, Chairman and Director of the company, and Deep Code SAS, wholly owned by Mirosław Klaba, Director of the company) and, among the assignors are directors (Michel Paulin, who is also the company's Chief Executive Officer, and Bernard Gault, as well as Provestis Partenariat) and entities that have proposed the appointment of directors to the Board of Directors, this agreement falls under the provisions of Article L.225-38 of the French Commercial Code (*Code de commerce*) and its conclusion was authorized by the company's Board of Directors at its meeting of October 14, 2021.

The maximum amount of fees payable by the company under the Guarantee Agreement is approximately €9.7 million (excluding tax). The conclusion of the Guarantee Agreement and the undertakings of the company under this agreement are in accordance with the practices for this type of exceptional transaction, namely an initial public offering, and is in the company's best interest.

Agreements previously approved by the Annual General Meeting

Agreements approved in prior years

We hereby inform you that we have not been notified of any agreements already approved by the General Meeting in previous years, the execution of which continued during the past year.

Agreements approved since the end of the previous financial year

Share transfer agreement (DDIS) between OVH Group and Poweend

The company has decided to sell its stake in DDIS in order to focus on the Cloud business. The purpose of DDIS is the development, design and marketing of electromechanical energy systems for both the production (alternator) and consumption of energy (engine), the development, design and marketing of blades, the construction, operation, planning and management of electrical production facilities based on renewable energy sources, in particular wind energy.

Under the terms of a share transfer agreement dated April 2, 2021, the Company sold all of the DDIS shares it held for a total of €250,000 to Poweend, a company wholly owned by Jezby Ventures, which in turn is wholly owned by Digital Scale SAS, which is wholly owned by Mr. Octave Klabá, the Company's Chairman, Director and shareholder of more than 10% of its capital. The sale price of the DDIS shares was evaluated by an independent expert and a sale process was organized with the assistance of an investment bank.

This agreement was the subject of prior approval by the Board of Directors on March 31, 2021 and of a Statutory auditors' report on related party agreements issued on September 17, 2021. This agreement was approved by the partners in a written consultation on September 27, 2021.

Non-competition indemnity for the Chief Executive Officer

The company has been granted by 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, in return for compensation equal to 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-competition undertaking as from the date of notification of the termination of duties, in which case the Chief Executive Officer will be free and no compensation will be due.

It is in the company's interest to be able to ensure, in the event of Mr. Michel Paulin's departure, that the company is able to prohibit him from competing with the company, under the conditions provided for in the non-competition clause.

This agreement was the subject of prior approval by the Board of Directors on September 28, 2021 and of a special report by us on September 29, 2021. This agreement was approved by the General Meeting of shareholders on October 14, 2021.

French original signed by

The Statutory Auditors

Paris La Défense, December 15, 2021

Neuilly-sur-Seine, December 15, 2021

KPMG Audit
Department of KPMG S.A.

Grant Thornton
French Member of Grant Thornton
International

Jacques Pierre
Partner

François Bloch
Partner

Vincent Papazian
Partner

Pascal Leclerc
Partner

18. FINANCIAL INFORMATION CONCERNING THE ASSETS AND LIABILITIES, THE FINANCIAL POSITION AND THE PROFIT AND LOSS OF THE COMPANY

Pursuant to article 19 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, the Group Consolidated Financial Statements for the fiscal years ended 31 August 2020, 31 August 2019 and 31 August 2018 and corresponding Statutory Auditors' Report, included in chapter 18 of the Registration Document approved by the AMF on 17 September 2021, under n°I. 21 – 052, are included by reference in this Universal Registration Document.

18.1 Group Consolidated Financial Statements for the fiscal year ended 31 August 2021 and Statutory Auditors' report

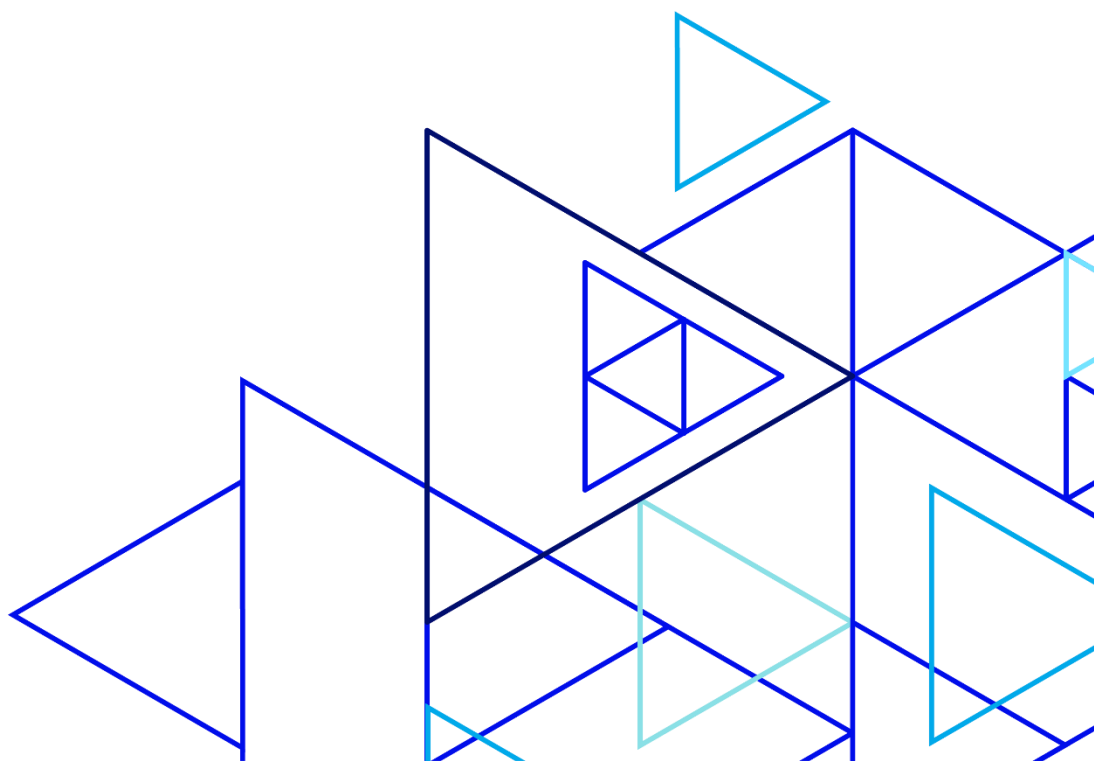
18.1.1. Group Consolidated Financial Statements for the fiscal year ended 31 August 2021



Consolidated Financial Statements

31 August 2021

OVH Groupe S.A.



CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated statement of income

<i>(in thousand euros)</i>	Notes	2021	2020
Revenue	4,3	663 312	632 116
Personnel expenses	4,4	(172 477)	(150 572)
Operating expenses	4,5	(250 805)	(226 579)
Current EBITDA ⁽¹⁾		240 030	254 964
Depreciation and amortisation expenses	4,6	(224 042)	(215 624)
Current operating income		15 988	39 340
Other non-current operating income	4,7	-	24
Other non-current operating expenses	4,7	(9 478)	(8 772)
Operating income		6 510	30 592
Cost of financial debt		(30 267)	(23 530)
Other financial income		12 899	14 150
Other financial expenses		(11 245)	(21 772)
Financial result	4,8	(28 613)	(31 152)
Pre-tax income (loss)		(22 104)	(561)
Income tax	4,9	(10 240)	(10 746)
Consolidated net income (loss)		(32 344)	(11 306)
Earnings per share			
	Note		
Basic earnings per ordinary share (in euros)	4,16	(0,19)	(0,07)
Diluted earnings per share (in euros)	4,16	(0,19)	(0,07)

⁽¹⁾ The current EBITDA indicator defined in Note 4.1 corresponds to operating income before depreciation, amortisation and other non-current operating income and expenses (Note 4.7).

Consolidated statement of comprehensive income

<i>(in thousand euros)</i>	Notes	31 August 2021	31 August 2020
Revaluation of cash flow and net investment hedging instruments	4.19	3,117	(3,291)
Tax on recyclable items	4.9	(873)	921
Translation adjustments		4,397	(5,671)
Items that are recyclable in profit or loss		6,641	(8,041)
Actuarial gains and losses on defined benefit pension plans	4.21	(150)	29
Tax on non-recyclable items	4.9	39	50
Items that cannot be recycled to profit or loss		(111)	79
Total other comprehensive income		6,530	(7,962)
Consolidated net income		(32,344)	(11,306)
Comprehensive income for the period		(25,814)	(19,268)

Consolidated statement of financial position

<i>(in thousand euros)</i>	Notes	31 August 2021	31 August 2020
Goodwill	4.10	33,836	20,786
Other intangible assets	4.10	141,739	84,329
Property, plant and equipment	4.11	797,045	717,281
Rights of use assets	4.23	49,277	53,902
Non-current financial assets	4.13	1,303	1,280
Deferred tax assets	4.9	7,058	11,431
Other non-current assets		-	697
Total non-current assets		1,030,258	889,706
Trades receivables	4.14	35,481	25,363
Other receivables and current assets	4.15	131,959	43,385
Current tax assets		4,008	5,718
Derivative financial instruments - assets	4.19	140	121
Cash and cash equivalents	4.17	53,610	90,838
Total current assets		225,198	165,425
TOTAL ASSETS		1,255,456	1,055,131
Share capital	4.16	170,779	170,407
Share premiums		93,470	93,842
Reserves and retained earnings		(123,107)	(132,564)
Net income (loss)		(32,344)	(11,306)
Equity		108,798	120,379
Non-current financial debt	4.17	639,583	579,711
Non-current lease liabilities	4.17	38,061	42,287
Other non-current financial liabilities		16,921	17,115
Non-current provisions	4.21	6,011	5,122
Deferred tax liabilities	4.9	14,144	10,961
Other non-current liabilities	4.22	7,783	7,079
Total non-current liabilities		722,503	662,275
Current financial debt	4.17	69,760	30,528
Current lease liabilities	4.17	14,837	13,871
Current provisions	4.21	31,361	21
Accounts payable		149,504	92,096
Current tax liabilities		1,694	2,075
Derivative financial instruments - liabilities	4.19	174	3,291
Other current liabilities	4.22	156,825	130,596
Total current liabilities		424,155	272,478
TOTAL LIABILITIES AND EQUITY		1,255,456	1,055,131

Consolidated statement of changes in equity

(in thousand euros)

	Share capital	Share premiums	Reserves and consolidated income (loss)	Translation reserves	Other comprehensive income (excluding translation reserves)	Total Equity
1 September 2020	170,407	93,842	(139,231)	(3,072)	(1,567)	120,379
Consolidated net income (loss)			(32,344)			(32,344)
Other comprehensive income				4,397	2,133	6,530
Comprehensive income			(32,344)	4,397	2,133	(25,814)
Capital increase	372	(372)				-
Share-based payments			13,266			13,266
New IFRIC interpretation on the allocation of retirement benefits to the services' periods (effect net of tax)			990			990
Other changes			(23)			(23)
Transactions with the shareholders	372	(372)	14,233	-	-	14,233
31 August 2021	170,779	93,470	(157,342)	1,325	566	108,798

(in thousand euros)

	Share capital	Share premiums	Reserves and consolidated income (loss)	Translation reserves	Other comprehensive income (excluding translation reserves)	Total Equity
1 September 2019	176,063	238,186	(133,341)	2,599	724	284,231
Consolidated net income (loss)			(11,306)			(11,306)
Other comprehensive income				(5,671)	(2,291)	(7,962)
Comprehensive income			(11,306)	(5,671)	(2,291)	(19,268)
Capital decrease	(7,706)	(142,294)				(150,000)
Capital increase	2,050	(2,050)				-
Share-based payments			5,423			5,423
Other changes			(7)			(7)
Transactions with the shareholders	(5,656)	(144,344)	5,416	-	-	(144,584)
31 August 2020	170,407	93,842	(139,231)	(3,072)	(1,567)	120,379

Consolidated statement of cash flows

<i>(in thousand euros)</i>	Notes	2021	2020
Consolidated net income (loss)		(32,344)	(11,306)
Adjustments to net income items:			
Depreciation, amortisation and impairment of non-current assets and rights of use relating to leases	4.6	224,042	213,558
Changes in provisions		33,610	1,314
(Gains)/losses on asset disposals and other write-offs and revaluations		10,656	6,162
Expense related to share allocations (excluding social security contributions)	4.24	13,266	5,423
(Income)/Tax expense	4.9	10,240	10,746
Net financial income (excluding foreign exchange differences)	4.8	30,075	26,956
Cash flow from operations	A	289,545	252,853
Change in net operating receivables and other receivables	4.15	(100,009)	(9,634)
Changes in operating payables and other payables	4.22	80,004	31,578
Change in operating working capital requirement	B	(20,004)	21,944
Tax paid	C	(1,322)	(4,358)
Cash flows from operating activities	D = A+B+C	268,218	270,438
Payments related to acquisitions of property, plant and equipment and intangible assets	4.10 - 4.11	(343,232)	(280,289)
Proceeds from disposal of intangible assets		(0)	4,372
Cash inflows/(outflows) related to business combinations net of cash	4.10	(12,699)	(23,916)
Receipts/(disbursements) related to disposals of consolidated securities and impact of reorganisations and loss of control		1,233	-
Receipts/(disbursements) related to loans and advances granted		205	(68)
Net cash flows used in investing activities	E	(354,493)	(299,901)
Capital decrease		-	(150,000)
Increase in financial debt	4.17	120,000	509,374
Repayment of financial debt	4.17	(25,374)	(230,383)
Repayment of lease liabilities	4.17	(19,061)	(20,228)
Financial interest paid	4.17	(20,675)	(18,969)
Guarantee deposits received		(277)	1,162
Cash flows from financing activities	F	54,613	90,960
Effect of exchange rate on cash and cash equivalents	G	277	(1,280)
Change in cash and cash equivalents	D+E+F+G	(31,385)	60,216
Cash and cash equivalents at beginning of the period		84,656	24,442
Cash and cash equivalents at end of the period		53,272	84,656

<i>(in thousand euros)</i>	2021	2020
Term deposits	-	18,000
Current bank accounts	53,610	72,838
Cash and cash equivalents	53,610	90,838
Short-term borrowings	(338)	(6,182)
Bank overdraft	(338)	(6,182)
Net Cash Position	53,272	84,656

APPENDIX TO THE CONSOLIDATED FINANCIAL STATEMENTS

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1. Presentation of the Group

OVHcloud group is a global player and the European Cloud leader active on five continents. For over twenty years the Group has relied on an integrated model that has given it complete control of its value chain: from the design of its servers to that of cloud platform solutions that it provides to its customers, together with the construction and management of its data centres, and the organisation of its fibre optic network. This unique approach allows OVHcloud group to cover all of its customers' uses in a fully independent way. Today, the OVHcloud group offers state-of-the-art solutions combining high performance, price predictability and total sovereignty over their data, allowing their customers to sustain growth in complete freedom.

The parent company of the OVHcloud group (the "Group") is OVH Groupe (the "Company") which was founded in 1999 and is currently registered at 2, rue Kellerman, 59100 Roubaix, France. Previously incorporated as a simplified joint stock company (Société par Actions Simplifiée), it became a public limited company (Société Anonyme) on 28 September 2021, and its shares were listed in compartment "A" of the Paris Stock Exchange (Euronext) on 15 October 2021. The Group's consolidated financial statements at 31 August 2021 were prepared under the responsibility of the Group Chairman and approved by the Group's Board of Directors on 15 November 2021.

The consolidated financial statements are presented in thousands of euros (unless otherwise stated). The amounts are indicated without decimals and rounded to the nearest thousand euros and may, in certain cases, lead to non-material discrepancies in the totals and sub-totals shown in tables.

2. Significant events

Significant events during the financial year ended 31 August 2021

Strasbourg incident

On the night of 9 to 10 March 2021, a fire broke out in one of the four OVHcloud data centres in Strasbourg, France. As electricity power supplies had to be cut, all the site's data centre operations were shut down. The data centre in which the fire broke out was destroyed and a second data centre is no longer operational and will be dismantled. No human or bodily injury was reported but several thousand customers were affected by the interruption and a certain number lost data with many not having opted for a backup solution as proposed by the Group.

The fire had the following impacts on the financial statements at 31 August 2021:

- A decrease in revenue due to:
 - o The granting of vouchers to customers affected by the outage for a total amount of 27.8 million euros of which 20.0 million euros has been used for the financial year ended 31 August 2021. Vouchers are deducted from revenue as the services are provided by the Group to customers. Unredeemed vouchers at 31 August 2021 amounted to 7.8 million euros,
 - o The issuance of credit notes for service interruption for 5.2 million euros,
 - o 2.9 million euros of lost revenue due to interruption of services which could not be invoiced to customers.
- Non-current expenses (see Note 4.7), directly related to the incident and amounting to 56.7 million euros, including:
 - o One-off costs of 12.5 million euros due to the cleaning costs of servers and other equipment, site security, recovery and backup of disks, specific maintenance procedures and incremental remuneration related to the mobilisation of teams following the fire,
 - o A provision of 31.1 million euros (see Note 4.21) intended to cover all the effects of the incident in respect to appraisal costs, procedural costs and customer claims,
 - o Scrapping of certain property, plant and equipment for a total amount of 13.1 million euros (corresponding to their net book value) (see Note 4.11).
- Accelerated depreciation of servers impacted during the fire;
- Over the financial year ended 31 August 2021, approximately 21 million euros of capital expenditure on the replacement of new servers;
- These costs were offset by 58 million euros corresponding to the issuance by the insurance companies of a single lump-sum indemnity for damage caused by the fire.

The Group also plans an additional budget to complete the repairs and to implement a "hyper-resilience" plan.

See also Notes 3, 4.10, 4.13, 4.15 and 4.21 referring to the impacts of the Strasbourg incident.

Sale of Hubic SAS (now Shadow) to Jezby Ventures

Pursuant to a share purchase agreement dated 18 December 2020, the Group sold the entire share capital of Hubic SAS to Jezby Ventures SAS, a company indirectly controlled by Octave Klaba, for a total amount of 0.5 million euros. Hubic SAS had previously benefited from a partial contribution of assets by OVH SAS (customer base, brands and internet sites /applications) relating to a file storage service business and other related digital services for individuals. The development of this business by the Group was brought to an end in the last two years as it was no longer a strategic activity for the Group. The sale price of Hubic shares was assessed by an independent expert.

A transitional services agreement was signed between OVH SAS, subsidiary of the Group, and Hubic SAS under the terms of which the Group undertook to provide administrative services to Hubic SAS for a period of six months, renewable once, for a fixed remuneration of 0.5 million euros.

Furthermore, OVH SAS and Hubic SAS entered into a framework agreement for the Group to become Hubic SAS's supplier for its cloud solution needs (see Note 5 "Transactions with related parties").

Covid-19 health crisis

The Group has not identified any significant impact related to the health crisis on the financial statements ended 31 August 2021.

At the height of the crisis from March to May 2020, the Group saw an acceleration in its digital offering offset by project delays for certain customers.

During the 2020 and 2021 financial years, the Group did not use the various public support measures proposed by French or foreign governments.

Acquisition of BuyDRM

On 22 July 2021, OVHcloud group acquired 100% of the shares of BuyDRM, a company specialised in digital rights management and content protection for an initial acquisition price of 15.3 million dollars, paid in full in cash. The purchase agreement also provides for a contingent earn-out clause up to 14 million dollars, based on the achievement of revenue and EBITDA margins for the financial years ended 31 August 2022 and 2023, as well as the achievement of operational objectives and a condition of presence.

For the year ended 31 December 2020, BuyDRM generated revenue of approximately 3 million dollars and an EBITDA of approximately 0.7 million dollars (based on unaudited data).

Acquisition of servers from Hubic SAS (now Shadow)

Following the acquisition by Hubic SAS of the Blade Group's gaming activities in the United States and France, OVHcloud group (via its subsidiary Vint Hill Data Centre, LLC) acquired principally GPU and storage servers from Hubic SAS on 1 July 2021 for 4.9 million dollars. These servers will be gradually transferred to OVHcloud group data centres and will be leased to Hubic SAS under a multi-year contract for private cloud services.

Subsequent events

Initial Public Offering

OVHcloud group S.A. was listed on compartment “A” of the Euronext Paris regulated market on 15 October 2021 to finance its growth strategy, including the financing of its geographical expansion, the construction of data centres, the development of new products and external growth transactions where applicable. The total number of OVHcloud shares newly issued as part of the initial public offering is 18,918,919, with a unit value of €18.50, i.e. an initial offering of approximately 350 million euros.

Refinancing

Following its initial public offering on 25 October 2021, the Group redeemed the full amount of the previous Loan Agreements (Term Loan and Revolving Credit Facility), as well as the Euro PP bonds for an amount of 705.2 million euros, thanks to the establishment of a new unsecured senior loan agreement for a total principal amount of 920 million euros (the “New Debt”) to replace the previous Loan Agreements. The New Debt, which is not subject to a guarantee by the Company, includes a new 5-year term loan of 500 million euros and the setting up of a new revolving credit facility (RCF) for a maximum capacity of 420 million euros with an initial maturity of 5 years eligible to two extended options for one additional year each.

At the funds release date, the applicable margin will be 1.10% for the term loan against 3.25% in the previous refinancing, and at 0.70% in the case of a draw-down of the revolving credit facility instead of 2.50% in the previous refinancing.

Company shareholding

The companies MANOVH and MENOVI, two entities combining the Group’s employee shareholding (managers and employees), merged into the Company on 18 October 2021, making the shareholders of MANOVH and MENOVI direct shareholders of the Company.

Following the transformation of the Company into a public limited company on 28 September 2021 incorporating a Board of Directors the total number of A Preference shares and C Preference shares were converted into Ordinary Company Shares as of 18 October 2021. In no way whatsoever does this transaction directly affect either the equity, the income statement, or the cash situation.

Finally, the Group gave the opportunity to its employees to subscribe to a shareholding offer reserved solely for Group employees (Employee Share Plan 2021 or “ESP 2021”). This offer was addressed to Group employees in France and abroad, and took into consideration a contribution to the purchase of said shares as covered by the Group, together with an agreed discount of 30% on the sale share price. On 9 November 2021, the Chief Executive Officer of the Group, recorded the completion of the capital increase under this employee share plan for an amount of 9.8 million euros corresponding to the issuance of 1,365,343 new shares. In consequence to this offer, 97.8% of the employees became shareholders of the Group.

3. Main accounting policies used in the consolidated financial statements

Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), as adopted by the European Union on 31 August 2021.

Amendments applied in advance

- Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures": reform of benchmark interest rates - Phase 2
The objective of this phase 2 of the draft "Reform of benchmark interest rates" is to specify the accounting impacts linked to the effective replacement of the benchmarks.
The entry into force of phase 2 has no impact for the Group as there is no effective change to the benchmarks in the Group's contracts at 31 August 2021.
- Amendments to IAS 19 "Employee benefits"
The IFRS interpretation committee met in April 2021 to clarify a new position on the terms and conditions for assessing commitments such as retirement benefits. This position was validated by the IASB in May 2021.
Depending on the position adopted, retirement benefits are now provisioned not over the entire career of employees but over the last years of their career corresponding to the ceiling of the compensation scale (for example, if the scale is capped after 25 years of service, retirement benefits would be provisioned for the 25 years preceding retirement. The same reasoning is applied to the intermediate thresholds, in the case of scales whose rights are defined by length of service).
The impact of this new position is recognised through equity, as a change in accounting method. The impact on the Group's consolidated financial statements is a reduction in the commitment of 1.3 million euros, the scale of compensation defined by the collective agreement for the metal industry being defined in tranches and capped from 40 years of service.

Standards, interpretations and amendments adopted by the European Union with mandatory application from 1 January 2021

The following texts are not applicable for the Group:

- the amendments to IFRS 4 "Insurance contracts - Extension of the temporary exemption to the application of IFRS 9", published on 25 June 2020.
- the amendments to IFRS 16 "Covid-19 rental concessions beyond 30 June 2021", published on 31 March 2021.

Standards, interpretations and amendments not yet adopted by the European Union

The impacts on financial statements of the texts published by the IASB at 31 August 2021 and not in force in the European Union are currently being analysed. These texts are as follows:

- amendments to IAS 1 "Presentation of financial statements - Classification of liabilities as current and non-current liabilities" and "Presentation of financial statements - Classification of current and non-current liabilities - Deferral of the effective date", published on 23 January and 15 July 2020;
- the amendments to IFRS 3 "Business combinations", to IAS 16 "Property, plant and equipment", to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" as well as the annual improvements to IFRS (cycle 2018-2020), published on 14 May 2020;
- the amendments to IAS 1 "Presentation of Financial Statements", published on 12 February 2021;
- the amendments to IAS 8 "Definition of an accounting estimate", published on 12 February 2021;

- the amendments to IAS 12 “Deferred taxes related to assets and liabilities arising from a single transaction”, published on 7 May 2021.

In addition, the following texts are not applicable for the Group: IFRS 17 “Insurance Contracts”, published on 18 May 2017.

The other accounting principles and methods used for the preparation of these financial statements are identical to those applied for the latest annual financial statements.

The consolidated financial statements were prepared based on historical cost, except for certain financial assets and liabilities which are measured at fair value as described in Note 3.

Consolidation methods

Subsidiaries

The subsidiaries over which OVH Groupe S.A. exercises its control are all entities controlled directly or indirectly by OVH Groupe S.A. The Group has control of an entity when it is exposed or entitled to variable returns as a result of its participation in the entity and has a significant influence.

The assets, liabilities, income and expenses of subsidiaries are consolidated from the date on which the Group takes control. They are deconsolidated from the date of loss of control.

Financial positions balances and transactions, and income and expenses resulting from intra-group operations, are eliminated in the preparation of the consolidated financial statements.

Investments 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.

Investments 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 net income of associate companies is recognised on a separate line under “Share of net income of associate companies” 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 of the comprehensive income of the associate and reduced, where applicable, by any impairment losses.

Gains arising from transactions with equity-accounted entities are eliminated by the counterparty of investments under the equity method to the extent of the Group’s interest in the company. Losses are eliminated in the same way as gains, but only to the extent that they do not represent an impairment loss.

The Group has chosen to recognise under equity attributable to owners of the parent company, the effects of dilutions recorded in the financial statements of associates in connection with changes in the percentage of ownership held in their own subsidiaries.

When the Group’s share in the losses of an associate is greater than its interest in it, the carrying amount of investments in associates is reduced to zero and the Group ceases to recognise its share of subsequent losses, except to the extent that it has a legal or constructive obligation towards the associated company or has made a payment on its behalf.

The list of companies consolidated under the equity method is presented in Note 5.

Foreign currency translation

The consolidated financial statements are presented in euros, the functional currency of the Group, unless otherwise indicated.

Translation of the financial statements of foreign subsidiaries

The financial statements of each of the consolidated companies of the Group are prepared in their own functional currency, meaning the currency of the main economic environment in which they operate, and which generally corresponds to the local currency. All their financial transactions are then valued in this local currency.

The financial statements of consolidated entities with a functional currency other than euros are translated using the closing rate method:

- Assets and liabilities, including goodwill and fair value adjustments in the context of acquisition accounting, are converted into euros at the closing rate of the financial year;
- 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 in other net comprehensive income that can be reclassified to profit or loss on the line "Translation adjustments" and recorded under "Translation reserves" under consolidated equity. When a foreign entity is sold, the cumulative amount of the translation differences under equity relating to this entity is recognised in the income statement.

Translation of foreign currency transactions

Transactions denominated in foreign currencies are converted into the respective functional currencies of the Group companies by applying the exchange rate applicable on the date of the transaction.

At closing, monetary assets and liabilities are converted at the closing exchange rate. The resulting exchange differences are recognised in profit or loss and presented in other financial income and expenses, with the exception of translation differences relating to long-term 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 other comprehensive income.

The exchange rates used to convert the financial statements of the Group's main subsidiaries are as follows:

	Average rates		Closing rates	
	2021	2020	2021	2020
Czech koruna	26.080	26.109	25.523	26.208
Tunisian dinar	3.281	3.165	3.310	3.260
US dollar	1.196	1.113	1.183	1.194
Australian dollar	1.592	1.651	1.616	1.621
Canadian dollar	1.517	1.498	1.490	1.560
Singapore dollar	1.606	1.542	1.590	1.624
CFA Franc BCEAO	655.957	655.957	655.957	655.957
Pound sterling	0.877	0.877	0.859	0.896
Indian rupee	88.070	73.073	86.385	87.469
Polish zloty	4.528	4.379	4.530	4.397

Use of significant judgements and estimates

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the amounts of assets, liabilities, income and expenses and information provided in the notes to the consolidated financial statements.

Due to the inherent uncertainty of all measurement processes, these estimates are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and for any relevant future periods.

These estimates are based on past experience and take into account economic conditions and available information, on the basis of a specific country-by-country review.

Depending on changes in assumptions or in the event of conditions that differ from those initially expected, the amounts recognised in future financial statements may differ from current estimates.

Significant estimates, assumptions and judgements used to apply accounting methods concern:

- Some of the accounting treatments relating to the effects of the Strasbourg fire of March 2021.
In particular:
 - o Vouchers have been granted to certain customers so that they can benefit from free services. Vouchers are deducted from revenue as the services are provided by the Group to customers,
 - o OVHcloud has been and could continue to be subject to customer claims for damage caused as a result of the fire, and more particularly to claims for damage as a result of the interruption of services and/ or the loss of data. In this respect, a provision was recognised in the financial statements at 31 August 2021 which is intended to cover all the consequences arising from the incident relating to expert appraisal costs, procedural costs and customer claims;
- Impairment tests on property, plant and equipment, intangible assets and Goodwill: main assumptions underlying recoverable amounts (Notes 3 and 4.12);
- Development costs: measurement of development costs recognised as intangible assets (Note 4.10);
- Lease liabilities and right-of-use: estimates of the lease term and the incremental borrowing rate used when the implicit rate is not identifiable in the lease (Note 4.23);
- Recognition and measurement of deferred tax assets: probability of future taxable profits sufficient to use them (Note 4.9);
- Valuation of share-based payments: key assumptions (Note 4.24).

Significant accounting policies

The main accounting policies applied by the Group to prepare its consolidated financial statements are as follows:

Business combinations

Business combinations are accounted in accordance with IFRS 3 (amended), “Business combinations”, according to the acquisition method when all acquired elements meet the definition of a company whose control has been transferred to the Group.

Identifiable assets acquired and liabilities assumed as part of a business combination are, with some exceptions, initially measured at their fair value at the date of acquisition. The Group recognises any non-controlling interest in the acquired entity either at fair value or in proportion to the net identifiable assets of the acquired entity.

Costs directly attributable to the acquisition are recognised in other non-current operating expenses in the period in which they are incurred.

Goodwill resulting from a business combination is measured as follows:

- the fair value of the consideration transferred for an acquired business;
- increased by the amount of non-controlling interests in the acquiree;
- increased by the fair value of any pre-existing investment in the subsidiary; and
- less the net fair value of the identifiable assets acquired and liabilities assumed at the date of acquisition.

Estimates of the consideration transferred and the fair value of the assets acquired and liabilities assumed are finalised within twelve months of the acquisition date. Adjustments are recognised as retroactive adjustments to Goodwill if they reflect conditions prevailing on the acquisition date. Beyond this twelve-month period, any adjustment is recognised directly in the income statement.

When the payment of part of the cash consideration is deferred, the future amounts to be paid are discounted to their present value at the date of the acquisition of control. The discount rate used is the entity’s incremental borrowing rate, meaning the rate at which similar borrowings could be obtained from an independent source of financing on comparable terms.

The earn-outs are initially recognised at their fair value. The earn-outs that meet the definition of financial liabilities are then remeasured at fair value and subsequent changes in fair value are recognised in profit or loss.

Other intangible assets

Other intangible assets mainly include patents, licences, intellectual property, IP blocks¹, 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 balance sheet at their initial cost less accumulated amortisation and any impairment losses recorded.

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.

Research and development costs

Research and development costs include the costs of technical activities, intellectual property, teaching and transmission of fundamental knowledge to ensure the development, manufacture, implementation and marketing of new or continuously improving technologies and software.

Development costs must be capitalised if, and only if, they meet the following restrictive criteria defined by IAS 38 “Intangible assets”:

- the project is clearly identified and the related costs are individualised and reliably monitored;
- the technical and industrial feasibility of the project is proven;
- there is an intention to complete the project and use or market the intangible asset resulting from the project;
- the Group has the ability to use or sell the intangible asset resulting from this project;
- the Group can demonstrate how the developed project will generate future economic benefits;
- the Group has adequate technical, financial and other resources to complete the project and to use or sell the intangible asset resulting from the project.

When these conditions are not met, development costs incurred by the Group are recognised as expenses in the financial year in which they are incurred.

Research expenses are recognised as expenses in the financial year in which they are incurred.

Technologies and software developed in-house

Development costs of technologies and software are recognised as intangible assets when specific conditions, related to technical feasibility, prospects for marketing and profitability are met in accordance with IAS 38 “Intangible Assets”. Technological and economic feasibility is generally confirmed when the project development of a product or commercial solution has reached a defined milestone according to an established project management model. Development costs include the costs incurred in the execution of development activities, meaning salary costs allocated to development activities and the cost of external service providers.

In the case of software, the Group considers that only internal and external development expenses related to organic analysis, programming, testing and user documentation costs may be capitalised, providing that the other conditions of IAS 38 “Intangible assets” are compliant with.

All other research and development expenses are recognised in profit or loss as they are incurred. Research and development expenses (whether capitalised or not) are mainly made up of personnel expenses (including salaries, bonuses, benefits and travel expenses) as well as fees of subcontractors integrated in the project teams that add new functionalities to OVHcloud’s existing offerings, develop new offerings, ensure reliable performance of its global cloud platform, and manage and develop internal IT systems and infrastructures. The Group presents an aggregate amount of research and development expenses for the 2021 and 2020 financial years in Note 4.10.

Depreciation periods

The main useful lives of the various categories of intangible assets are as follows:

	Depreciation method	Depreciation period
Technologies and software developed in-house	Straight-line	5 years
Customer relations	Straight-line	2 years
Softwares	Straight-line	1 to 8 years
Patents and licences	Straight-line	1 to 3 years
IP blocks	Not amortised	Undetermined

Software is amortised from the effective operational start of its use (in batches where applicable).

Depreciation is recognised on the depreciation and amortisation line. Any impairment losses recognised are shown in the income statement under “Other non-current operating expenses” if they correspond to their definition (Note 4.7).

Property, plant and equipment (fixed assets)

Property, plant and equipment are valued at their acquisition or production cost less accumulated depreciation and any impairment losses recognised, by applying the component approach provided in IAS 16 “Property, plant and equipment”.

Depreciation of property, plant and equipment is determined on a straight-line basis over the useful life of the asset from the date of commissioning.

When the recoverable amount of the intangible assets becomes less than their carrying amount, an impairment loss is recognised.

The Group has analysed its fixed assets in order to break them down by component, with different useful lives. These components include the CPU-GPU processors, the RAM memory, the motherboard, and the hard drive.

The components are intended for the installation in a server and in accordance with IAS 16 “Property, plant and equipment”, are recorded as fixed assets of which the duration of use by the Group exceeds one year.

Moreover, new components are installed within a server, then reinstalled in other servers, as the Group has a model to produce its servers. The components can be successively installed on several servers during their use. The components are recognised as fixed assets in progress until the date of commissioning of the server which corresponds to the date of its availability for marketing. Once the server has been set up, it is transferred to “IT equipment”. The starting date of depreciation coincides with the service start date. When a component is reinstalled it is remeasured at its fair value.

The main useful lives of the various categories of property, plant and equipment are as follows:

	Depreciation method	Depreciation period
Buildings	Straight-line	10 to 30 years
Materials and tools	Straight-line	5 to 10 years
Infrastructure equipment and facilities	Straight-line	10 years
Vehicles	Straight-line	4 years
Network equipment	Straight-line	5 years
Server components and IT equipment	Straight-line	3 to 5 years
Furniture	Straight-line	10 years

Capital gains and losses on disposals and retirement of property, plant and equipment are included in “Other operating income or expenses” if they are significant and unusual.

Impairment of goodwill and fixed assets

The carrying amounts of goodwill, intangible assets with indefinite useful lives and assets under construction are tested for impairment at least once a year, when events or changes in circumstances indicate that they must be impaired. Other intangible assets and property, plant and equipment (including right-of-use assets in accordance with IFRS 16 “Leases”) are tested for impairment only when there is an indication of loss of value.

For the purposes of impairment testing, assets to which it is not possible to directly relate independent cash 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 asset group for which there are identifiable independent cash flows. Goodwill is thus allocated to the CGU which should benefit from the synergies of the associated business combination.

There are four CGUs within OVHcloud group, which reflect the smallest groups generating independent cash inflows: Baremetal and Hosted Private Cloud (these two CGUs are included in the Private Cloud segment), Public Cloud and Webcloud & Other.

When the carrying amount of a CGU is greater than its recoverable amount an impairment loss is recognised in other non-current operating expenses after having been allocated in the first instance to the carrying amount of any goodwill allocated to it, if applicable.

Unlike those relating to other assets, goodwill impairment losses are definitive and cannot be reversed in profit or loss at a later date.

The recoverable amount of the CGUs is the higher of the fair value net of disposal costs and the value in use, which corresponds to the present value of future cash flows generated by the use and disposal of assets.

To calculate the recoverable value the Group has used a method based on the discounting of future cash flows.

Cash flows are taken from the strategic plan approved by the Group's Board of Directors for the next three years, then an extrapolation for the fourth and fifth years.

Cash flows subsequent to this five-year period are extrapolated by applying a perpetual growth rate according to market growth forecasts. The assumptions used to generate 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 grants the right to control the use of an identified asset for a certain period, in exchange for a consideration.

The Group recognises a right-of-use asset and a lease liability on the effective start date of the lease.

The right-of-use asset is initially measured at cost, which includes the initial amount of the lease liability adjusted for lease payments made on, or before the effective date, plus the initial direct costs incurred to enter into the contract, and an estimate of the potential costs of dismantling or restoring the leased asset according to the terms of the contract. It is subsequently amortised in accordance with IAS 16 "Property, plant and equipment" using the straight-line method from the effective start date over the term of the contract, corresponding to the non-cancellable contractual term of use of the asset after taking into account the renewal or termination options, if their exercise is reasonably certain by the Group's management. In addition, the right-of-use may be subject to impairment in accordance with IAS 36 "Impairment of assets" as part of the annual valuation test.

The lease liability is initially measured at the present value of future rents. The discount rate used corresponds to the interest rate implicit in the contract or, if it cannot be easily determined, the incremental borrowing rate (based on terms and not maturities). In practice, the latter rate is generally used.

In the absence of an implicit interest rate in the contracts, the Group determines its incremental borrowing rate based on the interest rates granted by various sources of external financing obtained by the Group and makes certain adjustments to take into account the conditions of the contract and the type of asset leased. The calculation of the discount rate requires estimates, specifically for the credit spread added to the risk-free rate, to consider the specific economic environment of the lessee company.

The lease liability is then increased by the interest expense and reduced by the amounts of rent paid, in accordance with the effective interest rate method. It is revalued in the event of a change in future rents following a change in index or rate, or, where applicable, in the event of a revaluation by the Group of the exercise of a purchase option or a termination option.

Payments relating to leases included in the scope of IFRS 16 "Leases" are recognised in the net cash 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 taken the option not to restate leases with a term of less than or equal to one year or for low-value assets (5,000 dollars). The rental expense is recognised under “Operating expenses”, and the paid-out part is presented in the net cash flows from operating activities, in the consolidated cash flow statement.

The Group has identified five main categories of assets subject to leases, details of which are provided in Note 4.23:

- Offices: these contracts concern the leases of the Group’s various offices in the countries where it operates;
- Data centres: 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 the leases of sites within infrastructures owned by third parties that the Group uses to establish the interconnections of its networks;
- Other: these contracts mainly concern vehicles, power generators and other equipment used in its operations.

The application of IFRS 16 “Leases” gives rise to the recognition of deferred taxes, calculated on the basis of the value of the right-of-use, net of the corresponding lease liability.

Determination of the term of leases with renewal and termination options:

The judgement and estimates were required to determine the exit dates of the leases given the termination or renewal options provided in certain leases. In general, this concerns renewal options, which the Group is reasonably certain to exercise based on the evidence.

Renewal periods have been taken into account for network contracts (five years with a renewal period of twenty-four months) and POP “Point of Presence” contracts (between one and fifteen years with a renewal period of twelve months). These renewal periods are in accordance with assessment elements and any economic incentives related to the contracts (such as the low level of related fittings, or de-installation costs and possible service cuts, if applicable). With regard to property leases, the assessment was made according to the location of the property (France or abroad) and whether or not it has a strategic nature, as well as the recent nature of the main leases signed by the Group. In France, most real estate leases are so-called “3, 6, 9” commercial leases; in general, a total period of nine years has been used and considers the Group’s analysis in terms of penalties and economic incentives such as related investments or moving costs, or the contractual penalties provided for in the contracts, in accordance with the interpretation of the IASB Interpretation Committee and the statement of conclusions of the ANC. In particular, non-removable fixtures are not significant and have a useful life similar to the residual term of the leases.

The other main contracts generally have terms as follows, determined in accordance with the principles mentioned above:

- Offices located outside France: between 1 and 10 years;
- Data centres (duration depending on the country): between 1 and 40 years.

The leases on certain Data centres may be relatively short in order to deal with the Group’s growth, and thus be able to quickly change or increase space as needed.

- Power generators: 3 years;
- Vehicles: 3 years.

At each closing date, the Group reassesses the term of the lease in the event of a significant event or change of circumstances that would affect its ability to exercise, or not, the option of renewal or termination.

Trade receivables and other operating receivables

On initial recognition, trade receivables are recognised at their transaction price within the meaning of IFRS 15 “Revenue from contracts with customers” and then at amortised cost which generally corresponds to their nominal value. Impairment losses are recognised for the expected credit losses over the life of the asset: the Group applies the simplified approach in this calculation for receivables and leased assets as well as receivables related to leases under IFRS 16 “Leases” (mainly revenues from dedicated servers and dedicated cloud).

The Group has set up a provisioning matrix based on its credit loss history, adjusted for forward-looking factors specific to debtors and the economic environment, where applicable.

Provisioning rates are based on days of arrears for customer groups by geographic area of the end customer.

The provisioning matrix is initially based on the Group's observed historical default rates. At each reporting date, the historical default rates observed are updated.

Information on impairment of the Group's trade receivables is presented in Note 4.14.

Cash and cash equivalents

This item includes cash (current bank accounts) and cash equivalents corresponding to term deposits with a maturity of less than three months, highly liquid, easily convertible into known cash and which are subject to a negligible risk of change in value.

Share capital

The Group has issued ordinary shares and preference shares. Incremental costs directly attributable to the issue of these instruments are recognised as a deduction from shareholders' equity.

Non-redeemable preference shares are classified as equity insofar as they give entitlement to discretionary dividends, do not involve any obligation to deliver cash or other financial assets and do not require a variable number of payments to be made of Group equity instruments. The related discretionary dividends are recognised as equity distributions at the date of their approval by the Company's shareholders.

Following the initial public offering, the preference shares have been converted into ordinary shares.

Financial instruments

The Group has classified its financial instruments as follows:

- Trade receivables, deposits, guarantees and other loans in financial assets at amortised cost (Notes 4.13, 4.14 and 4.15);
- Shares in non-consolidated entities in financial assets at fair value through profit or loss or OCI (Note 4.18);
- Borrowings and other financial liabilities at amortised cost using the effective interest rate method – EIR (Note 4.17);
- Derivative assets and liabilities at fair value through profit or loss, with the exception of derivatives classified as cash flow hedges (Note 4.19).

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 balance sheet. Changes in fair value are recognised in other financial income and expense unless they are eligible for hedge accounting.

The Group designates certain derivative instruments as cash flow hedges in order to hedge the variability of cash flows related to highly probable forecast transactions resulting from changes in exchange rates, interest rates, commodity prices or energy prices. When establishing a designated hedge relationship, the Group documents its risk management objective 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 hedged item and the hedging instrument are expected to offset each other.

Cash flow hedge

The Group's hedging instruments are currency swaps and forward currency purchases that are set up in order to hedge changes in the price of future purchases of electronic components. When a derivative is designated as a cash

flow hedge, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedge reserve.

The effective portion of the change in the fair value of the derivative recognised in other comprehensive income is limited to the cumulative change in the fair value of the hedging item as soon as the hedge is in place. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in other financial income and expense.

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 fixed assets, the amount accumulated in the hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

Current and non-current provisions

A provision is recognised when the Group has a legal or implicit obligation towards a third party and it is probable or certain that it will result in an outflow of resources for the benefit of said third party. The amount recognised as a provision by the Group must be the best estimate of the expenditure necessary to settle the current legal or implicit obligation towards a third party at the closing date. Provisions mainly consist of provisions for litigation with subcontractors, customers, co-contractors or suppliers. The Group identifies, assesses and finances each risk relating to claims, in conjunction with its legal advisors, on the basis of the best estimate of the risk incurred.

Commitments resulting from restructuring plans are recognised when detailed plans have been drawn up and implementation has started, or an announcement has been made.

Employee benefits

Post-employment defined-contribution plans correspond to general and special social security plans in France and to plans in Canada and the United States. The contributions to be paid are recognised as expenses when the corresponding service is rendered.

Post-employment defined benefit plans mainly correspond to retirement benefits in France. Defined benefit obligations are calculated annually by a qualified actuary using the projected unit credit method. These obligations are not financed by external management. The liabilities and costs of defined benefit plans are determined using actuarial valuations, estimated on the basis of assumptions made, in particular in terms of discount rates, expected salary inflation and mortality rates.

Remeasurements of the defined benefit liability (actuarial gains and losses) are recognised immediately in other comprehensive income. The Group determines the interest expense by applying the discount rate to the liabilities and the cost of services as determined at the beginning of the year. This liability is adjusted, where applicable, for any change resulting from the payment of benefits during the period.

The Group recognises all interest expenses related to defined benefit plans in other financial expenses. The other costs are included in personnel expenses.

There are no other significant long-term employee benefits.

Share-based payments

Some Group employees or corporate officers receive compensation in the form of share-based payments, under which services are provided in exchange for equity instruments (equity-settled transactions) and cash-settled instruments (cash-settled transactions).

Equity-settled transactions

The free shares granted by the Group to French employees or corporate officers are equity-settled transactions. These are detailed in Note 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 gradual rights acquisition method and as the free shares are acquired in tranches. The amount recognised as an expense is adjusted to reflect the number of rights for which the associated service conditions will be met, so that the final amount recognised is based on the actual number of rights that meet the corresponding service conditions at the vesting date of said rights.

In addition, some employees or corporate officers had the opportunity to invest in a holding company owning shares in OVH Groupe SAS. As these investments in ordinary shares were made *pari passu*, at the fair value of the shares, and settled in equity, no expense was recognised in the statement of comprehensive income in accordance with IFRS 2 "Share-based payments".

Cash-settled transactions

Instruments linked to shares granted by the Group to foreign employees ("phantom shares") are share-based payments settled in cash.

A liability is recognised for the fair value of cash-settled transactions. Fair value is measured initially and at each closing date, up to and including the settlement date, with changes in fair value recognised in personnel expenses. The fair value is recognised as an expense over the vesting period with the recognition of a corresponding liability. The approach used to consider the vesting conditions in the valuation of equity-settled transactions also applies to cash-settled transactions (Note 4.24).

Free shares and phantom shares are valued at their fair value on the allocation dates. This fair value is based on the fair value of an ordinary share less the present value of the estimated future dividends and the best estimate of the percentage of employees who will meet the vesting conditions (a percentage estimated by management).

The assumptions used to estimate the fair value of share-based payment transactions are presented in Note 4.24.

Fair value measurement

The Group measures 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 balance sheet according to their classification as current/non-current.

An asset is classified as current when:

- it is expected to be realised or is intended to be sold or consumed in the normal operating cycle;
- it is held primarily for trading purposes;

- it should be completed within twelve months of the reporting period; or
- it is cash or cash equivalent, unless restricted by exchange or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for trading purposes;
- it is expected to be settled within twelve months of the reporting period; or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Revenue recognition

Revenue is recognised when control of the promised good or service (product) is transferred to a customer for an amount reflecting the consideration to which the Group expects to be entitled in exchange of this product.

The Group has determined that the contracts do not include a significant financing component since the period between the payment date and the performance period for the service is less than one year. Payments received before the transfer of control of the good or service are recognised in deferred income.

The Group's revenue is classified as follows:

Cloud computing services

Revenue from the sale of cloud computing services consists of revenue related to the Private Cloud (including the Baremetal and Hosted Private Cloud activity) and Public Cloud (including Public Cloud and Virtual Private Servers or VPS), often sold with associated support services and additional services such as storage.

The provision of dedicated servers and dedicated clouds corresponds to rental components according to IFRS 16 "Leases", which are generally classified as operating leases. As a result, rents are recognised on a straight-line basis over the term of the lease.

Revenue from leases under IFRS 16 "Leases" corresponds to almost all activities of the Private Cloud operating segment.

Other services, outside the Private Cloud operating segment, fall within the scope of IFRS 15 "Revenue from contracts with customers". 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 execution of the services. In general, since services are generally invoiced monthly, and the Group has the right to invoice customers at an amount representative of its performance on the invoicing date, it recognises 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.

Domain name revenues are related to the registration and renewal of domain names. They are 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. Then, the revenue is recognised in a straight-line over the period during which the performance obligations are satisfied, which generally means the period of the contract insofar as the customers simultaneously receive and consume the benefits of the services as the entity executes the contract.

Business applications

Revenues from business applications consist mainly of third-party productivity applications, email accounts, email marketing tools and telephony solutions. Payment of the price of the transaction is initially recognised in deferred income upon receipt, generally at the time of the order. The revenue is subsequently recognised in a straight-line over the period during which the performance obligations are satisfied which generally means the period of the contract insofar as the customers simultaneously receive and consume the benefits of the services as the entity executes the contract.

Definition of contracts, performance obligations and other assessments

Framework agreements have been signed with certain major customers. They generally do not include minimum purchase commitments or significant termination penalties. In addition, no significant up-front payment is made. As a result, the contracts, meaning each purchase order associated with the framework agreement, generally have a duration of less than one year and consequently, the information relating to the remaining performance obligations to be fulfilled (the order book) is not provided.

Cloud computing contracts may include several performance obligations (for example, different types of servers, support services and additional services), the contractual prices of which correspond to their individual selling prices (no material issue with the allocation of the transaction price between the different performance obligations) and which are generally recognised on an ongoing basis with a similar performance profile. Most other contracts, notably contracts related to domain names and ADSL, generally include single performance obligations.

Contract assets are not significant. Contract liabilities (deferred income) are included in other current debts and liabilities and other non-current liabilities.

The costs of obtaining contracts are not significant, nor are the costs related to the execution of contracts (set-up costs).

Agent/principal treatment

Whether income is recognised depends on whether the Group qualifies as an agent or principal. The Group provides its customers with licences that can be taken out with third parties and integrated into the Group's service offer. In consequence, the Group thus obtains the right to manage the use of the licences and their economic benefits, thereby holding control prior to their transfer. The Group thus, acts as principal for all its performance obligations.

Loyalty points programme

The Group has a loyalty points programme which allows customers to accumulate points that can be used to qualify for free services. Loyalty points give rise to a separate performance obligation insofar as they confer a significant right on the customer.

A portion of the transaction price is allocated to loyalty points awarded to customers based on their individual selling price and recognised in deferred income (contract liabilities) until the points are redeemed. Revenue is recognised as points are used by the customer.

Tax credits

The Group applies the treatment of public subsidies to recognise tax credits, such as the French apprenticeship tax credit, family tax credit, corporate sponsorship tax credit and research tax credit. Under this approach, tax credits are recognised when there is reasonable assurance that the assistance will be received and that the Group will meet all relevant conditions. Under this method, tax credits related to operating expenses are recorded as a reduction of the related expenses and recognised during the period in which the expenses are charged to the income statement. Tax credits related to capital expenditure are recognised as a reduction in the cost of the corresponding assets. The tax credits recorded are based on management's best estimates of the amounts to be received.

Income tax

Tax expense

The tax expense presented in the income statement includes current and deferred tax. It is recognised in profit or loss unless it is related to a business combination or items recognised directly in equity or in other comprehensive income.

Tax assets and liabilities are offset if certain criteria are met.

The CVAE (French corporate tax on added value) is recognised in income tax.

Current taxes

Current tax includes the estimated amount of tax due (or receivable) in respect of taxable income for a period and any adjustment to the amount of tax payable for prior years. The amount of current tax due (or receivable) is determined on the basis of the best estimate of the amount of tax that the Group expects to pay (or receive) due to any uncertainties that may arise. It is calculated on the basis of the tax rates that have been adopted or quasi-adopted at the closing date. The Group has two tax consolidation groups: France and the United States.

Deferred taxes

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 most recent tax rates enacted or substantively enacted at the balance sheet date, the application of which is expected over the period during which the asset will be realised, and the liability settled.

Deferred tax liabilities are always recognised, subject to specific exceptions.

Deferred tax assets are recognised in respect of deductible temporary differences, unused tax losses and unused tax credits only to the extent that it is probable that the Group will have future taxable profits against which they can be offset. This being assessed according to the business plan of each of the Group's subsidiaries (budget and medium-term plan), the probable timing and level of future taxable profits, as well as future tax planning strategies.

Uncertain tax treatments

An "uncertain tax treatment" is a tax treatment for which there is uncertainty as to whether the relevant tax authority will accept the tax treatment under tax legislation.

If the Group concludes that it is likely that the tax authorities will accept an uncertain tax position, all items relating to taxes (taxable income, tax bases, tax rates, tax loss carry-forwards, tax credits, taxes) will be determined in accordance with this position.

If the Group concludes that acceptance by the tax authorities is not likely, this uncertainty will be included in the calculation of the items relating to taxes and will result in the recognition of a tax liability.

For the financial year ended on 31 August 2021, this tax liability was recognised as deferred tax.

Other non-current operating income and expenses

Other non-current operating income and other non-current operating expenses are defined as being limited in number, clearly identifiable, unusual, and having a significant impact on the consolidated results, meaning that they affect the understanding of the Group's current performance.

The classification applies to the significant items of income and expenses that are unusual in terms of nature and frequency such as certain expenses related to restructuring costs approved by management, consolidation costs related to business combinations, and certain capital gains or losses related to changes in the scope of consolidation and, at 31 August 2021, to non-current income and expenses directly related to the Strasbourg incident.

Acquisition costs included in non-current operating expenses correspond in particular to acquisition costs relating to consulting and due diligence costs.

4. Notes to the consolidated financial statements

4.1 Segment reporting

In accordance with IFRS 8 “Segment reporting”, the Group has identified three operating segments: Private Cloud, Public Cloud and Webcloud & Other. Segment information is presented by activity, compliant with the Group’s internal reporting structure.

Presentation

Private Cloud

The Private Cloud offers services and solutions that are hosted on resources dedicated to customers. This service offer mainly consists of:

- **Baremetal:** dedicated solution administered entirely by the customer according to their needs and without constraints because they are the only user. The uses of a Baremetal solution are multiple: big data, machine learning, hosting of websites and web applications, storage and back-up, infrastructure virtualisation, server clusters, business applications (CRM, ERP) or online game hosting;
- **Hosted Private Cloud:** dedicated solution managed by OVHcloud group, integrating VMWare virtualisation technology. The Hosted Private Cloud offer is particularly suitable for hosting strategic sensitive data such as health or financial data.

Public Cloud

The Public Cloud is a range of cloud solutions that are billed per use, based on open standards (OpenStack, Kubernetes). Resources, such as computing power or storage, as well as the physical infrastructure that provides them, are pooled, meaning they are shared between the users of the cloud services provider, and are flexible, meaning adaptable to customer needs and instantly deployable on a large scale. These solutions are typically used for applications that can experience peaks in demand such as e-commerce, and heavily-demanding applications such as video streaming, music streaming or application testing and development.

Webcloud & Other

OVHcloud offers its customers peripheral solutions allowing the creation and hosting of online websites such as the search and renewal of domain names, the creation of a site or an online store. OVHcloud also offers collaboration solutions such as professional messaging, telecommunication and texting.

This segment also includes on a residual basis, various non-significant activities, including the holding of events (and the wind farm for the 2020 financial year).

This segmentation reflects the internal reporting as submitted to the Group’s Chief Executive Officer, OVHcloud group’s main operational decision-maker. The implementation of this monitoring tool makes it possible to assess the performance of the operating segments and to decide on the allocation of resources, in particular investments.

Key performance indicators

The Group uses the following aggregates to assess the performance of the operating segments presented:

Revenue: as presented in the consolidated financial statements.

Direct costs: Direct costs include all costs directly or indirectly related to the products sold. These are mainly the costs of raw materials, energy, labour costs, transport and licence costs. This aggregate is tracked before depreciation charges.

Gross margin: Gross margin corresponds to revenue less direct costs. This aggregate is tracked before depreciation charges.

Sales and marketing costs: Sales and marketing costs include all direct and indirect costs related to sales and marketing activities, which are mainly personnel and marketing sub-contracting expenses. This aggregate is tracked before depreciation charges.

General and administrative expenses: General and administrative expenses include all expenses related to general management, finance and accounting, IT, legal, HR, and technical activities. This aggregate is tracked before depreciation charges.

Current EBITDA: This performance monitoring indicator, as presented in the consolidated financial statements, also corresponds to Revenue less Direct costs, Sales and marketing costs and General and administrative costs.

Capital expenditures (excluding corporate acquisitions): corresponding to acquisitions of tangible assets and the Group's capitalised project costs (net cash flows from investing activities excluding business acquisitions net of cash acquired).

In addition, the Group does not monitor any indicator of segment liabilities as financial debt is managed centrally and not at the three reporting segments levels.

<i>(in thousand euros)</i>	Private Cloud	Public Cloud	Webcloud & Other	Total 2021
Revenue	397,560	94,352	171,400	663,312
Direct costs	(121,809)	(33,944)	(75,621)	(231,374)
Gross margin	275,751	60,407	95,779	431,937
Sales and marketing costs	(46,640)	(10,496)	(13,093)	(70,228)
General and administrative costs	(84,200)	(16,081)	(21,398)	(121,679)
Current EBITDA	144,911	33,831	61,289	240,030
Capital expenditure (excluding business combination)	(273,197)	(57,076)	(22,257)	(352,531)

<i>(in thousand euros)</i>	Private Cloud	Public Cloud	Webcloud & Other	Total 2020
Revenue	389,079	82,304	160,733	632,116
Direct costs	(117,932)	(31,631)	(72,536)	(222,099)
Gross margin	271,147	50,673	88,197	410,017
Sales and marketing costs	(38,921)	(7,672)	(10,359)	(56,952)
General and administrative costs	(70,097)	(11,285)	(16,719)	(98,101)
Current EBITDA	162,129	31,716	61,119	254,964
Capital expenditure (excluding business combination)	(218,706)	(42,351)	(14,928)	(275,985)

Non-current assets are broken down as follows in the main countries in which the Group operates:

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
France	717,952	572,899
Canada	93,633	103,792
North America	107,514	94,613
Other countries	111,159	118,402
Total	1,030,258	889,706

Non-current assets mainly include property, plant and equipment and intangible assets. It is mainly composed of servers that are most often shared and managed according to the needs of customers, the specificities of the services

provided to them, and not the location of this equipment. Thus, there is no correlation in a given country between the amount of fixed assets and the level of revenue or current EBITDA.

4.2 Adjusted EBITDA

In addition to the current EBITDA, the Group follows the Adjusted EBITDA. This alternative performance indicator corresponds to the current EBITDA restated on the one hand from expenses related to share-based payments and, on the other hand, from additional purchase prices. Indeed, the Group considers these charges do not reflect its current operational performance, particularly equity-settled compensation plans since they do not directly impact cash.

Reconciliation between Current EBITDA and Adjusted EBITDA

<i>(in thousand euros)</i>	2021	2020
Current EBITDA	240,030	254,964
Equity-settled and cash-settled compensation plans	20,998	8,182
Earn out compensation	945	-
Adjusted EBITDA	261,972	263,146

4.3 Revenue

Geographic markets

The revenue presented by geographic area corresponds to the residential revenue of customers (customers' main place of residence).

<i>(in thousand euros)</i>	2021	2020
France	342,582	328,610
Europe (excluding France)	192,579	179,917
Rest of the world	128,150	123,589
Total	663,312	632,116

Revenue by product

<i>(in thousand euros)</i>	2021	2020
Baremetal	310,844	287,552
Hosted Private Cloud	86,716	101,527
Private Cloud	397,560	389,079
Public Cloud	94,352	82,304
Webcloud & Other	171,400	160,733
Total	663,312	632,116

Almost all activities of the Private Cloud operating segment correspond to revenue from leases under IFRS 16 "Leases". Other services, outside the Private Cloud operating segment fall within the scope of IFRS 15 "Revenue from contracts with customers".

4.4 Personnel expenses

<i>(in thousand euros)</i>	2021	2020
Wages and salaries	(110,460)	(102,036)
Social charges	(42,300)	(40,610)
Share-based payments	(20,998)	(8,182)
Employee profit sharing	(303)	(588)
Pension cost - defined benefit pension plans	(314)	(470)
Tax credits relating to personnel expenses	1,898	1,314
Personnel expenses	(172,477)	(150,572)

Share-based payments have increased compared to financial year 2020, due in particular to the acceleration of the service condition, the change in the estimate of the probable number of instruments actually acquired and, more specifically regarding phantom shares, the revaluation of the historical plans, all of which take into consideration the probability of completion of the IPO on 31 August 2021.

The Group's average headcount is broken down as follows over the following periods:

	2021	2020
France	1,695	1,457
EMEA (excluding France) ⁽¹⁾	326	323
North America	348	301
Others	75	72
Total	2,444	2,153

⁽¹⁾ Europe Middle-East and Africa

4.5 Operating expenses

<i>(in thousand euros)</i>	2021	2020
Purchases consumed	(145,576)	(135,358)
External expenses	(90,769)	(81,709)
Taxes and duties	(7,636)	(6,835)
Impairment of trade receivables and other current assets and other provisions	(6,824)	(2,677)
Operating expenses	(250,805)	(226,579)

The item "Purchases consumed" mainly includes purchases of supplies or services, licenses, and available domain names for customers, as well as energy costs.

The breakdown of external expenses is as follows:

<i>(in thousand euros)</i>	2021	2020
Subcontracting	(7,099)	(6,371)
Rental expenses	(18,734)	(19,645)
Maintenance	(11,927)	(11,879)
Fees	(19,763)	(14,756)
Advertising	(13,644)	(9,859)
Travel costs and expenses	(6,239)	(5,157)
Bank fees	(6,942)	(6,533)
Insurance premiums	(2,236)	(1,619)
Postal charges	(1,142)	(1,062)
Other external expenses	(3,042)	(4,830)
External expenses	(90,769)	(81,709)

Lease expenses, included in “external expenses” which decreased from 19.6 million euros over the period ended 31 August 2020 to 18.7 million euros over the period ended 31 August 2021, represent the portion of lease rentals not restated in accordance with IFRS 16 “Leases” (services portion included in the lease rental cost, low-value assets and/or assets with a lease term of less than 12 months and for which OVHcloud can rapidly disengage without financial or economic constraints).

4.6 Depreciation and amortisation expenses

<i>(in thousand euros)</i>	2021	2020
Amortisation of intangible assets	(9,978)	(3,154)
Amortisation of rights-of-use	(18,673)	(22,339)
Depreciation of property, plant and equipment	(195,391)	(190,131)
Depreciation and amortisation expenses	(224,042)	(215,624)

The increase in amortisation of intangible assets is mainly due to the commissioning of capitalised development projects for the financial years ended on 31 August 2021 and 31 August 2020.

4.7 Other non-current operating income and expenses

<i>(in thousand euros)</i>	2021	2020
Other non-current operating income	-	24
Claim costs	(56,748)	-
Lump-sum insurance indemnity	58,000	-
Equity transactions costs	(8,121)	(1,008)
Acquisition costs	(916)	(764)
Disposal costs	(730)	-
Other income / (expenses)	(963)	(7,000)
Other non-current operating expenses	(9,478)	(8,772)
Other non-current operating income and expenses	(9,478)	(8,748)

Acquisition-related costs mainly correspond to acquisition costs of BuyDRM (a company specialised in digital rights management and content protection acquired in July 2021), the residual acquisition costs of OpenIO (acquired in July 2020) and Exten (acquired in August 2020) incurred in the 2021 financial year.

Costs related to capital transactions correspond to the costs incurred by the Group in connection with the proposed IPO (mainly legal and advisory fees) over the 2021 and 2020 financial years.

“Incident claims” correspond to the direct costs resulting from the fire that broke out in Strasbourg and to the provision for expert evaluation and procedural costs. This provision equally covers potential claims for damages to be paid filed by certain customers, as well as the scrapping of property, plant and equipment, which is offset by the commitment to pay a single lump sum indemnity by the insurance companies for damage caused by the fire (see Notes 2 and 3).

Other expenses for the 2021 financial year mainly consist of capital losses on disposals of property, plant and equipment.

4.8 Financial result

<i>(in thousand euros)</i>	2021	2020
Interest expenses	(30,267)	(23,530)
Cost of financial debt	(30,267)	(23,530)
Foreign exchange gains	12,679	14,027
Interest income	220	124
Other financial income	12,899	14,151
Foreign exchange losses	(9,924)	(21,172)
Other interest expenses	(1,321)	(601)
Other financial expenses	(11,245)	(21,773)
Financial result	(28,613)	(31,152)

Financial income includes the cost of financial debt, income from cash management and other financial income and expenses (including foreign exchange gains and losses and bank fees).

Foreign exchange gains and losses mainly relate to positions in US Dollars.

The cost of financial debt includes interest expenses related to borrowings and financial debts, and interest charges related to lease liabilities. Given that the closing date is close to the date of the IPO, the Group considered that the completion of the initial public offering was highly probable as at 31 August 2021. Accordingly, the Group considers that the existing debt will be repaid in the near future, and as such, has accounted an expense of 8.7 million euros related to the unamortized fees (1.1 million euros as of 31 August 2020). The increase in interest expenses over the twelve-month period ended on 31 August 2021 is also due to the additional use of the Revolving Credit Facility (hereinafter, “RCF”).

4.9 Income tax

The main components of the income tax expense for the financial years ended 31 August 2021 and 2020 are as follows:

Consolidated income

<i>(in thousand euros)</i>	2021	2020
Current taxes	(4,703)	(5,431)
- On income	(2,426)	(490)
- On French company added value contribution (CVAE)	(2,277)	(4,941)
Deferred taxes	(5,537)	(5,315)
(Expense)/Income tax recognised in the income statement	(10,240)	(10,746)

Other consolidated comprehensive income recorded in equity

<i>(in thousand euros)</i>	2021	2020
Deferred tax on changes in the fair value of cash flow hedges	(873)	921
Deferred tax on revaluation of the liability for defined benefit plans (actuarial gains and losses)	39	50
(Expense)/Income tax recognised in other consolidated comprehensive income	(834)	971

Statement of financial position variations

In the consolidated statement of financial position, changes in net deferred taxes were as follows:

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
<i>Deferred tax assets</i>	11,431	12,428
<i>Deferred tax liabilities</i>	(10,961)	(12,147)
At 1 September	470	281
Recognised in the income statement	(5,537)	(5,315)
Recognised in the comprehensive income statement (equity)	(834)	971
Business combinations	-	(315)
Transfers	(438)	-
Other movements	(322)	1,338
Translation adjustments	(425)	3,510
At 31 August	(7,086)	470
<i>Deferred tax assets</i>	7,058	11,431
<i>Deferred tax liabilities</i>	(14,144)	(10,961)

Net deferred taxes by nature of temporary differences

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Fixed assets revalued in the context of business combinations	-	908
Leases	883	572
Tax losses carried forward	6,276	6,179
Defined benefit obligations	553	848
Revaluation of financial instruments including derivatives	30	888
Non-deductible provisions	3,852	-
Depreciation differences	1,169	3,776
Other temporary differences	2,906	1,866
Netting of deferred taxes	(8,612)	(3,606)
Deferred tax assets	7,058	11,431

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Fixed assets revalued in the context of business combinations	1,419	1,202
Depreciation and amortisation (differences in amortisation rates)	13,261	10,652
Insurance indemnity on claim (spreading) (1)	6,731	-
Tax risks	1,023	-
Other temporary differences	322	2,713
Netting of deferred taxes	(8,612)	(3,606)
Deferred tax liabilities	14,144	10,961

(1) Provision of the French General Tax Code relative to spreading of insurance indemnity

The Group only activates its tax loss carry-forwards within the tax consolidation scope of France. On the basis of the profits generated over the last three financial years (financial years 2018 to 2020), the Group estimates that it will be able to use up its tax loss carry-forwards within approximately five years.

The health crisis has no significant impact on the result for the year nor on the outlook for tax loss carry-forwards.

Reconciliation of the tax expense for the 2021 and 2020 financial years

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Pre-tax income	(22,104)	(561)
Tax rate in France	32.02%	31.00%
Theoretical tax income/(expense)	7,078	174
Differences in tax rates between countries	(206)	(1,916)
Reconciliation with the effective rate:	(17,112)	(9,004)
Net impact of permanent differences	(5,662)	(4,578)
Recognition of deferred tax assets on tax loss carryforwards arising in previous years	822	-
Unrecognised deferred tax assets on temporary differences and tax loss carryforwards	(9,018)	(2,770)
Tax credits	891	922
French company added value contribution (CVAE)	(1,548)	(3,417)
Other items	(2,597)	840
Effective tax income/(expense)	(10,240)	(10,746)

At 31 August 2021, tax losses not recognised as deferred tax assets mainly relate to the United States for an amount of 114 million euros (93 million euros at 31 August 2020). In the United States, tax losses can be carried forward for twenty years from the date they are recognised.

4.10 Intangible assets

Goodwill

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
GROSS VALUES		
At opening	22,579	1,883
Increases	12,902	20,758
Changes in scope	(493)	
Translation adjustments	148	(62)
At closing	35,136	22,579
DEPRECIATIONS		
At 1 September	(1,793)	(1,883)
Impairment	-	-
Changes in scope	493	
Translation adjustments	-	90
At closing	(1,300)	(1,793)
NET BOOK VALUES	33,836	20,786

At 31 August 2021, the gross value of goodwill comprises the following elements: BuyDRM, a company acquired in 2021 for 13 million euros; OpenIO for 18.5 million euros, and Exten for 3.6 million euros, both being companies acquired in 2020.

Acquisition of BuyDRM

On 22 July 2021, OVH Groupe S.A. acquired BuyDRM, an American company that offers a secure content delivery platform with DRM and encryption for a consideration transferred of 12.8 million euros.

The temporary calculation of goodwill breaks down as follows:

<i>(in thousand euros)</i>	31 August 2021
Consideration paid in cash	12,791
Other non-current and current assets	237
Cash and cash equivalents	92
Current debts and liabilities	440
Net assets acquired	(111)
Provisional goodwill	12,902

Goodwill will be allocated during the financial year ended on 31 August 2022.

Other intangible assets

<i>(in thousand euros)</i>	Capitalised development costs	Franchises/patents /similar rights	Other intangible assets	Total
GROSS VALUES				
1 September 2019	6,955	12,636	40,609	60,200
Increases	202	4,931	40,707	45,840
Decreases	-	(586)	-	(586)
Changes in scope	(761)	4,700	559	4,498
Transfers	9,177	(3,533)	(2,890)	2,754
Translation adjustments	-	(238)	(1,092)	(1,330)
31 August 2020	15,572	17,910	77,893	111,376
Increases	-	332	67,433	67,765
Decreases	(400)	-	-	(400)
Changes in scope	(3,378)	(576)	-	(3,954)
Transfers	53,015	8,297	(60,288)	1,024
Translation adjustments	-	127	145	272
31 August 2021	64,810	26,090	85,184	176,084
AMORTISATION				
1 September 2019	(1,875)	(7,519)	(10,303)	(19,698)
Amortisations and impairments	(2,734)	(794)	(118)	(3,646)
Reversals	-	-	549	549
Decreases	-	586	-	586
Changes in scope	410	-	-	410
Transfers	267	(274)	(6,288)	(6,295)
Translation adjustments	-	-	1,047	1,047
31 August 2020	(3,932)	(8,002)	(15,113)	(27,047)
Amortisations and impairments	(6,782)	(3,267)	(40)	(10,089)
Changes of scope	3,495	574	-	4,069
Transfers	(1,172)	(45)	80	(1,137)
Translation adjustments	-	(1)	(140)	(141)
31 August 2021	(8,391)	(10,741)	(15,212)	(34,345)
NET BOOK VALUES				
1 September 2019	5,080	5,117	30,306	40,502
31 August 2020	11,640	9,908	62,780	84,329
31 August 2021	56,419	15,349	69,972	141,739

In financial year 2021, OVHcloud total research and development expenses amount to 76 million euros and include 58.9 million euros of capitalised costs (for reminder, 39.5 million euros at 31 August 2020). These capitalised costs which meet the criteria of IAS 38 “Intangible Assets” (see Note 3), are fundamental for the development, manufacture, implementation and marketing of new or continuously improving technologies and software.

Of the capitalised costs, 27.8 million euros correspond to internal costs (personnel costs) (16.1 million euros at 31 August 2020), and 31.1 million euros for external costs (software, services) (23.4 million euros at 31 August 2020).

Internal capitalised costs mainly include IT systems overhaul projects for 13.1 million euros (5.2 million euros at 31 August 2020) and projects to develop new services for customers for 14.7 million euros (10.8 million euros at 31 August 2020).

OVH S.A.S acquired the entity OpenIO on 22 July 2020: the total net intangible assets of this acquisition amounted to 4.7 million euros and consisted of software. This company was merged into OVH S.A.S. during the 2021 financial year.

4.11 Property, plant and equipment (fixed assets)

<i>(in thousand euros)</i>	Land	Buildings and fixtures and fittings	Infrastructure equipment, facilities, industrial plant and equipment	IT equipment	Other property, plant and equipment	Leases - Rights-of-use	Property, plant and equipment under construction	Total
GROSS VALUES								
1 September 2019	6,950	51,876	161,096	900,303	223,942	109,208	97,638	1,551,014
Increases	-	2,830	16,371	174,565	14,854	7,017	44,122	259,759
Decreases	-	-	(7,013)	(163,003)	(6)	(10,866)	(2,616)	(183,504)
Changes in scope	-	-	-	15	6	-	-	21
Transfers	-	64	(2,645)	9,082	4,641	-	(17,601)	(6,459)
Translation adjustments	(332)	(1,545)	(4,796)	(11,922)	(2,131)	(1,607)	(1,497)	(23,830)
31 August 2020	6,618	53,225	163,012	909,041	241,306	103,753	120,046	1,597,001
Increases	-	3,308	18,589	173,550	230	14,579	82,298	292,553
Decreases	-	(3,720)	(6,377)	(216,215)	(6,764)	(23,428)	(5,941)	(262,445)
Changes in scope	-	(1,765)	(13,368)	(13)	(498)	(191)	(3)	(15,838)
Transfers	-	1,401	78,350	17,094	(13,170)	(2,979)	(50,495)	30,201
Other movements	1	-	-	1	(138)	3,798	1	3,663
Translation adjustments	44	683	5,075	5,093	270	450	634	12,249
31 August 2021	6,663	53,132	245,281	888,551	221,236	95,982	146,540	1,657,384
AMORTISATION								
1 September 2019	-	(12,877)	(55,658)	(518,022)	(162,174)	(39,380)	(12,822)	(800,932)
Amortisations and impairments	-	(3,422)	(20,282)	(158,944)	(7,194)	(22,339)	(652)	(212,833)
Reversals	-	-	-	13	-	-	2,571	2,584
Decreases	-	-	7,013	154,886	5	10,866	-	172,770
Changes of scope	-	-	-	(41)	26	-	-	(15)
Transfers	-	-	5	2,989	(6)	-	-	2,988
Translation adjustments	-	304	2,061	5,977	258	1,001	19	9,620
31 August 2020	-	(15,994)	(66,862)	(513,143)	(169,085)	(49,851)	(10,885)	(825,818)
Amortisations and impairments	(183)	(3,299)	(28,569)	(154,104)	(5,561)	(18,689)	(7,843)	(218,248)
Reversals	-	-	529	302	-	-	1,053	1,884
Decreases	-	2,842	4,453	220,169	3,869	23,091	-	254,424
Changes in scope	-	1,364	12,819	17	450	129	-	14,779
Transfers	(509)	777	(27,430)	(15,945)	5,968	1,864	5,474	(29,801)
Other movements	-	(1)	-	1	138	(2,964)	(1)	(2,827)
Translation adjustments	-	(125)	(2,271)	(2,672)	(14)	(285)	(86)	(5,453)
31 August 2021	(692)	(14,436)	(107,331)	(465,375)	(164,235)	(46,705)	(12,287)	(811,060)
NET BOOK VALUES								
1 September 2019	6,950	38,999	105,438	382,281	61,768	69,828	84,816	750,082
31 August 2020	6,618	37,231	96,150	395,898	72,221	53,902	109,161	771,183
31 August 2021	5,971	38,696	137,950	423,176	57,001	49,277	134,253	846,324

Land and buildings

Land and buildings with a book value of 44.7 million euros in 2021 (2020: 43.9 million euros) are mainly carried by data centres and lands related.

Infrastructure equipment, facilities, industrial plant and equipment and IT equipment

Machinery, equipment, and computer hardware, with a net book value of 560.3 million euros in 2021 (2020: 492.1 million euros) are mainly composed of IT servers.

Other property, plant, and equipment

Other property, plant, and equipment with a net book value of 57 million euros (2020: 72.2 million euros) are mainly composed of fittings carried out at OVH S.A.S.

Right-of-use under leases

Information on leases is presented in Note 4.23.

Property, plant, and equipment under construction

Property, plant, and equipment under construction mainly represents production costs for servers and networks, and the fitting-out of buildings.

4.12 Impairment test on goodwill, fixed and intangible assets

The CGUs correspond to Baremetal and Hosted Private Cloud (within the Private Cloud operating segment), and Public Cloud and Webcloud & Other operating segments. Goodwill is only allocated to the Public Cloud CGU.

The recoverable amount of the CGUs was established on the basis of the value in use and does not show any impairment.

Impairment tests conducted during the 2021 financial year:

The impacts of the Strasbourg incident (see Note 2), which affect all of the Group's CGUs, constitute an impairment indication from the point of view of IAS 36 "Impairment of assets". In this respect, the Group performed an impairment test as part of the financial statements closed on 31 May 2021. The medium-term plan used was revised to consider the impacts of the Strasbourg incident, applied over the five years of the plan. This plan was prepared by the Group's management. There has been no indication of impairment since 31 May 2021.

However, the Company updated the net asset value of each CGU tested at 31 August 2021, while maintaining the operating and financial assumptions of the 31 May 2021 model.

The Group carried out an analysis of the sensitivity of the impairment tests to the main assumptions used in order to determine the recoverable amount of each CGU, namely the discount rate, the perpetual growth rate and the projected cash flows. For the nine-month period ended 31 May 2021, and for each CGU, an applied increase in the discount rate of one percentage point, a decrease in the perpetual growth rate of half a percentage point, and a decrease in cash flows of 10% would not lead for each or any of these variations taken individually or cumulatively, to any impairment on each of the four CGUs.

4.13 Non-current financial assets

<i>(in thousand euros)</i>	Shares in non-consolidated companies	Loans and sureties	Total
GROSS VALUES			
1 September 2019	99	1,232	1,331
Disposals/Decreases	-	(5)	(5)
Changes in scope	22	-	22
Transfers	-	(9)	(9)
Other movements	(22)	1	(21)
Translation adjustments	-	(5)	(5)
31 August 2020	99	1,214	1,313
Disposals/Decreases	-	(225)	(225)
Transfers	-	235	235
Translation adjustments	-	12	12
31 August 2021	99	1,236	1,335
DEPRECIATIONS			
1 September 2019	(31)		(31)
31 August 2020	(33)		(33)
31 August 2021	(32)		(32)
NET BOOK VALUES			
1 September 2019	68	1,232	1,300
31 August 2020	66	1,214	1,280
31 August 2021	67	1,236	1,303

During the financial year ended 31 August 2021, Hubic SAS (now Shadow) benefited from a partial contribution of assets. The securities held were then sold by the Group for 0.5 million euros to Jezby Ventures SAS.

Loans, securities, and other financial assets correspond to deposits and guarantees paid in connection with the leases of operating properties.

4.14 Receivables

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Trade receivables	54,625	43,562
Impairment of trade receivables	(24,799)	(19,666)
Contract assets	5,655	1,467
Receivables	35,481	25,363

Changes in the impairment of trade receivables is as follows:

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
At 1 September	(19,666)	(16,069)
Provisions	(5,326)	(7,333)
Reversals	371	3,581
Other changes	(42)	-
Translation adjustments	(136)	155
At 31 August	(24,799)	(19,666)

The age of the receivables is as follows:

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Net trade receivables	35,481	25,363
Not past due	26,723	17,041
< 30 days	4,932	4,409
> 30 days and < 90 days	2,894	3,043
> 90 days	932	870

4.15 Other receivables and current assets

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Loans and securities	294	436
Advances to suppliers	9,816	5,997
Tax receivables (excluding current tax)	35,416	23,682
Prepaid expenses	26,825	9,042
Other receivables	59,608	4,228
Other receivables and current assets	131,959	43,385

The change in other receivables and current assets between 31 August 2021 and 31 August 2020 is mainly due to the granting by insurance companies of a single lump-sum indemnity for the damage caused by the fire at the Strasbourg site for an amount of 58 million euros. This lump-sum indemnity was totally cashed by OVH SAS, in September 2021.

Changes in receivables and other receivables are explained below:

<i>(in thousand euros)</i>	Trade receivables	Other receivables	Others	Total
31 August 2020	25,363	42,949	436	68,748
Translation adjustments	1,062	138	(5)	1,195
Changes in scope	55	(37)	-	18
Other changes (transfers)	(3,212)	819	(157)	(2,550)
Changes in net operating receivables and other receivables	12,214	87,795		100,009
Change in loans and advances granted			19	19
31 August 2021	35,481	131,664	294	167,439

4.16 Capital

NUMBER OF SHARES (<i>in thousands</i>)	Ordinary shares	A preference shares	Total
1 September 2019	134,272	33,976	168,248
Increases / (Decreases)	1,734	(6,008)	(4,274)
31 August 2020	136,006	27,968	163,974
Increases / (Decreases)	372	-	372
31 August 2021	136,378	27,968	164,346

(<i>in thousand euros</i>)	Ordinary shares	A preference shares	Total share capital	Share premiums	Total
1 September 2019	134,272	41,791	176,063	238,186	414,249
Increases / (Decreases)	1,734	(7,390)	(5,656)	(144,344)	(150,000)
31 August 2020	136,006	34,401	170,407	93,842	264,249
Increases / (Decreases)	372	-	372	(372)	-
31 August 2021	136,378	34,401	170,779	93,470	264,249

At 31 August 2021, the share capital was composed of ordinary shares with a par value of 1 euro and two categories of preference shares (A and C) with a par value of 1.23 euro for A preference shares and of 1 euro for C preference shares. The share capital has been issued and fully paid up.

At 31 August 2021, the share capital amounted to 170.8 million euros and consisted of 136,378,003 ordinary shares, 27,968,123 A preference shares and two C preference shares.

At 31 August 2021, the Group's share capital was 79% held by the founder's family, 17% by investment funds and 4% by some Group employees as part of a share allocation plan.

It should be noted that the number of shares considered to determine earnings per share ((0.19) euros at 31 August 2021 and (0.07) euros at 31 August 2020) takes into account retrospectively on 31 August 2020, the A Preference shares conversion into Ordinary Company Shares (5.267.621 shares).

Capital increases and decreases

The variations later than 31 August 2021 are detailed in Note 2.

For the financial year ended 31 August 2021, the following transactions were carried out by decision of the shareholders:

- Capital increase of 372 thousand euros on 22 July 2021 through the incorporation of share issue premiums via the issue of 371,932 ordinary shares.

For the financial year ended 31 August 2020, the following transactions were carried out by decision of the shareholders:

- Capital increase of 1.7 million euros through the incorporation of share issue premiums via the issue of 1,733,799 ordinary shares;
- On 7 October 2019, by decision of the General Meeting of Shareholders, a capital increase with a par amount of 316 thousand euros through the incorporation of share issue premiums was carried out via the issue of 257,021 A preference shares with a par value of €1.23 each;
- Capital reduction of 7.7 million euros corresponding to 6,265,036 A preference shares with a par value of €1.23 each. The total amount of the share buyback amounted to 150 million euros, and the portion exceeding the nominal value was charged to the share issue premiums for 142.3 million euros.

Preference shares

A preference shares

- Governance rights: each A preference share gave the right to one vote in the collective decisions of the Group's shareholders (General Meetings);
- Economic rights: each A preference share gave the right to a special dividend each year under certain conditions provided in OVHcloud group's Articles of Association, but did not give the right to the ordinary dividend payable in respect of ordinary shares.

C preference shares

- Governance rights: C preference shares did not give voting rights in the collective decisions of the Group's shareholders, but the holding of C preference shares gave the right to implement the reversal of governance provided for in the OVHcloud group Articles of Association and specified in the shareholders' agreement;
- Economic rights: C preference shares did not confer any economic rights other than the right to receive reimbursement of their subscription price.

All A preference shares, and all C preference shares were converted into ordinary Company shares on 14 October 2021, date of the settlement-delivery of the shares in connection with the admission to trading of the Company's shares on the Euronext Paris regulated market.

Dividend

The Group did not declare or pay any dividend during the financial years ended 31 August 2021 and 2020.

4.17 Net debt

Net Cash Position

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Term deposits	-	18,000
Cash at bank	53,610	72,838
Cash and cash equivalents	53,610	90,838

Net debt

Net debt includes all current and non-current financial debt, less cash and cash equivalents.

The table below shows changes in net debt:

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Non-current financial debt	639,583	579,711
Current financial debt	69,760	30,528
Gross financial debt (excluding lease liabilities)	709,343	610,239
Cash and cash equivalents	(53,610)	(90,838)
Net debt	655,733	519,401
Lease liabilities	52,898	56,158
Net debt (including lease liabilities)	708,631	575,559

Financing agreements include voluntary early repayment clauses for the Group. Counterparties may only require early repayment in the event of a change of control.

At 31 August 2021, a balance of 66 million euros remained available on the Revolving Credit Facility (hereafter Revolving Credit Facility “RCF”).

Group debt structure

Bond issues

In 2014, the Group issued three bonds for a total amount of 87 million euros to refinance maturing debts:

- Bond A amounted to 20 million euros with a fixed rate of 3.11% and was repaid at its nominal value upon maturity on 17 December 2020.
- Bond B amounts to 57 million euros with a fixed rate of 4% (and a repayment date initially scheduled for 17 November 2021).
- Bond C amounts to 10 million euros with a fixed rate of 4.125% (and a repayment date initially scheduled for 27 May 2022).

Syndicated bank loans (revolving credit facility and term facility)

In December 2019, the Group entered into a syndicated loan with several banks in order to extend the maturity of the previous syndicated loan and increase the amount borrowed to finance its operating activities. This new syndicated financing includes, under the same documentation, a term loan of 400 million euros maturing in December 2026 placed with institutional investors and a revolving multi-currency credit facility (RCF) with a maximum capacity of 300 million euros maturing in December 2025 with a group of banks. This transaction was recognised as an extinguishment of liabilities with the setting up of a new debt and resulted in the recognition of a financial expense of 3.4 million euros for the 2020 financial year.

If the level of RCF drawdown less available cash reaches at least 120 million euros, the syndicated loan becomes subject to compliance with a net debt/EBITDA ratio of 4.5x.

This syndicated loan was subject to bank covenants in respect of the RCF loans. These were met as of 31 August 2021 and 2020.

On 13 July 2021, OVHcloud received a commitment from a pool of banks for an unsecured refinancing of 920 million euros, planned after the IPO of 15 October 2021. The credit lines were fully confirmed and the contracts with banks signed before the OVHcloud IPO. The Group decided to proceed with this refinancing, motivated by good market conditions and its credit profile in connection with the IPO.

The facilities include a term loan (the “New Term Loan”) in the amount of 500 million euros and a revolving credit facility (the “New Revolving Credit Facility”) in the amount of 420 million euros. These facilities are used to repay in full the amounts due under the Existing Loan Agreement at the date on which the facilities are drawn down, and the remaining Euro PP bonds, representing a repayment of 705.2 million euros.

As a result, in the event of an IPO, this refinancing could be analysed as an early extinguishment of debt.

The progress of the IPO project at 31 August 2021, and the resulting probability of refinancing and therefore the extinction of the historic debt led to the following effects:

- The recognition of 8.7 million euros expense related to the borrowing costs of the historic debt;
- The recognition of the early repayment penalty of 0.3 million euros.

As the Group still has a contractual right not to prepay the existing debt, the maturity of the latter, which is scheduled to be refinanced, is maintained at 31 August 2021.

Term loan and advances (BPI)

In October 2014, BPI granted the Group two loans (term loan A and term loan B) for a total amount of 7 million euros. Term loan A amounts to 5 million euros with a maturity of ten years and a fixed rate of 4.21%. This loan was refinanced in June 2021 with a green loan of 5 million euros with BPI France, with an interest rate of 0.98%, repayable in 20 quarterly instalments between 30 September 2023 and 30 June 2028. The term loan B, for an initial amount of 2 million euros with a maturity of seven years and a fixed rate of 0.96%, will mature on 31 October 2021.

Breakdown of financial debt

(in thousand euros)	Type of facility	Notional or maximum amount	Interest rate	Final maturity	Non-current	Current	Total 31 August 2021
Bond B	Maturity	57,000	4%	17/11/2021	-	58,793	58,793
Bond C	Maturity	10,000	4.13%	27/05/2022	-	10,324	10,324
Term facility	Maturity	400,000	IBOR + margin	04/12/2026	400,253	59	400,312
Revolving credit facility	Revolving	300,000	IBOR + margin	04/12/2025	234,000	37	234,037
Term loan B (BPI loan)	Straight-line	530	0.96%	31/10/2021-31/03/2026	330	200	530
Green loan (BPI loan)	Straight-line	5,000	0.98%	30/06/2028	5,000	8	5,008
Bank overdrafts					-	338	338
Total financial debt ⁽¹⁾					639,583	69,760	709,343

(1) All financial debts are labelled in euros.

Changes in financial debt

Bond issues

In financial year ended 31 August 2021, the euro PP 2020 bond was fully redeemed for a nominal amount of 20 million euros.

Syndicated bank loans (revolving credit facility and term facility)

In financial year ended 31 August 2020, the Group repaid the balance of syndicated bank loans concluded in 2017 for an amount of 227 million euros (207 million euros relating to the revolving credit facility and 20 million euros relating to the term loan) and used the new syndicated bank loans signed in 2019 in the amount of 519 million euros (119 million euros for the revolving credit facility and 400 million euros for the term loan).

In financial year ended 31 August 2021, the Group used the syndicated bank loans signed in 2019 and an additional amount of 115 million euros for the revolving credit facility.

Changes in financial debt in 2021 and 2020 are as follows:

<i>(in thousand euros)</i>	31 August 2020	Loan issues	Loan repayments	Amortisation of borrowing costs	Interest paid	Accrued interest	Discount effects	Change in bank overdrafts	Translation adjustments	Transfers and other movements	31 August 2021
Bond issues	66,910	-	-				90	-	-	(67,000)	-
Revolving credit facilities, term loans and other debt	512,801	120,000	(3,695)	8,874			-		(6)	1,609	639,583
Non-current financial debt	579,711	120,000	(3,695)	8,874	-	-	90	-	(6)	(65,391)	639,583
Lease liabilities	42,287	7,660	(543)				-		122	(11,465)	38,061
Non-current financial debt including lease liabilities	621,998	127,660	(4,238)	8,874	-	-	90	-	116	(76,856)	677,644
Bond issues	20,000	-	(20,000)				-	-	-	67,000	67,000
Revolving credit facilities, term loans and other debt	7,947	1	(1,948)				-	(4,043)	8	(1,403)	562
Interest on long-term borrowings	2,581				(20,675)	20,292				-	2,198
Current financial debt	30,528	1	(21,948)	-	(20,675)	20,292	-	(4,043)	8	65,597	69,760
Lease liabilities	13,871	6,942	(18,516)			1,210	-		61	11,269	14,837
Current financial debt including lease liabilities	44,399	6,943	(40,464)	-	(20,675)	21,502	-	(4,043)	69	76,866	84,597
Financial debt including lease liabilities	666,397	134,603	(44,702)	8,874	(20,675)	21,502	90	(4,043)	185	10	762,241
Of which financial debt	610,239	120,001	(25,643)	8,874	(20,675)	20,292	90	(4,043)	2	206	709,343
Of which lease liabilities	56,158	14,602	(19,059)	-	-	1,210	-	-	183	(196)	52,898

<i>(in thousand euros)</i>	31 August 2019	Loan issues	Loan repayments	Amortisation of borrowing costs	Interest paid	Accrued interest	Discount effects	Change in bank overdrafts	Translation adjustments	Transfers and other movements	31 August 2020
Bond issues	86,821	-	-				89	-	-	(20,000)	66,910
Revolving credit facilities, term loans and other debt	227,120	509,374	(226,644)				4,066	-	-	(1,115)	512,801
Non-current financial debt	313,941	509,374	(226,644)	-	-	-	4,155	-	-	(21,115)	579,711
Lease liabilities	51,729	4,520	(13,568)				-		(394)	-	42,287
Non-current financial debt including lease liabilities	365,670	513,894	(240,212)	-	-	-	4,155	-	(394)	(21,115)	621,998
Bond issues	-	-	(1,213)				-	-	-	21,213	20,000
Revolving credit facilities, term loans and other debt	4,727	49	(2,525)				-	2,821	(46)	2,921	7,947
Interest on long-term borrowings	2,366				(2,385)	2,581				19	2,581
Current financial debt	7,093	49	(3,738)	-	(2,385)	2,581	-	2,821	(46)	24,153	30,528
Lease liabilities	18,287	2,498	(8,073)		1,413		-		(254)	-	13,871
Current financial debt including lease liabilities	25,380	2,547	(11,811)	-	(972)	2,581	-	2,821	(300)	24,153	44,399
Financial debt including lease liabilities	391,050	516,441	(252,023)	-	(972)	2,581	4,155	2,821	(694)	3,038	666,397
Of which financial debt	321,034	509,423	(230,382)	-	(2,385)	2,581	4,155	2,821	(46)	3,038	610,239
Of which lease liabilities	70,016	7,018	(21,641)	-	1,413	-	-	-	(648)	-	56,158

4.18 Classification of financial instruments and fair value measurement

Financial assets and liabilities are classified as follows:

(in thousand euros)	Notes	Accounting category	Level in the fair value hierarchy	31 August 2021		31 August 2020	
				Total net book value	Fair value	Total net book value	Fair value
Loans and guarantees and other financial assets	2	Amortised cost	Level 2	1,236	1,236	1,518	1,518
Non-consolidated equity investments	3	Fair value through profit or loss	Level 3	67	67	57	57
Total non-current financial assets				1,303		1,575	
Trade and other receivables	1	Amortised cost		35,481	35,481	25,363	25,363
Current derivative financial assets		Fair value through profit or loss or hedging instrument	Level 2	140	140	121	121
Cash and cash equivalents	1	Amortised cost		53,610	53,610	90,838	90,838
Total current financial assets				89,231		116,321	
Total financial assets				90,534		117,896	
Financial debt (excluding lease liabilities)	5	Amortised cost	Level 2	639,584	639,584	579,710	580,068
Lease liabilities	4	Amortised cost		38,061	38,061	42,287	
Derivative financial instruments	6	Fair value through profit or loss or hedging instrument	Level 2	16,921	16,921	17,115	17,115
Total non-current financial liabilities				694,566		639,113	
Financial debt (excluding lease liabilities)	4	Amortised cost	Level 2	69,760	69,760	30,528	30,528
Lease liabilities	4	Amortised cost		14,837		13,871	
Accounts payable	1	Amortised cost		149,503	149,503	92,096	92,096
Derivative financial instruments	6	Fair value through profit or loss or hedging instrument	Level 2	174	174	3,291	3,291
Total current financial liabilities				234,274		139,787	
Total financial liabilities				928,840		778,899	

Note 1 - The net book value of non-derivative current financial assets and liabilities is considered as an approximation of their fair value.

Note 2 - The difference between the net book value and the fair value of loans and guarantees in non-current financial assets and security deposits in non-current financial liabilities is not considered significant.

Note 3 - The fair value of non-consolidated equity investments is not significant.

Note 4 - As permitted by IFRS, the fair value of the lease liability and its level in the fair value hierarchy is not provided.

Note 5 - The fair value of borrowings and financial liabilities has been estimated using the discounted future cash flow method.

Note 6 - Derivatives are measured at their fair value on the balance sheet. Fair value is based on market data and commonly used valuation models. This can be confirmed in the case of complex instruments by reference to securities listed by independent financial institutions.

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 thousand euros)	31 August 2021	31 August 2020
Derivative financial instruments - assets	140	121
Derivative financial instruments - liabilities	174	3,291

4.20 Risk management

Financial risk management

The Group is exposed to foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The Group's risk management focuses on the unpredictability of financial markets and seeks to minimise the potential negative effects of these risks on the Group's financial performance. The Group may use derivative financial instruments to hedge certain exposures to these risks.

Currency risk management

The Group's international activities generate flows in many currencies. In order to mitigate exposure to currency risk, the Group uses forward currency contracts to hedge:

- Purchases of components and fixed assets in US dollars. These transactions are highly probable and may be designated as hedged items. The Group enters into foreign exchange forward contracts to hedge the cost of fixed assets against foreign exchange risk and qualifies these transactions as cash flow hedges. Forward exchange contract balances vary depending on the level of expected investments in US dollars. Changes in the projected amount of cash 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. These financings may generate an exposure to exchange rate risk that is not eliminated in the consolidated financial statements. The Group therefore uses cross-currency swaps to hedge its exposure to currency risk linked to the nominal amount and interest on the financing. Currency swaps are not qualified as hedging instruments under IFRS. The Group classifies certain intra-group financing as net investments abroad. Valuation differences linked to changes in exchange rates are then recognised in other items of 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, cross-currency swaps, and forward foreign exchange contracts.

All fair values of derivatives are measured using significant observable data (level 2).

Effect of cash flow hedges on the income statement and other comprehensive income:

For purchases in US dollars, OVHcloud group recognises expenses in US dollars included in the price of the fixed asset at the hedging rate. The effective portion of the hedging instrument, qualified as a cash flow hedge and initially recognised in other comprehensive income, is recycled from the cash hedging reserve to non-current assets. The effect of hedging instruments is then reclassified to profit or loss based on the depreciation and amortisation of these 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 fixed assets in US dollars: the hedging instruments used in these hedging strategies are considered as 100% effective. The effects on other comprehensive income of a 10% change in the spot rate in US dollars at the closing date would not have generated any impact in 2021 or in 2020.
- Financial assets and liabilities denominated in foreign currencies and cash pooling: assets and liabilities denominated in foreign currencies resulting from the financing activity of non-euro subsidiaries generate

currency effects that are not eliminated in the consolidated financial statements. The effects of derivative instruments in foreign currencies offset these variations in the financial statements. A change in the spot exchange rate applied to these hedging strategies would therefore have no impact on consolidated net income and equity.

Risk management rate

In order to hedge interest rate risk at an acceptable level, the Group maintains a combination of variable and fixed rate loans. Depending on the level of market interest rates, the Group may hedge interest rate risk through interest rate swaps. No interest rate swaps or interest rate derivatives have been negotiated after 2017.

IBOR reform: the main benchmark interest rates are currently undergoing an in-depth reform at a global level, including the replacement of certain interbank rates on offer (IBOR) by other, risk-free rates (commonly known as the "IBOR reform"). The Group is exposed to IBORs through its financial instruments which have to be replaced or modified as part of this reform and which concerns all markets. There are still uncertainties about the timing and methods of transition that will be adopted in the different countries in which the Group operates. However, the latter believes that the reform of the IBORs will have no impact on its risk management and hedge accounting.

The Group is exposed to Euribor/Libor's rates variation on its Term Facility and its Revolving Credit Facility which total 634 million euros at 31 August 2021. These financial liabilities mature respectively in 2026 and 2025 and have not been hedged against changes in exchange rates.

Sensitivity analysis:

The existence of a floor justifies the fact that no analysis is performed on the assumption - 100 basis points.

A quantitative sensitivity analysis of the change in interest rates at 31 August would result in the following additional expenses in the income statement:

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Euribor interest rate fluctuation assumptions		
+ 100 basis points	2,501	1,847
- 100 basis points	-	-

Liquidity risk management

Liquidity risk is the risk to which the Group is exposed when it experiences difficulties in meeting its obligations relating to financial liabilities that will be settled by remitting cash or other financial assets. The Group's objective in managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to honour its liabilities when they fall due without incurring unacceptable losses or adversely affecting the Group's reputation.

The available resources enable the Group to manage its liquidity risk (cash and available bank credit lines).

The table below shows the residual contractual maturities of the Group's financial liabilities, including interest payments:

<i>(in thousand euros)</i>	31 August 2021		< 1 year	> 1 year < 5 years	> 5 years
	Book value	Contractual amount			
Bond B	58 793	59 280	59 280	-	-
Bond C	10 324	10 628	10 628	-	-
Term facility	400 312	469 370	13 181	52 758	403 431
Revolving credit facility	234 037	261 813	6 524	255 289	-
Term loan B (BPI loan)	530	530	200	330	-
Green loan (BPI loan)	5 008	5 227	49	3 156	2 022
Bank overdraft	338	338	338	-	-
Lease liabilities	52 898	52 898	14 837	38 061	-
Other non-current financial liabilities	16 921	16 921	-	-	16 921
Suppliers and other accounts payable	149 504	149 504	149 504	-	-
Liabilities from derivative financial instruments	174	174	174	-	-
Financial liabilities	928 840	1 026 683	254 715	349 594	422 374

<i>(in thousand euros)</i>	31 August 2020		< 1 year	> 1 year < 5 years	> 5 years
	Book value	Contractual amount			
Bond A	20 433	20 184	20 184	-	-
Bond B	58 508	59 767	2 280	57 487	-
Bond C	10 273	10 717	413	10 304	-
Term facility	391 580	481 390	13 000	52 000	416 390
Revolving credit facility	119 005	137 626	2 975	11 900	122 751
Term loan A (BPI loan)	3 464	3 323	831	2 492	-
Term loan B (BPI loan)	700	504	404	100	-
Other borrowings	94	94	94	-	-
Bank overdraft	6 182	6 182	6 182	-	-
Lease liabilities	56 158	56 158	13 871	42 287	-
Other non-current financial liabilities	17 115	17 115	-	-	17 115
Suppliers and other accounts payable	92 096	92 096	92 096	-	-
Liabilities from derivative financial instruments	3 291	3 291	3 291	-	-
Financial liabilities	778 899	888 447	155 621	176 570	556 256

Credit risk management

Credit risk is managed at Group level. Credit risk arises from cash, cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including receivables outstanding and committed transactions.

OVHcloud currently provides services to more than 1.6 million customers worldwide and delivers the service to its customer portfolio once payment for the service has been made in the majority of cases. Credit risk is therefore very low within the Group.

In the event that customer credit is required, the credit control department assesses the credit-worthiness of the customer, considering both their financial position and payment track record.

No individual customer of the Group represents more than 10% of total sales in 2021 or 2020.

Management of raw material risk (energy contracts)

Most of the energy supplies are made through forward purchase contracts at a fixed or indexed price.

IFRS 9 provides for the inclusion in the scope of consolidation forward purchase and sale transactions for any non-financial asset when these transactions have similar characteristics to derivatives.

However, IFRS 9 considers that forward purchase contracts on non-financial assets should not be considered as derivatives when they were concluded to meet the “day-to-day” business needs of the Company, characterised by taking delivery of the underlying asset at maturity to use it in the Company’s industrial process. OVHcloud does not buy electricity for the purposes of speculating or arbitrating on changes in commodity prices. The energy contracts are concluded for an end use in the ordinary course of business in the industrial process and they do not meet the definition of a derivative instrument.

4.21 Provisions and contingent liabilities

Provisions and contingent liabilities are presented as follows:

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Defined benefit pension plans	2,299	3,028
Disputes and litigations	3,712	1,694
Other provisions	-	400
Non-current provisions	6,011	5,122
Defined benefit pension plans	71	-
Disputes and litigations	31,107	21
Other provisions	183	-
Current provisions	31,361	21
Current and non-current provisions	37,372	5,143

Change in provisions and contingent liabilities

<i>(in thousand euros)</i>	Defined benefit pension plans	Disputes and litigations	Other provisions	Total
1 September 2019	2,573	792	400	3,765
Provisions	484	1,533	489	2,506
Reversals/Benefits paid	-	(604)	(438)	(1,042)
Change in actuarial gains and losses	(29)	-	-	(29)
Changes in scope	-	146	2	148
Transfers	-	(145)	(53)	(198)
Translation adjustments	-	(7)	-	(7)
31 August 2020	3,028	1,715	400	5,143
Provisions	333	33,172	183	33,688
Reversals/Benefits paid	(17)	(61)	-	(78)
Change in actuarial gains and losses	150	-	-	150
Changes in scope	(1)	-	(400)	(401)
Other changes	212	(29)	1	184
New IFRIC application	(1,335)	-	-	(1,335)
Translation adjustments	-	21	-	21
31 August 2021	2,370	34,818	184	37,372

There were no significant contingent liabilities at 31 August 2021 and 2020.

Defined benefit pension plans for employees

Post-employment defined benefit plans mainly concern employees in France.

These commitments are not covered by asset plans.

In France, in accordance with the legal regime governed by the collective agreements applicable to employees of French entities, a lump sum is paid to employees upon retirement, the amount of which depends on their length of service and their salary at the time of their departure according to a scale defined in the collective agreement.

Main assumptions

The main assumptions used to determine the defined benefit plans are as follows:

	31 August 2021	31 August 2020
Discount rate	0.90%	1.0%
Salary inflation rate	2.0%	2.0%
Average staff turnover rate	7.5%	7.5%
Average payroll tax rate	37%-46%	37%-51%
Duration of the pension commitment	23.4 years	24.2 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

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
At 1 September	3,028	2,573
Interest cost	19	14
Service costs	314	470
Rendered during the period	352	565
Past services cost	(37)	(95)
Impact on net income	333	484
Other changes	211	
New IFRIC application	(1,335)	-
Benefits paid	(17)	-
Change in actuarial gains and losses	150	(29)
At 31 August	2,370	3,028

The IFRS interpretation committee met in April 2021 to adopt a new position on the terms and conditions for assessing commitments such as retirement benefits (See Note 3 on the effects of the application of the new interpretation).

Past service costs are explained by employee departures. No new collective bargaining agreement has been adopted. Consequently, the Group now applies the legal scale for calculating pension benefits.

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions at 31 August 2021 is shown below:

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Change in discount rate		
+ 25 basis points	2,021	2,854
- 25 basis points	2,276	3,213
Change in salary inflation		
+ 25 basis points	2,275	3,250
- 25 basis points	2,023	2,852

The amount of contributions that OVHcloud group expects to pay into the plan in financial year 2022 is 0.5 million euros.

Other provisions

Following the fire at the Strasbourg site, a provision of 31.1 million euros was recorded to cover the consequences of the incident in respect of appraisal costs, legal costs and liability claims.

4.22 Other current and non-current liabilities

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Personnel expenses	680	716
Deferred revenue	6,024	5,690
Other non-current debt	1,079	673
Other non-current liabilities	7,783	7,079
Personnel expenses	43,794	31,288
Deferred revenue	64,050	58,200
Advances received	14,705	8,726
Tax liabilities (other than current taxes)	32,347	28,872
Other current debt	1,929	3,510
Other current liabilities	156,825	130,596
Other current and non-current liabilities	164,608	137,675

The change in trade payables and other current liabilities is explained as follows:

<i>(in thousand euros)</i>	Suppliers	Fixed assets suppliers	Other current liabilities	Total
1 September 2019	57,524	-	125,657	183,181
Translation adjustments	(777)	-	(5,987)	(6,764)
Changes in scope	134	-	2,171	2,305
Other changes (transfers)	833	-	(2,211)	(1,378)
Changes in operating payables and other payables	20,613		10,965	31,578
Change in suppliers of fixed assets		13,769		13,769
31 August 2020	78,327	13,769	130,596	222,692
Translation adjustments	908	-	817	1,724
Changes in scope	(67)	-	407	340
Other changes (transfers)	(50)	-	(491)	(541)
Changes in operating payables and other payables	54,507		25,497	80,004
Change in suppliers of fixed assets		2,108		2,108
31 August 2021	133,626	15,877	156,825	306,328

4.23 Leases

The carrying amounts of the rights-of-use recognised and the movements for the period are presented in the following tables:

<i>(in thousand euros)</i>	Offices and accommodation	Data centres	Networks	Points of presence	Other assets	Total
GROSS VALUES						
1 September 2019	56,865	6,830	21,462	20,259	3,791	109,207
Increases	2,515	1,171	154	3,178	-	7,018
Disposals	(588)	-	(7,205)	(2,622)	(450)	(10,865)
Translation adjustments	(538)	(143)	-	(926)	-	(1,607)
31 August 2020	58,254	7,858	14,411	19,889	3,341	103,753
Increases	2,856	3,720	1,910	5,339	754	14,579
Disposals	(451)	(2,395)	(14,584)	(2,761)	(3,237)	(23,428)
Translation adjustments	182	19	34	225	-	461
31 August 2021	63,737	3,737	6,299	20,507	1,701	95,982
AMORTISATIONS						
1 September 2019	(12,673)	(1,701)	(13,251)	(10,263)	(1,491)	(39,379)
Amortisation and impairment	(7,863)	(1,528)	(5,777)	(5,729)	(1,442)	(22,339)
Disposals	588	-	7,205	2,622	450	10,865
Translation adjustments	232	135	-	635	-	1,002
31 August 2020	(19,716)	(3,094)	(11,823)	(12,735)	(2,483)	(49,851)
Amortisation and impairment	(7,551)	(1,122)	(3,437)	(5,261)	(1,317)	(18,688)
Disposals	210	2,395	14,584	2,701	3,202	23,091
Changes in scope	-	-	-	60	70	129
Transfers	548	819	(3,381)	1,386	(344)	(972)
Translation adjustments	(99)	(4)	(17)	(164)	-	(285)
31 August 2021	(26,608)	(1,007)	(4,074)	(14,073)	(942)	(46,705)
NET BOOK VALUES						
1 September 2019	44,192	5,129	8,211	9,996	2,300	69,828
31 August 2020	38,538	4,764	2,588	7,154	858	53,902
31 August 2021	37,129	2,730	2,224	6,434	759	49,277

The impacts of the restatement of leases in the consolidated income statement for the periods ended 31 August 2021 and 2020 are as follows:

<i>(in thousand euros)</i>	2021	2020
Restated rental costs	18,740	21,642
Amortisation of rights-of-use	(18,673)	(22,339)
Interest expenses	(1,210)	(1,414)
Net expenses on contract exits	(207)	-
Pre-tax income	(1,350)	(2,111)

Rental expenses restated for the financial year ended 31 August 2021 amounting to 18.7 million euros concern:

- Data centres for 1.1 million euros,
- Networks for 1.2 million euros,
- Points of Presence (POP) for 6.8 million euros,
- Offices for 8.5 million euros,
- Other assets, such as fittings or cars for 1.1 million euros.

4.24 Share-based payments

<i>(in thousand euros)</i>	2021	2020
Expenses for equity-settled compensation plans	(13,266)	(5,423)
Expenses for cash-settled compensation plans	(4,580)	(223)
Social charges related to share-based payments	(3,152)	(2,536)
Share-based payments	(20,998)	(8,182)

Free shares

The General Meeting of 10 October 2017 authorised the allocation of a maximum of 4,590,562 free ordinary shares with a four-year service condition. The identity of the beneficiaries and the date of allocation are determined by the Chairman.

Summary of free shares

Grant date	October 2017	February 2019	July 2020	February 2021	July 2021
Total number of free shares granted	1 108 049	1,776,316	385 236	442,186	250,976
Number of beneficiaries	33	35	23	32	22
Vesting period	4 years	4 years	4 years	1 year	1 year
Estimate of the percentage of employees who will fulfil the service conditions	58%	88%	97%	100%	100%
Fair value of ordinary shares at the grant date (€)	7.48	8.46	10.2	10.75	20
Expected dividends ⁽¹⁾	-	-	-	-	-

⁽¹⁾ Expected dividends: no dividend distribution is expected for the periods concerned by these free shares.

A charge of 13.3 million euros in respect of the fair value of the free shares was recognised under personnel expenses in the income statement for the financial year ended 31 August 2021 (an expense of 5.4 million euros was recognised for the financial year ended 31 August 2020).

Personnel expenses for free shares increased compared to financial year 2020, mainly due to the acceleration and updating of the length-of-service condition and the change in the estimate of the probable number of instruments actually acquired to consider the probability of completion of the IPO at 31 August 2021.

Movements during the financial year

The following table illustrates the number and movements of free shares issued during the financial year:

<i>(in numbers of shares)</i>	31 August 2021	31 August 2020
Outstanding at beginning of the period	2,722,116	2,412,731
Allocated during the period	693,162	385,236
Lapsed during the period	(140,897)	(75,851)
Outstanding at end of period	3,274,381	2,722,116

“Phantom” shares

In October 2017, a phantom share plan was put in place for foreign resident employees, with a four-year service condition. The plan depends on the value of the OVH shares and will not be settled in shares but in cash. It is therefore considered to be a cash-settled share-based plan. The liability for phantom shares is measured initially,

and at each closing date until settlement, at the fair value of the phantom shares which is based on the fair value of the ordinary shares.

Summary of phantom shares:

Grant date	October 2017	February 2019	July 2020	February 2021	July 2021	August 2021
Total number of instruments issued	708,938	85,074	152,767	5,976	5,975	23,902
Number of beneficiaries	9	4	7	1	1	2
Vesting period	4 years	4 years	4 years	1 year	1 year	1 year
Estimate of the percentage of employees who will fulfil the service conditions	2%	67%	100%	100%	100%	100%
Fair value of the share at the grant date (€)	7.48	8.46	10.2	10.75	20	20
Expected dividends ⁽¹⁾	-	-	-	-	-	-

⁽¹⁾ Expected dividends: no dividend distribution is expected for the periods concerned by these free shares.

For the financial year ended 31 August 2021, a personnel expense was recognised in respect of phantom shares for 6.0 million euros (0.3 million euros at 31 August 2020), giving a cumulative liability of 6.4 million euros at 31 August 2021 (0.4 million euros as at 31 August 2020).

Personnel expenses for phantom shares were higher than in financial year 2020 due in particular to the acceleration and updating of the length-of-service condition, the change in estimate of the probable number of instruments actually acquired and the revaluation of historical plans to consider the probability of completion of the IPO at 31 August 2021.

Movements during the financial year

The following table shows the number and movements of phantom shares issued during the year:

(in numbers of shares)	31 August 2021	31 August 2020
Outstanding at beginning of the period	226,140	101,731
Allocated during the period	35,853	152,767
Lapsed during the period		(28,358)
Outstanding at end of period	261,993	226,140

5. Other information

5.1 Off-balance sheet commitments

Guarantees

At 31 August 2021, the Group's off-balance sheet commitments were as follows:

Commitments given in connection with the implementation of the new syndicated loan:

- Pledge of shares under French law on OVH Group shares;
- Mortgage under Canadian law on the shares of Holding OVH Canada Inc.;
- Mortgage under Canadian law on the shares of OVH Infrastructures Canada Inc.;
- Pledge under US law on the shares of OVH Holding US Inc.;
- Guarantee deed for bonds in euros.

At 31 August 2020, the Group's off-balance sheet commitments were as follows:

Commitments given in connection with the implementation of the new syndicated loan:

- Pledge of shares under French law on OVH Group shares;
- Mortgage under Canadian law on the shares of Holding OVH Canada Inc.;
- Mortgage under Canadian law on the shares of OVH Infrastructures Canada Inc.;
- Pledge under US law on the shares of OVH Holding US Inc.;
- Guarantee deed for bonds in euros.

5.2 Statutory Auditors' fees

(in thousand euros)	Grant Thornton		KPMG		TOTAL	
	2021	2020	2021	2020	2021	2020
Statutory audit, certification, review of financial statements	418	180	376	277	794	458
OVH Groupe	173	67	154	74	327	141
Fully consolidated subsidiaries	245	114	223	203	468	317
Services other than the certification of financial statement	1,112	22	1,217	136	2,329	158
OVH Groupe	1,059	22	1,217	136	2,276	158
Fully consolidated subsidiaries	53				53	0
TOTAL	1,530	202	1,593	414	3,124	616

5.3 Transactions with associated companies and other related parties

Transactions with related parties correspond to transactions concluded with:

- SCI OVH, an unconsolidated entity owned up to 14% by the Group, which leases premises to the Group and is controlled by one of its managers;
- AixMétal, a non-consolidated entity controlled by Group shareholders (Klaba family), which is a supplier of metal parts to the Group;
- SCI Immostone, an unconsolidated entity controlled by Group shareholders (Klaba family), which leases premises to the Group;
- KOSC, an associated company which is recognised in the accounting under the equity method and is an XDSSL service provider;
- Hubic SAS (now Shadow), an entity sold by the Group to Jezby Venture SAS, and controlled by a Group shareholder (Octave Klaba), and is also a customer of the Group;
- In addition, SCI Immolys, an unconsolidated entity controlled by Group shareholders (Halina and Henryk Klaba), leases premises to the Group. The impacts in the financial statements are not material.

All related-party transactions are presented below.

<i>(in thousand euros)</i>	SCI OVH	AixMetal	SCI Immostone	KOSC	SCI Immolys	Hubic	31 August 2021
Balance sheet							
Assets	3,268	4,367	1,993	43	383	1,849	11,903
Non-current liabilities	3,396	600	2,244	-	384	-	6,624
Income statement							
Revenue	-	-	-	-	-	4,473	4,473
Operating expenses	(753)	(6,730)	(344)	-	(46)	-	(7,873)
Financial result	(77)	-	(59)	-	(3)	-	(140)
<i>(in thousand euros)</i>	SCI OVH	AixMetal	SCI Immostone	KOSC	SCI Immolys	Hubic	31 August 2020
Balance sheet							
Assets	3,967	84	2,395	2,743	20	-	9,209
Non-current liabilities	4,103	194	2,542	-	19	-	6,858
Income statement							
Revenue	-	-	-	125	-	-	125
Operating expenses	(747)	(4,738)	(352)	14,309	(24)	-	8,448
Financial result	(96)	-	(69)	-	(1)	-	(166)

5.4 Compensation of key executives

The Group's main executives correspond to the management team, which includes the following people:

- Chairman
- Chief Executive Officer
- Chief Financial Officer
- Director of Operations
- Product and Technologies Director
- Industry Director
- Service delivery Director
- Legal Director
- Human Resources Director
- Sales Director
- Marketing and Digital Director
- Customer Service Director
- Vice-Chief Executive Officers

The compensation of the main executives recorded in the income statement during the period (including social security contributions and excluding social contributions on the allocation of free shares) is as follows:

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Short-term employee benefits	6,942	7,525
Post-employment benefits	(4)	93
Termination benefits	144	-
Share-based payments	545	3,717
Compensation of executives	7,627	11,335

5.5 Group scope

The Group's scope is detailed below.

Country	List of consolidated companies	2021		2020	
		Percentage of interest	Consolidation method ⁽¹⁾	Percentage of interest	Consolidation method ⁽¹⁾
Germany	OVH DCD Data Center Deutschland GmbH	100%	FC	100%	FC
	OVH BSG GmbH	100%	FC	100%	FC
	OVH GmbH	100%	FC	100%	FC
Australia	Data Center Sydney Pty Ltd.	100%	FC	100%	FC
	OVH Australia Pty Ltd.	100%	FC	100%	FC
Canada	OVH Serveur Inc.	100%	FC	100%	FC
	OVH Technologies Inc.	100%	FC	100%	FC
	OVH hébergement	100%	FC	100%	FC
	OVH Infrastructure Canada Inc.	100%	FC	100%	FC
	Holding OVH Canada Inc.	100%	FC	100%	FC
Spain	OVH Hispano SL	100%	FC	100%	FC
	Altimat Spain S.L.	100%	FC	100%	FC
United States	Vint Hill Ilc Data center	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
	BuyDRM	100%	FC	-	-
France	OVH Groupe S.A.S (OVH Groupe S.A since the 28 september 2021)	100% Parent company		100% Parent company	
	OVH SAS	100%	FC	100%	FC
	Ortoncourt wind power plant	-	-	100%	FC
	Media BC	100%	FC	100%	FC
	OpenIO	-	-	100%	FC
	DDIS	-	-	85%	FC
	KOSC	41%	EM	41%	EM
Finland	OVH Hosting OY	100%	FC	100%	FC
India	OVHTECH R&D (India)	100%	FC	100%	FC
Ireland	OVH Hosting Ltd.	100%	FC	100%	FC
	OVH BSI Ltd.	100%	FC	100%	FC
Italy	Altimat Italy Srl	100%	FC	100%	FC
	OVH Srl	100%	FC	100%	FC
Lithuania	OVH UAB	100%	FC	100%	FC
Morocco	OVH Hosting SARL	100%	FC	100%	FC
The Netherlands	OVH BV	100%	FC	100%	FC
Poland	OVH Sp. Zoo	100%	FC	100%	FC
	Data Center Ozarow Sp. Zoo	100%	FC	100%	FC
Portugal	OVH Hosting Sistemas Informaticos Unipessoal Lda	100%	FC	100%	FC
United Kingdom	OVH Ltd.	100%	FC	100%	FC
	Data Center Erith Ltd.	100%	FC	100%	FC
	OVH BSUK Ltd.	100%	FC	100%	FC
Senegal	OVH SARL	100%	FC	100%	FC
Singapore	Altimat Data Center Singapore Pte Ltd.	100%	FC	100%	FC
	OVH Singapore Pte Ltd	100%	FC	100%	FC
Czech Republic	OVH CZ Sro	100%	FC	100%	FC
Tunisia	OVH SARL	100%	FC	100%	FC
	OVH Tunisie SARL	100%	FC	100%	FC

⁽¹⁾ FC: Full consolidation / EM: Equity method

18.1.2 Statutory Auditors' report on the Group's consolidated financial statements for the fiscal year ended 31 August 2021

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 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.

Statutory auditors' report on the consolidated financial statements

OVH Groupe S.A.

For the year ended 31 August 2021

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 2021.

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 2021 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 September 1, 2020, 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

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Recognition and measurement of non-current assets

Identified risks and main judgments:

As stated in Note 1 to the consolidated financial statements, OVH Groupe develops an integrated cloud solution model mainly based on in-house server design and production, data centre construction, and organisation of its fibre optic network. The solutions offered by the Group require substantial investment in infrastructure and servers, new technology and software development, and acquisitions of intangible assets such as patents, licences, and IP blocks.

At 31 August 2021, the gross and net carrying amounts on the consolidated balance sheet respectively amounted to €176 million and €141.7 million for intangible assets, and €1,657.4 million and €846.3 million for property, plant and equipment.

These assets are initially recognised at acquisition cost, internal production cost, or fair value if relating to a business combination.

Given the annual volume of these non-current assets, and the fact that a significant percentage of them are developed in-house, we considered non-current asset recognition a key audit matter.

Additionally, the Group carries out acquisitions that generate goodwill, the latter amounting to €33.8 million at 31 August 2021.

As stated in the note on main accounting policies, OVH Groupe conducts impairment testing when there is indication of impairment or at least once a year. For example, the Group conducted an impairment test when preparing the interim consolidated financial statements as at 31 May 2021, because of the Strasbourg incident. The impairment test is based on the value in use of each cash-generating unit (CGU), determined as the discounted present value of expected future cash flows that the assets will produce. To determine value in use, Management must use the judgments and estimates outlined in Notes 3 and 4.11, particularly as regards cash generating ability derived from the strategic plans, the required amount of capital expenditure, growth assumptions pertaining to the global cloud market, discount rates, and perpetual growth rates.

We considered the measurement of non-current assets a key audit matter given the sensitivity of Management assumptions and the material amounts of intangible assets, property, plant and equipment, and goodwill in the consolidated financial statements.

Our audit approach:

We examined the accounting principles and internal control arrangement to determine the historical value of intangible assets and property, plant and equipment as well as the depreciation and amortization start dates.

Our work mainly involved sampling to test the historical value of these assets and their service start date.

For technologies and software developed in-house, we assessed that the Group's accounting principles were correctly applied, by critically reviewing the eligibility of internal and external capitalized costs out of a sample of technology and software projects.

We also analysed the impairment testing procedures for goodwill, intangible assets and property, plant and equipment.

We examined the principles used to identify the cash-generating units (CGUs) used by the Group: Baremetal and Hosted Private Cloud, Public Cloud and Webcloud & Other. We verified that there were no impairment triggering events after 31 May 2021.

Additionally, we performed the following procedures pertaining to the impairment testing of each CGU:

- (i) Cross-check cash flows used against the medium-term strategic plan as revised after the Strasbourg incident;
- (ii) Assess the consistency of assumptions used compared to the Group's historic performance and to market growth forecasts;
- (iii) Assess the appropriateness of the valuation model and of the discount rates used compared to market benchmarks and perpetual growth rates (with the help of our valuation specialists);
- (iv) Use sampling to compare impairment testing data to the accounts, and to test the mathematical accuracy of the valuation models;

- (v) Perform our own sensitivity calculations on key assumptions to corroborate Management analyses and assess the potential impacts that a material change to these assumptions would have on the outcome of impairment tests.

Finally, we verified the appropriateness of the information given in Notes 3, 4.9, 4.10, 4.11 and 4.12 to the consolidated financial statements.

Impact of the Strasbourg incident

Identified risks and main judgments:

As presented in Note 2 under “Significant events during the financial year ended 31 August 2021”, a fire broke out at one of the company’s data centres in Strasbourg on the night of 9 to 10 March 2021. Service was interrupted for thousands of customers and a certain number lost data. The event had the following impacts on the consolidated financial statements at 31 August 2021:

- (i) A decrease in revenue due to vouchers granted to customers as services were rendered (€20 million) and to credit notes issued for service interruption (€5.2 million);
- (ii) Scrapping of property, plant and equipment after the fire (€13.1 million) and accelerated depreciation of damaged servers;
- (iii) One-off costs from various fire-related emergency services (€12.5 million);
- (iv) A provision to cover costs such as appraisals, procedural costs and customer claims (€31.1 million);
- (v) Around €21 million in capital expenditure for new servers.

These costs were offset by a €58 million lump sum insurance indemnity for fire damages.

As described in Note 3 under “Use of significant judgements and estimates”, Management used estimates, assumptions and significant judgments to measure and present these financial impacts. In particular, several assumptions were needed to estimate the provision to cover appraisal costs, procedural costs and customer claims.

We therefore considered the measurement and accounting treatment relating to the Strasbourg fire a key audit matter, given the extent of the financial impacts and Management’s use of estimates, assumptions and significant judgments to identify, measure and present the financial impacts thereof at 31 August 2021.

Our audit approach:

We examined the process for identifying and measuring the financial impacts of the event described above, and the related accounting treatments.

As regards impacts on revenue, we used sampling to appraise (i) the correlation between the use of €20 million in vouchers as at 31 August 2021 and the rendering of services after the fire, and (ii) the €5.2 million in credit notes issued for service interruption.

As regards scrapped property, plant and equipment, our work mainly consisted of analysing the process for identifying these assets, as well as sampling to compare their scrapped value to their net carrying amount at the time of the fire.

For one-off expenses incurred from the fire, we used sampling to determine whether it was appropriate to recognise them in non-current operating expenses.

For the provision to cover appraisal costs, procedural costs and customer claims (€31.1 million), we looked at the memorandum prepared by the company with the input of its legal counsel; assessed the legal grounds thereof and the multi-criteria methodology used to estimate risks arising from the some customer claims. We engaged an independent legal firm to conduct this analysis. We also reconciled the claim and transaction amounts in the memorandum (which were used to estimate the provision) with actual claims received and transactions actually carried out. Finally, we used sampling to assess whether the general sales terms to which the company referred for its risk analysis agreed with the general sales terms in contracts.

We assessed the appropriateness of the accounting treatment used for the lump-sum insurance indemnity received by the company.

We interviewed Management to determine that there were no subsequent events that could call into question the estimates and assumptions used to calculate the provision at 31 August 2021.

We also assessed the appropriateness of the information given in Notes 2, 3, 4.7, 4.11 and 4.21 to the consolidated financial statements.

Revenue recognition

Identified risks and main judgments:

As stated in Note 3 under “Significant accounting policies – Revenue recognition” and in Note 4.1 “Segment reporting”, OVH Groupe generates almost all its revenue from three service offers:

- (i) Private Cloud, which offers services and solutions that are hosted on resources dedicated to customers. This service offer mainly comprises Baremetal and Hosted Private Cloud;
- (ii) Public Cloud, which offers a range of cloud solutions that are billed per use, based on open standards;
- (iii) Webcloud & Other, which offers online peripheral solutions for creating and hosting websites, like domain name search and renewal, website creation and online store creation.

OVH Groupe also offers collaboration solutions like professional messaging, telecommunication and texting.

At 31 August 2021, revenue in the consolidated income statement amounted to €663 million.

As stated in Note 3 under “Significant accounting policies – Revenue recognition”, revenue from leases under IFRS 16 “Leases” corresponds to almost all activities of the Private Cloud operating segment. Other services outside this operating segment fall within the scope of IFRS 15 “Revenue from Contracts with Customers”. Revenue is recognised over time since customers simultaneously receive and consume the benefits provided by the entity as it performs the services.

Revenue is a key performance indicator in the tech sector, and for OVH Groupe in particular. Moreover, revenue recognition for the Group requires knowledge of IFRS 15 and IFRS 16 and their related interpretations. Finally revenue is made up of large number of transactions of small individual amounts generated from several IT applications. For all of these reasons, we considered revenue a key audit matter.

Our audit approach:

We examined the accounting methods for revenue recognition described above.

Our work mainly consisted of verifying the existence and accuracy of revenue.

We verified that IFRS 15 and IFRS 16 were correctly applied to the revenue of Public Cloud, Webcloud & Other and Private Cloud.

We also performed the following procedures:

- (i) Use sampling to reconcile purchase orders, invoices, rendering of services and proof of payment for all revenue generated by OVH Groupe's billing application;
- (ii) Use Data & Analytics to reconstitute the amount of prepaid income expected at the end of the reporting period, based on extractions of the OVH billing application;
- (iii) Use sampling to validate revenue-related proofs outside OVH Groupe's billing application;
- (iv) Interview Management to analytically examine monthly revenue from key accounts as well as the underlying contracts.

We also verified the appropriateness of the information given in Notes 3, 4.1 and 4.2 to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (Code de commerce) is included in the Group's Management Report, it being specified that, in accordance with the provisions of Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of the presentation of the consolidated financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No 2019/815 of 17 December 2018 to years beginning on or after January 1st, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the 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)."

Appointment of the Statutory Auditors

We were appointed as statutory auditors of OVH Groupe by the annual general meeting held on 10 January 2018 for KPMG S.A. and on 13 October 2011 for Grant Thornton, being precised that OVH Groupe became a public interest entity at the time of its listing on the stock exchange on 15 October 2021.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to

influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional 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.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit 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, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this 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.

French original signed by

The Statutory Auditors

Paris La Défense, 15 December 2021

Neuilly-sur-Seine, 15 December 2021

KPMG Audit
Department of KPMG S.A.

Grant Thornton
French Member of Grant Thornton
International

Jacques Pierre
Partner

François Bloch
Partner

Vincent Papazian
Partner

Pascal Leclerc
Partner

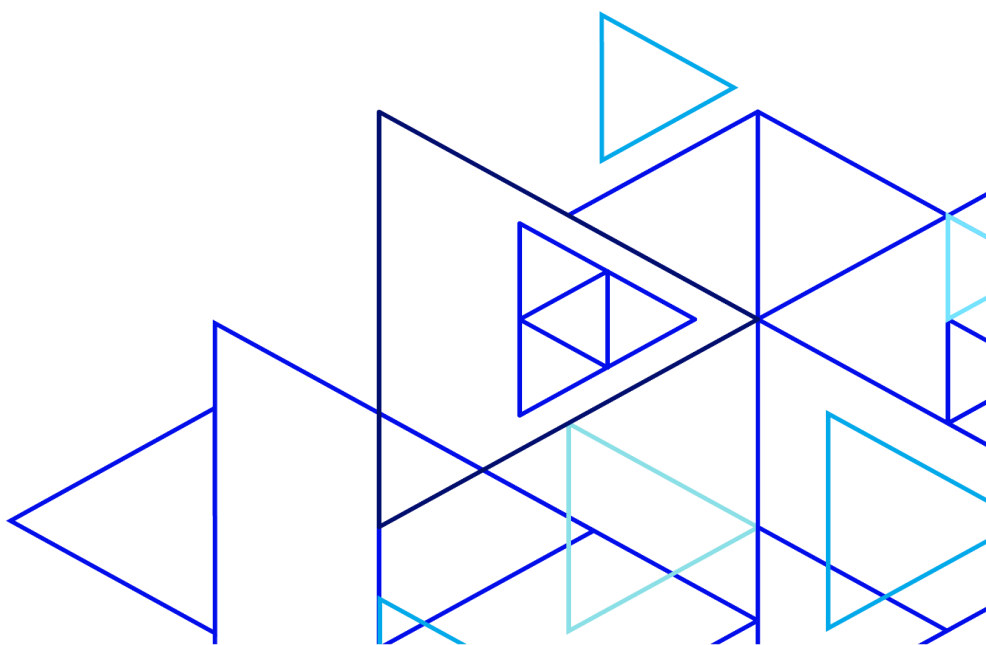
18.2 Annual Parent Company Financial Statements of the Company for the fiscal year ended 31 August 2021 and Statutory Auditors' report

18.2.1 ANNUAL PARENT COMPANY FINANCIAL STATEMENTS OF THE COMPANY FOR THE FISCAL YEAR ENDED 31 AUGUST 2021



Annual Financial Statements OVH Groupe S.A.

31 August 2021



STATUTORY FINANCIAL STATEMENTS

Balance sheet assets	2
Balance sheet liabilities	3
Income statement	4

Balance sheet assets

<i>(in thousand euros)</i>	Gross amount	Impairment Provisions	31 August 2021	31 August 2020
Intangible assets	6,389	1,025	5,364	5,780
Development costs				
Concessions, patents and similar rights	1,059	1,025	34	168
Commercial equity				
Other intangible assets	5,330		5,330	5,611
Advances, down payments on intangible assets				
Property, plant and equipment (fixed assets)				48
Land				
Buildings				
Infrastructure equipment, facilities, industrial plant and equipment				
Other property, plant and equipment				
Fixed assets in progress				48
Advances and down payments				
Financial Assets	672,290		672,290	648,313
Investments under the equity method				
Other investments	191,530		191,530	178,215
Receivables related to investments				
Other long-term investments				
Loans	480,409		480,409	469,996
Other financial assets	351		351	101
Fixed assets	678,678	1,025	677,653	654,140
Inventories and work in progress				
Raw materials, supplies				
Work in progress of goods				
Work in progress of services				
Intermediate and finished products				
Goods				
Advances and down payments on orders				
Receivables	336,607	58,741	277,866	160,844
Trade and other receivables	35,987		35,987	26,719
Other receivables	300,620	58,741	241,879	134,125
Subscribed capital called but unpaid				
Miscellaneous	23,730		23,730	27,035
Marketable securities				
(including treasury shares):				
Available cash	23,730		23,730	27,035
Accruals	9,855		9,855	961
Prepaid expenses	9,855		9,855	961
Current assets	370,193	58,741	311,452	188,840
Debt issuance costs to be deferred				8,610
Bond redemption premiums				
Currency translation adjustments assets	10,192		10,192	11,363
GENERAL TOTAL	1,059,063	59,766	999,298	862,952

Balance sheet liabilities

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Share or individual capital (of which paid-up: 170,779)	170,779	170,407
Share, merger and contribution premiums	97,743	98,115
Revaluation differences (including equity difference)		
Legal reserves	13,600	13,600
Statutory reserves		
Regulated reserves (including stock price fluctuation reserve)		
Other reserves	8,021	8,021
Retained earnings	(74,242)	(64,772)
RESULT FOR THE FINANCIAL YEAR (profit or loss)	4,907	(9,471)
Investment subsidies		
Regulated provisions		
Equity	220,807	215,900
Income from the issue of equity securities		
Conditional advances		
Other equity		
Provisions for risks	10,192	11,363
Provisions for expenses		
Provisions	10,192	11,363
Convertible bond issues		
Other bonds	67,000	87,000
Loans and debts from credit institutions	641,299	526,021
Miscellaneous loans and financial debts	24,708	2,774
Advances and down payments received on orders in progress		
Financial debt	733,007	615,794
Suppliers and accounts payable	19,806	11,619
Tax and social debts	8,891	7,705
Operating debts	28,697	19,324
Debts on fixed assets and related accounts	5,330	
Other debt	612	
Miscellaneous debts	5,942	
Deferred income		
Accruals		
Debts	767,646	635,118
Currency translation adjustments liabilities	653	572
GENERAL TOTAL	999,298	862,952

Income statement

<i>(in thousand euros)</i>	France	Exports	2,021	2,020
Sales of goods				
Production of goods sold				
Production of services sold	35,614	4,473	40,087	23,400
Net revenues	35,614	4,473	40,087	23,400
Inventoried production				
Capitalised production				
Operating subsidies				
Reversals of impairment, provisions (and depreciation), expense transfers			4,924	9,671
Other income				
Operating income	35,614	4,473	45,011	33,072
Purchases of goods (including customs duties)				
Change in inventory (goods)				
Purchases of raw materials and other supplies				
Change in inventory (raw materials and supplies)				
Other purchases and external expenses			23,307	18,614
Taxes, duties and similar payments			307	466
Wages and salaries			4,727	4,906
Social charges			1,779	3,374
Operating provisions				
On fixed assets: depreciation and amortisation			8,744	4,558
On fixed assets: impairment charges				
On current assets: impairment charges				
Provisions				
Other expenses			3	7
Operating expenses			38,868	31,924
Operating income			6,143	1,148
Financial income from investments			16,052	6,376
Income from other securities and receivables from fixed assets				
Other interest and equivalent income			4,005	7,875
Reversals of provisions, expense transfers			13,051	1,141
Positive translation differences			6,586	12,610
Net income on sales of marketable securities				
Financial income			39,694	28,001
Financial allowances to amortisation and provisions			10,192	11,463
Interest and equivalent expenses			21,540	17,039
Negative translation differences			2,955	12,176
Net expenses on disposals of marketable securities				
Financial expenses			34,687	40,677
Financial result			5,007	(12,676)
Income before tax			11,150	(11,528)
Exceptional income on management transactions				466
Exceptional income on equity transactions			28,292	15,438
Reversals of provisions, expense transfers				
Exceptional income			28,292	15,904
Exceptional expenses on management transactions			6	10
Exceptional expenses on capital transactions			34,649	15,438
Exceptional allowances to amortisation and provisions				
Exceptional expenses			34,655	15,448
Exceptional result			(6,363)	456
Employee profit-sharing				
Income tax			(120)	(1,602)
Total income			112,997	76,978
Total expenses			108,090	86,448
PROFIT OR LOSS			4,907	(9,471)

NOTES TO THE STATUTORY FINANCIAL STATEMENTS

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1. SIGNIFICANT EVENTS OF THE FINANCIAL YEAR

The financial statements for the financial year below cover the period from 1 September 2020 to 31 August 2021, i.e. a twelve-month period.

At 31 August 2021, the balance sheet total amounted to 999,298,524 euros and revenue was 40,087,222 euros.

Covid-19 health crisis:

The emergence and spread of the coronavirus in early 2020 affected economic and commercial activities worldwide. However, this situation did not have a major impact on the Company's activity during the 2021 financial year.

The Company did not need to use the various public aid schemes set up by the State.

In view of this information and the Company's financial position at the closing date of the financial statements on 31 August 2021, OVH GROUPE considers that the continuation of its operations is not questioned.

Acquisition of BuyDRM

On 22 July 2021, OVHcloud Group acquired 100% of the shares of BuyDRM, a company specialising in digital rights management and content protection, for an initial acquisition price of \$15.3 million, paid in full in cash. The purchase agreement also provides for a contingent earn-out clause up to \$14 million, based on the achievement of revenue and EBITDA margins for the years ended 31 August 2022 and 2023, as well as the achievement of operational objectives and a condition of presence.

Disposal of the DDIS subsidiary

On 2 April 2021, OVH GROUPE sold its subsidiary DDIS, a company specialising in wind power for an amount of 250,000 euros.

At 31 May 2021, the capital loss on the disposal of 6,356,655 euros related to this transaction was recognised in exceptional income in the financial statements of OVH GROUPE. The disposal also resulted in:

- the reversal of a provision for equity investments made in 2016 for the amount of 1,688,671 euros, recognised in financial income;
- the reversal in operating income of the provision relating to the current account set up in 2020 for 4,854,296 euros.

Capital increase

On 22 July 2021, the Company's Chairman noted the final completion of the capital increase of 371,952 euros through the incorporation of share premiums with the issuance of 371,952 ordinary shares.

Allocation of free shares

Two new plans were set up in February 2021 involving 442,186 shares valued at 10.75 euros and in July 2021 involving 250,976 shares valued at 20 euros. As a reminder, a plan had been decided in the previous financial year in July 2020, for which the balance was 1,311,739 shares valued at 9.35 euros.

The vesting of shares takes place one year after the granting, provided that the beneficiaries meet the following conditions of presence:

- Either the beneficiaries are employees of the company with a permanent employment contract, and are subject neither to a notice of dismissal or, resignation, or in the course of a contractual termination procedure;
- Or the beneficiaries hold a corporate office within the company and are not subject to a notice of termination of their duties for any reason whatsoever.

The amount of the expense recognised in respect of these plans was 279,640 euros during the period in question, and 1,595,977 euros for the previous financial year. These expenses correspond solely to social charges.

For the period ended 31 August 2021, the amount of the liability recorded at the balance sheet date was 239,026 euros, corresponding to social charges.

BPIFrance term loan refinancing

In October 2014, BPI granted the Group two loans (term loan A and term loan B) for a total amount of 7 million euros. Term loan A amounts to 5 million euros with a maturity of ten years and a fixed rate of 4.21%. This loan was refinanced in June 2021 with a green loan of 5 million euros with BPI France, with an interest rate of 0.98%, repayable in 20 quarterly instalments between 30 September 2023 and 30 June 2028. The term loan B, for an initial amount of 2 million euros with a maturity of seven years and a fixed rate of 0.96%, will come to maturity on 31 October 2021.

Strasbourg incident

On the night of 9 to 10 March 2021, a fire broke out in one of the four OVHcloud data centres in Strasbourg, France. As electricity had to be cut, all the site's data centre operations were shut down. The data centre in which the fire broke out was destroyed and a second data centre is no longer operational and will be dismantled. No human or bodily injury was reported, but several thousand customers were affected by the interruption and some of them lost data, the majority not having opted for a backup solution proposed by our subsidiary, OVH S.A.S.

As the Strasbourg fire could be considered as an indicator of potential impairment, OVH Groupe SA conducted a test to ensure that the value in use of the assets held by OVH S.A.S. is greater than the Company's investment in its subsidiary. No impairment was recognised.

2. SIGNIFICANT EVENTS SINCE THE END OF THE FINANCIAL YEAR

Transformation of the Company into a public limited company (Société Anonyme)

On 28 September 2021, the Company, incorporated as a simplified joint stock company (*Société par Actions Simplifiée*), was transformed into a public limited company (*Société Anonyme*) with a Board of Directors.

Initial Public Offering

OVHcloud group S.A. was listed on compartment A of the Euronext Paris regulated market on 15 October 2021 in order to finance its growth strategy, which is to include the financing of its geographical expansion, the construction of data centres, the development of new products and external growth transactions where applicable. The total number of OVHcloud shares newly issued as part of the initial public offering is 18,918,919, with a unit value of 18.50 euros, i.e. a primary offering of approximately 350 million euros. The proceeds from the sale of the shares sold amounted to approximately 100 million euros, including the over-allotment option.

Refinancing

Following its initial public offering, dated 25 October 2021, the Group redeemed the full amount of the previous Loan Agreements (Term Loan and Revolving Credit Facility), as well as the Euro PP bonds for an amount of 705.2 million euros, thanks to the establishment of a new unsecured senior loan agreement with a total principal amount of 920 million euros (the “New Debt”), to replace the previous Loan Agreements. The New Debt, which is not subject to a guarantee given by the Company, includes a new term loan of 500 million euros, with a maturity of 5 years, together with the setting up of a new revolving credit facility (RCF) for a maximum capacity of 420 million euros with an initial maturity of 5 years eligible to two extended options for one more year each.

At the funds release date, the applicable margin will be 1.10% for the term loan against 3.25% in the previous refinancing, and it will be 0.70% in the case of a drawing-down of the revolving credit facility instead of 2.50% in the previous refinancing.

Company shareholding

The companies MANOVH and MENOVI, two entities combining the OVHcloud Group’s employee shareholding (managers and employees), merged into the Company on 18 October, making the shareholders of MANOVH and MENOVI direct shareholders of the Company.

Following the transformation of the Company into a public limited company with a Board of Directors (which took place on 28 September 2021), on 18 October, all the A Preference shares and the C Preference shares were converted into Ordinary Company shares. This transaction does not directly affect either the equity, or the income statement, or the cash situation.

Lastly, the Group proposed to its employees to subscribe to a shareholding offer reserved for Group employees (Employee Share Plan 2021 or “ESP 2021”). This offer is addressed to Group employees in France and abroad, taking into consideration the contribution covered by the Group and an agreed discount of 30% on the sale share price. On November 9, 2021, the Chief Executive Officer of the Group recorded, the completion of the capital increase linked to this employee share plan for an amount of 9.8 million euros corresponding to the issuance of 1,365,343 new shares. Following this offer, 97.8% of the employees became shareholders of the Group.

3. ACCOUNTING RULES AND METHODS

These financial statements have been prepared in accordance with the provisions of ANC Regulation No. 2020-09 amending ANC Regulation 2014-03 relating to the French General Accounting Plan.

The general accounting conventions have been applied in accordance with the principle of prudence in accordance with the basic assumptions: going concern, consistency of accounting methods from one financial year to another, independence of financial years as, in accordance with the general rules of establishment and presentation of the annual financial statements.

3.1 Property, plant and equipment and intangible assets

Property, plant and equipment are valued at their acquisition or production cost less reductions, rebates and payment discounts or at their production cost.

Impairment is recognised when the current value of an asset is less than the net book value.

The impairment and depreciation of property, plant and equipment and intangible assets is calculated according to the straight-line or degressive methods, depending on the type of asset and the planned lifetime.

Software and software packages: Straight-line 3 years

3.2 Financial assets

The Company recognises investment securities (including the acquisition cost of the securities) and the related receivables at historical cost.

At the closing date, the Company examines the net value of the investment in each subsidiary, which includes investment securities, loan principal and current account advances granted. For each subsidiary, the Company compares the net book value of the investment with its value in use. The value in use is calculated based on the activity of each subsidiary either using the net cash flow method adjusted for net debt, or according to the share of the net position or by reference to the market value of comparable transactions.

The difference between the net investment and the value in use is subject to impairment which is charged as a priority to investment securities then to loans and related receivables and current account advances after deduction of excess cash available in the subsidiaries. If the value in use is negative, a provision for risk may be added.

3.3 Receivables

Receivables are valued at their nominal value. Impairment is recognised when the inventory value is less than the book value.

3.4 Income tax

OVH GROUPE is at the head of a tax consolidation group.

The fiscally consolidated companies are:

- MEDIABC SAS
- OVH SAS
- OVH Groupe SA (head of the group)

Income tax is recognised as if no tax consolidation is applied.

4. INFORMATION ON BALANCE SHEET ASSETS

4.1 Property, plant and equipment and intangible assets

Property, plant and equipment are valued at their acquisition or production cost less reductions, rebates and payment discounts or at their production cost.

Impairment is recognised when the current value of an asset is less than the net book value.

4.1.1 Table of acquisitions and disposals during the financial year

<i>(in thousand euros)</i>	31 August 2020	Acquisitions	Item-to- item transfers and correction +/-	Disposals	31 August 2021
Establishment and development costs	12			12	
Other intangible assets ⁽¹⁾	6,670	28,036		28,317	6,389
Intangible assets	6,682	28,036		28,329	6,389
Land					
Buildings					
General installations and fittings					
Infrastructure equipment, facilities, industrial plant and equipment					
Transport equipment					
Office equipment, IT, furniture					
Recoverable packaging and miscellaneous					
Property, plant and equipment (fixed assets)					
Property, plant and equipment in progress ⁽¹⁾	48			48	
Property, plant and equipment in progress	48			48	
Deposits					
Total	6,729	28,036		28,377	6,389

(1) Of which:

- Software: 1,059 thousand euros in 2021 compared with 1,059 thousand euros in 2020
- Fixed assets in progress: 5,330 thousand euros in 2021 compared with 5,611 thousand euros in 2020

4.1.2 Amortisation table

The impairment and depreciation of property, plant and equipment and intangible assets is calculated according to the straight-line or degressive methods, depending on the type of asset and the planned lifetime.

Software and software packages: Straight-line 3 years

<i>(in thousand euros)</i>	31 August 2020	Provisions	Decreases or reversals	31 August 2021
Establishment and development costs	12		12	
Other intangible assets	890	134		1,025
Intangible assets	902	134	12	1,025
Land				
Buildings				
General installations and fittings				
Infrastructure equipment, facilities, industrial plant and equipment				
Transport equipment				
Office and IT equipment, furniture				
Recoverable packaging and miscellaneous				
Property, plant and equipment (fixed assets)				
Total	902	134	12	1,025

4.2 Financial assets

Table of movements for the year:

<i>(in thousand euros)</i>	Gross value at 31 August 2020	Acquisitions and item-to-item transfers	Disposals and item-to-item transfers	Gross value at 31 August 2021	Provisions	Net Value at 31 August 2021
Investments assessed under the equity method						
Other investments ⁽¹⁾	179,904	13,314	1,689	191,530		191,530
Other long-term investments ⁽¹⁾						
Loans and other financial assets ^{(1) (2)}	470,097	10,662		480,760		480,760
Financial Assets	650,001	23,976	1,689	672,290		672,290

⁽¹⁾ Concerns related companies

⁽²⁾ Other financial assets correspond only to non-group guarantees for 351 thousand euros.

The Company recognises investment securities (including the acquisition cost of the securities) and the related receivables at historical cost.

At the closing date, the Company examines the net value of the investment in each subsidiary, which includes investment securities, loan principal and current account advances granted. For each subsidiary, the Company compares the net book value of the investment with its value in use. The value in use is calculated based on the

activity of each subsidiary either using the net cash flow method adjusted for net debt, or according to the share of the net position or by reference to the market value of comparable transactions.

The difference between the net investment and the value in use is subject to impairment which is charged as a priority to investment securities then to loans and related receivables and current account advances after deduction of excess cash available in the subsidiaries. If the value in use is negative, a provision for risk may be added.

In the 2020 financial year, 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 2021
Data Center Sydney	AUD 3 M	AUD 0 M
Data Center Sydney	EUR 10 M	EUR 7 M
Data Center Sydney	USD 7 M	USD 0 M
Data Center Limburg	EUR 70 M	EUR 42 M
Data Center Erith	EUR 60 M	EUR 35 M
Data Center Erith	GBP 10 M	GBP 0 M
Data Center Ozarow	EUR 35 M	EUR 24 M
Data Center Ozarow	PLN 40 M	PLN 0 M
Data Center Singapore	EUR 10 M	EUR 6 M
Data Center Singapore	USD 10 M	USD 5 M
OVH Holding Canada	USD 50 M	USD 35 M
OVH SAS	EUR 420 M	EUR 329 M

Table of securities and equity investments:

Subsidiaries	Local Currency	Date of last financial year	Capital (in local currency)	Reserves and retained earnings before appropriation of income (in local currency)	Share of capital held	Gross	Net	Loans and advances granted (in euros)	Amount of guarantees and endorsements (in euros)	Revenue excluding taxes for the last financial year (in euros)	Results (profit or loss for the last financial year)	Dividends received by the company during the financial year
OVH SAS	EUR	31.08.2021	€10,174,560	€62,500,263	100%	150 357 784 €	150 357 784 €	432 269 344 €		556 051 933 €	11 469 406 €	
OVH Holding Canada	CAD	31.08.2021	CAD 36,306,000	CAD 3,993,689	100%	26 256 407 €	26 256 407 €	32 924 121 €		4 819 621 €	1 331 372 €	
OVH Holding US	USD	31.08.2021	USD 2,016,384	USD -1,542,847	100%	1 601 195 €	1 601 195 €	2 214 458 €			-236 763 €	
BuyDRM	USD	31.08.2021	USD 1,500	USD -133,859	100%	13 314 283 €	13 314 283 €			290 594 €	78 982 €	
						191 529 669 €	191 529 669 €	467 407 923 €				

4.3 Maturity of receivables

Receivables are valued at their nominal value. Impairment is recognised when the inventory value is less than the book value.

The receivables held by the Company amounted to 827,221 thousand euros in gross value at 31 August 2021 and break down as follows:

<i>(in thousand euros)</i>	Gross amount	One year at most	More than one year
Receivables related to investments			
Loans	480,409	2,850	477,558
Other financial assets	351		351
Fixed assets	480,760	2,850	477,909
Trade receivables	35,987	35,987	
Doubtful Trade receivables			
Staff and related accounts			
Social organisations			
State: miscellaneous taxes and duties	5,963	5,963	
Group and partners	294,326	294,326	
Miscellaneous debtors	330	330	
Prepaid expenses	9,855	9,855	
Current assets	346,461	346,461	
Total	827,221	349,311	477,909
Amount of loans granted during the financial year	9,523		
Amount of redemptions obtained during the financial year			
Loans and advances granted to partners (natural persons)			

4.4 Trade and other receivables

<i>(in thousand euros)</i>	Gross amount	Impairment Provisions	Net at 31 August 2021	Net at 31 August 2020
Trade and other receivables	35,987		35,987	26,719
Other receivables	300,620	58,741	241,879	134,125
Subscribed capital called but unpaid				
Total	336,607	58,741	277,866	160,844

4.5 Accrued income

The amount of receivables included in the following balance sheet items is:

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Discounts, rebates and payment deductions to be obtained		
Accrued interest on loans	2,850	1,961
Customers - Invoices to be issued	19,534	6,455
State - Receivables	307	307
Accrued interest on current account	2,910	2,396
Total	25,601	11,119

4.6 Accruals

4.6.1 Prepaid expenses

Prepaid expenses amounted to 9,855 thousand euros.

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Operating expenses	9,855	961
Financial expenses		
Exceptional expenses		
Total	9,855	961

4.6.2 Translation adjustments

<i>(in thousand euros)</i>	Difference assets
Decrease in receivables	9,341
Increase in debts	851
Total	10,192

<i>(in thousand euros)</i>	Difference liabilities
Decrease in debt	218
Increase in receivables	435
Total	653

4.6.3 Deferred expenses

Deferred expenses for the financial year amounted to 9,626 thousand euros and relate to the signature of a bank financing contract in 2020. These loan issue costs are amortised over the term of the loan. Following the renegotiation of the financing after the end of the financial year, the expenses were fully amortised over the period for an amount of 8,610 thousand euros.

4.7 Receivables from affiliated companies

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Receivables related to investments		
Other long-term investments		
Other non-current receivables	480,409	469,996
Trade and other receivables	35,975	26,719
Other receivables	294,549	191,195
Total Group and Partners	810,933	687,910

5. INFORMATION ON BALANCE SHEET LIABILITIES

5.1 Equity

5.1.1 Change in equity

<i>(in thousand euros)</i>	31 August 2020	Increases	Decreases	31 August 2021
Capital	170,407	372		170,779
Share premiums	30,827		(372)	30,455
Special reserves	67,287			67,287
Legal reserves	13,600			13,600
Other reserves	8,021			8,021
Retained earnings	(64,772)	(9,471)		(74,243)
Profit or loss	(9,471)	4,907	9,471	4,907
Investment subsidies				
Regulated provisions				
Others				
Total	215,899	(4,192)	9,099	220,807

Appropriation of the results for the 2020 financial year:

The financial statements for the 2020 financial year showed a result of (9,471) thousand euros. According to the AGM decision approving the financial statements, this loss was allocated in full to “Negative retained earnings”.

5.1.2 Composition of the share capital

<i>(in euros)</i>	Number of shares	Nominal Value	Capital Value
Position at the beginning of financial year			
- Ordinary shares	136,006,051	1	136,006,051
- A preference shares	27,968,123	1.23	34,400,791
- C preference shares	2	1	2
Movements:			
- Ordinary shares	371,952	1	371,952
- A preference shares			
- C preference shares			
Total	164,346,128		170,778,796

5.1.3 Free shares

The General Meeting of 10 October 2017 authorised the allocation of a maximum of 4,590,562 free ordinary shares with a four-year service condition. The identity of the beneficiaries and the date of allocation are determined by the Chairman.

Summary of the free shares

Grant date	October 2017	February 2019	July 2020	February 2021	July 2021
Total number of free shares granted	1 108 049	1,776,316	385 236	442,186	250,976
Number of beneficiaries	33	35	23	32	22
Vesting period	4 years	4 years	4 years	1 year	1 year
Estimate of the percentage of employees who will fulfil the service conditions	58%	88%	97%	100%	100%
Fair value of ordinary shares at the grant date (€)	7.48	8.46	10.2	10.75	20
Expected dividends ⁽¹⁾	-	-	-	-	-

⁽¹⁾ Expected dividends: no dividend distribution is expected for the periods concerned by these free shares.

Movements during the financial year

The following table illustrates the number and movements of free shares issued during the financial year:

<i>(in numbers of shares)</i>	31 August 2021	31 August 2020
Outstanding at beginning of the period	2,722,116	2,412,731
Movements	552,265	309,385
Allocated during the period	693,162	385,236
Lapsed during the period	(140,897)	(75,851)
Outstanding at end of period	3,274,381	2,722,116

Two allocations were decided by the Chairman during the financial year for 442,186 shares and 250,976 shares respectively on 23 February 2021 and on 20 July 2021.

The amount of the expense recognised in respect of these plans was 280 thousand euros during the financial year and 1,596 thousand euros for the previous financial year. These expenses correspond solely to social charges.

For the 2021 financial year, the amount of the liability recorded at the balance sheet date is 239 thousand euros corresponding to social charges.

5.2 Statement of provisions

<i>(in thousand euros)</i>	31 August 2020	Provisions	Reversals	31 August 2021
Provisions for foreign exchange losses	11,363	10,192	11,363	10,192
Total	11,363	10,192	11,363	10,192

5.3 Statement of debt maturities

<i>(in thousand euros)</i>	Gross amount at financial year-end	< 1 year	> 1 year < 5 years	> 5 years
Convertible bond issues	67,000	57,000	10,000	
Other bonds ⁽¹⁾				
Loans and debts from credit institutions ⁽²⁾				
up to one year at the outset				
more than one year at the outset	641,299	2,299	237,000	402,000
Miscellaneous loans and financial debts	24,708	24,708		
Suppliers and other accounts payable	19,806	19,806		
Staff and related accounts	1,458	1,458		
Social security and other social organisations	1,190	1,190		
State and other public authorities				
Income taxes				
Value added tax	5,991	5,991		
Guaranteed bonds				
Other taxes and related accounts	251	251		
Debts on fixed assets and related accounts	5,330	5,330		
Group and partners	612	612		
Other debt				
Debts representing securities borrowed or pledged as collateral				
Deferred income				
Total	767,645	118,645	247,000	402,000
Loans subscribed during the financial year	120,000			
Loans repaid during the financial year	23,993			

⁽¹⁾ Characteristics of bonds

Company	Issue date	Value at issue (in thousand euros)	Maturity	Issue currency	Rate	Repayment terms	Value at 31 August 2021 (in thousand euros)
OVH GROUPE	17.12.2014	20,000	17.12.2020	EURO	3.11%	In Fine	0
OVH GROUPE	30.10.2014	57,000	17.11.2021	EURO	4%	In Fine	57,000
OVH GROUPE	30.10.2014	10,000	17.11.2022	EURO	4.125%	In Fine	10,000
Total		87,000					67,000

An amendment to the financial service contract was signed on 1 April 2021, bringing the interest on the two bonds to 4% and 4.125% (compared to 3.5% and 3.75% respectively in previous financial years).

⁽²⁾ Characteristics of the main bank loans

Company	Bank	Date	Duration (in months)	Rate	Amount borrowed (in thousand euros)	Outstanding capital (in thousand euros)
OVH GROUPE	BPI	31.10.2014	120	4.21%	2,000	100
OVH GROUPE	BPI	21.07.2021	84	0.98%	5,000	5,000
OVH GROUPE	Syndicat RCF	04.12.2019	84	Eur 3M + 3.25%	400,000	400,000
OVH GROUPE	Syndicat RCF	04.12.2019	72	Eur 3M + 2.75%	234,000	234,000
Total						639,100

Including a syndicated loan of 400 million euros maturing in 12/2026 and a revolving credit facility of 234 million euros with a ceiling of 300 million euros maturing in 12/2025. The syndicated loan is subject to financial covenants.

5.4 Suppliers and other accounts payable

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Suppliers	7,673	3,820
Notes payable		
Suppliers and invoices not received	12,133	7,799
Net book value	19,806	11,619

5.5 Accrued expenses

The amount of accrued expenses included in the following balance sheet items:

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Suppliers and other accounts payable	19,806	11,619
Tax and social debts	8,891	7,705
Operating debt	28,697	19,324
Convertible bond issues		
Other bonds	67,000	87,000
Loans and debts from credit institutions	641,299	526,021
Miscellaneous borrowings and financial debt (including private borrowings)	24,708	2,774
Advances and down payments received on orders in progress		
Financial debt	733,007	615,795
Debts on fixed assets and related accounts	5,330	
Other debt	612	
Miscellaneous debts	5,942	0
Deferred income		
Accruals		
Debts	767,646	635,119

5.6 Debt with affiliated companies

Amounts for affiliated companies correspond to:

<i>(in thousand euros)</i>	31 August 2021	31 August 2020
Debt / consolidated affiliates in France		725
Debt / consolidated affiliates	24,708	2,774
Suppliers Groups	383	63
Invoices not received	2,761	
Credit notes to be issued	612	
Total	28,464	3,562

6. INFORMATION RELATING TO THE INCOME STATEMENT

6.1 Breakdown of net revenue

Revenue for the 2021 financial year breaks down as follows:

<i>(in thousand euros)</i>	France	2021 financial year EEC + Export	Total 2021	Total 2020
Sales of goods				
Sales of finished products				
Production of services sold	35,614	4,473	40,087	23,400
Revenue	35,614	4,473	40,087	23,400
%	89%	11%	100%	

6.2 Other operating income

<i>(in thousand euros)</i>	2021	2020
Inventoried production		
Capitalised production		
Other miscellaneous management income and operating subsidies		
Reversal of depreciation and provisions, transfer of expenses ⁽¹⁾	4,924	9,671
Total	4,924	9,671

⁽¹⁾ The amount mainly consists of the reversal of impairment of the DDIS current account for 4,854 thousand euros, following the disposal carried out during the financial year.

In financial year 2020, this amount was mainly made up of the transfer to the balance sheet of expenses incurred in the implementation of the new financing contract for 9,626 thousand euros.

These expenses are spread over the duration of the financing.

6.3 Financial result

The financial result for the financial year amounts to 5,007 thousand euros and breaks down as follows:

<i>(in thousand euros)</i>	2021	2020
Financial income from investments	16,052	6,376
Income from other securities and receivables from fixed assets		
Other interest and equivalent income	4,005	7,875
Reversals of provisions and expense transfers	13,051	1,141
Positive translation differences	6,586	12,610
Net income on disposal of marketable securities		
Financial income	39,694	28,001
Financial allowances to amortisation and provisions	10,192	11,463
Interest and equivalent expenses	21,540	17,039
Negative translation differences	2,955	12,176
Net expenses on disposals of marketable securities		
Financial expenses	34,687	40,677
Financial result	5,007	(12,676)

Of which:

Financial income with related companies: 19,855 thousand euros

Financial expenses with related companies: 0 thousand euros

The amount of reversals on provisions and transfer of expenses is composed of:

- In 2021:
 - o Reversal of provision for unrealised foreign exchange losses for 11,363 thousand euros
 - o Reversal of provision for impairment of DDIS shares for 1,689 thousand euros
- In 2020:
 - o Reversal of provision for unrealised foreign exchange losses for 1,141 thousand euros

The amount of financial allocations for depreciation and provisions is composed of:

- In 2021:
 - o Allowance for unrealised foreign exchange losses of 10,192 thousand euros
- In 2020:
 - o Allowance for unrealised foreign exchange losses of 11,363 thousand euros
 - o Provision for impairment of the net position of subsidiaries for 100 thousand euros

6.4 Exceptional result

The exceptional result for the financial year of (6,363) thousand euros breaks down as follows:

<i>(in thousand euros)</i>	2021	2020
Exceptional income on management transactions		466
Exceptional capital income ⁽¹⁾	28,292	15,438
Reversals of provisions and expense transfers		
Exceptional income	28,292	15,904
Exceptional expenses on management transactions	6	10
Exceptional expenses on capital transactions ⁽¹⁾	34,649	15,438
Exceptional allowances to amortisation and provisions		
Exceptional expenses	34,655	15,448
Exceptional result	(6,363)	456

⁽¹⁾ The item includes the income from the disposal of DDIS for (6,356) thousand euros and the disposal of fixed assets to OVH SAS without margin for 28,042 thousand euros.

6.5 Income tax

OVH GROUPE is at the head of a tax consolidation group.

The fiscally consolidated companies are:

- MEDIABC SAS
- OVH SAS
- OVH Groupe SA (head of the group)

Income tax is recognised as if no tax consolidation is applied.

The overall taxable income was nil as of 31 August 2021 and breaks down as follows:

Total taxable income (in euros)	20,211
Media BC	9
OVH SAS	(3,928)
OVH GROUPE	4,853
Tax consolidation restatement	
Losses charged to the result for the financial year	(934)
Total	-

6.6 Breakdown of corporate income tax

The tax due relating to the current and exceptional income was calculated by multiplying the effective tax rate by the accounting current and exceptional income, adjusted for the reintegration and tax deductions of current and exceptional expenses.

<i>(in thousand euros)</i>	Current	Exceptional	Total
Pre-tax income	11,150	(6,363)	4,787
Tax	120		120
Income after tax	11,270	(6,363)	4,907

7. MISCELLANEOUS INFORMATION

7.1 Average number of employees and temporary staff

For the 2021 financial year, the average number of employees breaks down as follows:

2021 fiscal year	Workforce
Executives	10
Supervisors, technicians and employees	
Workers	
Total	10

7.2 Commitments given

As of 31 August 2021, the off-balance sheet commitments given by OVH Groupe are as follows:

- Commitments given in connection with the implementation of the new syndicated loan:
 - Pledge of shares under French law on OVH SAS shares
 - Mortgage under Canadian law on the shares of Holding OVH Canada Inc.
 - Mortgage under Canadian law on the shares of OVH Infrastructures Canada Inc.
 - Pledge under US law on the shares of OVH Holding US Inc.
 - Guarantee deed on PP bonds in euros
- Deposits, guarantees and bank guarantees vis-à-vis Société Générale:

Amount	Reason	Maturity
719,095 euros	SURAVENIR lessor lease agreement	07.04.2027
45,186 euros	GENERALI ESPANA lessor lease agreement	15.06.2022

- Deposits, guarantees and bank guarantees vis-à-vis HSBC bank:

Autonomous guarantees granted by OVH GROUPE to HSBC France in respect of HSBC France counter-guarantees for the issue by a local HSBC subsidiary of a guarantee in favour of a local third party as counterparty to the local OVH subsidiary.

Amount	Reason	Maturity
70,119 euros	Compagnie Générale Immobilière lessor lease agreement	11.03.2029
51,310 euros	SCPI Notapierre lessor lease agreement	End of lease
60,000 euros	EUROSIC lessor lease agreement	30.09.2025
62,975 euros	Société Epargne Foncière lease agreement	End of lease
159,326 euros	DEKA IMMOBILIEN INVESTMENT GMBH lessor lease agreement	14.10.2025
12,384 euros	Alrisa-Sociedade Imobiliaria lessor lease agreement	15.09.2022
60,997 euros	Roma central Pte Ltd lessor lease agreement	30.12.2023
10,000 euros	GROSS GMBH and CO KG (Germany) lessor lease agreement	End of lease

7.3 Foreign exchange transactions

The total amount of commitments at 31 August 2021 related to financial instruments is 103,561 thousand euros. The fair value of these financial instruments is unfavourable by (33) thousand euros. The breakdown is as follows:

- Investment hedges in USD: Investments are mainly purchased in dollars at the level of the Group's subsidiaries. These flows are hedged against the EUR/USD exchange rate risk by foreign exchange derivatives (only forward purchases at 31/08). These transactions are carried out by OVH Groupe with the bank counterparties and then brought down to the subsidiaries by setting up transactions in the opposite direction. Thus, the total amount of forward purchases in EUR USD traded with banks at the closing prices on 31 August 2021 was 43,772 thousand euros with an unfavourable fair value of (174) thousand euros. This amount is fully offset by transactions carried out in the opposite direction with the subsidiaries concerned.
- Hedges of foreign currency accounts: When a subsidiary has cash surpluses, these are repatriated to OVH Groupe as part of the optimisation of the use of the Group's cash, and are subject to short-term cash swaps (one month) when they are in a currency other than EUR. The total amount of cash swaps at closing prices on 31 August 2021 is 59,789 thousand euros with a favourable fair value of 140 thousand euros.

7.4 Compensation of executives

This information is not disclosed as it would result in the disclosure of individual information.

7.5 Commitment in terms of retirement benefits

Pension commitments (in thousands of euros)	Provisioned	Not provisioned	Total
IDR		22	22
Pension commitments to former executives			
Coverage of mutual health contributions for retired employees			
Total		22	22

The pension commitment is calculated using the projected unit credit method:

- Discount rate: 0.9%
- Average annual rate of compensation increase: 2%
- Collective agreement used to calculate compensation: Technical consulting firms

7.6 Information on transactions with related parties

No information provided due to the exclusion provided for in Article 833-16 of the General Accounting Plan allowing data relating to transactions carried out by the Company with wholly-owned subsidiaries not to be disclosed.

**18.2.2 STATUTORY AUDITORS' REPORT ON THE COMPANY'S ANNUAL PARENT
COMPANY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED 31 AUGUST
2021**

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.

Statutory auditors' report on the financial statements

OVH Groupe

For the year ended 31 August 2021

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 financial statements of OVH Groupe for the year ended 31 August 2021.

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 2021 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.

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 September 1, 2020, 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

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the 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, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of equity investments and receivables from equity investments

Identified risks and main judgments:

As at 31 August 2021, a net amount of €191.5 million in equity investments and receivables from equity investments was recognised on the balance sheet, i.e. 19% of total assets. They were recognised at acquisition cost.

Impairment is recognised when carrying amount is higher than value-in-use, measured as one of the following depending on each subsidiary's activity:

- Share of underlying profit or loss;
- Business value based on forecast debt-adjusted cash flow;
- Market value based on comparable transactions.

We considered the measurement of the carrying amount of equity investments and receivables from equity investments a key audit matter, given the relative weight of these assets on the balance sheet and the importance of Management judgments concerning them, particularly as regards cash flow assumptions.

Our audit approach:

Our work involved:

- For measurements based on share of profit or loss: verify that the shares used were consistent with the financial statements of the different entities;
- For measurements based on forecasts:
 - obtain the entities' cash flow forecasts and cross-check them against the strategic plans;

- analyse that assumptions used are consistent with the historical performance of the Group and entities, and confirm future growth outlook, particularly by discussions with Management.
- For measurements based on market values:
 - analyse the consistency of comparable companies used to determined 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 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.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (Code de commerce).

Information relating to corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L. 22-10-9 of the French Commercial Code.

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 the accuracy and fair presentation of this information.

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 agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make 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 financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No 2019/815 of 17 December 2018 to years beginning on or after January 1st, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the 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)."

Appointment of the Statutory Auditors

We were appointed as statutory auditors of OVH Groupe by the annual general meeting held on 10 January 2018 for KPMG S.A. and on 13 October 2011 for Grant Thornton, being precised that OVH Groupe became a public interest entity at the time of its listing on the stock exchange on 15 October 2021.

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 determines is 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, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the 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.

French original signed by

The Statutory Auditors

Paris La Défense, 15 December 2021

Neuilly-sur-Seine, 15 December 2021

KPMG Audit
Department of KPMG S.A.

Grant Thornton
French Member of Grant Thornton
International

Jacques Pierre
Partner

François Bloch
Partner

Vincent Papazian
Partner

Pascal Leclerc
Partner

18.3 Other information

Company results for each of the last five fiscal years

	2021	2020	2019	2018	2017
Share capital at end of period					
Share capital (in millions of euros)	170.8	170.4	176.1	175.1	169.9
Number of shares outstanding	164.3	164.0	168.2	167.2	162.3
Comprehensive income from transactions (in millions of euros)					
Revenue (excluding taxes)	40.1	23.4	18.3	14.0	7.9
Income before tax, profit-sharing, depreciation, amortisation, provisions and impairment	10.7	3.8	6.7	2.0	(7.2)
Income tax	(0.1)	(1.6)	(0.7)	(0.7)	(1.2)
Employee profit sharing	-				
Income after tax, profit-sharing, depreciation, amortisation, provisions and impairment	4.9	(9.5)	(52.6)	(0.8)	(8.8)
Distributed income	-	-	-	-	-
Earnings per share (in euros)					
Income after tax and profit-sharing, but before depreciation, amortisation, provisions and impairment	0.07	0.03	0.04	0.02	(0.04)
Income after tax and profit-sharing, depreciation, amortisation, provisions and impairment	0.03	(0.06)	(0.03)	(0.01)	(0.05)
Net dividend allocated	-	-	-	-	-
Staff					
Number of employees (average workforce)	10	9	9	9	10
Payroll (in millions of euros)	4.7	4.9	5.8	3.7	2.3
Amounts paid for employee benefits (in millions of euros)	1.8	3.4	4.1	2.6	0.9

Payment terms for suppliers and customers

The Company's external trade payables amounted to €17.1 million, of which €2.0 million were past due. Trade payables to the Group's suppliers amounted to €2.7 million and were not fully due.

The Company's trade receivables amounted to €36.0 million, of which €5.2 million were past due. Overdue trade receivables represent 7.6% of revenue.

Amount of inter-company loans

The Company did not grant any inter-company loans during the fiscal year ended on 31 August 2021 (loans of less than two years granted to micro-enterprises, SMEs and mid-sized companies with which OVH Groupe S.A. has economic links).

Additional tax information

During the fiscal year ended 31 August 2021, the expenses and charges referred to in Article 39-4 of the French General Tax Code amounted to €66,598. 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.

18.4 Date of latest financial information

31 August 2021

18.5 Dividend policy

The Company did not make any dividend payments for the fiscal years ended 31 August 2018, 2019 and 2020.

For the fiscal year ended 31 August 2021, the Company intends to invest its profits in the growth of its business, and does not plan to distribute dividends.

OVHcloud intends to invest its profits in the growth of its business, and does not plan to distribute dividends in the medium term.

18.6 Litigation and arbitration

As of the date of this Universal Registration Document, OVHcloud has received 364 complaints and requests for information from customers alleging to be affected by the Strasbourg incident, a significant portion of which were received in the first three months following the fire. Customers, located primarily in France and to a lesser extent in other European countries and the EMEA region, are requesting information about the data stored on the OVHcloud servers, recovery of any lost data and, in some cases, monetary compensation. The requests for compensation are generally for small individual amounts, or are not quantified. No individual claim received to date is for a significant amount on a Group-wide basis.

OVHcloud believes that, in a significant proportion of cases, customer claims are unfounded, and that in most other cases the commercial gestures already spontaneously granted to customers largely compensate for any prejudice suffered by the customers. OVHcloud has endeavored to find an amicable agreement to settle customer claims whenever possible. As of the date of this Universal Registration Document, 6 cases are in the litigation stage.

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. OVHcloud has registered a provision of €31.1 million as of 31 August 2021 to cover all of the effects of the claim, including expert fees and the risk of claims from certain customers. The provision was determined in conjunction with the Company's advisors, after studying client claims by exposure category, even though not all the claims received have yet been settled or adjudicated. Reimbursements to be received from the Group's insurance companies for the destruction of data centers and the incremental costs of the loss have not been recognised as of 31 August 2021. They were paid in full in September 2021.

18.7 Significant change in the issuer's financial position

To the Company's knowledge, there has been no significant change in the Group's financial position since 31 August 2021.

19 ADDITIONAL INFORMATION

19.1 Share capital

19.1.1 Subscribed share capital and authorised but unissued share capital

As of the date of this Universal Registration Document, the Company's share capital amounts to €189,898,056, divided into 189,898,056 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 delegated authority	Maximum duration	Maximum nominal amount
Authorisation to be given to the Board of Directors to trade in the Company's shares, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	18 months	Maximum purchase price: 200% of the share offer price in the context of the IPO €50 million
Authorisation to be given to the Board of Directors to reduce the share capital through the cancellation of treasury shares, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	26 months	Within the limit of 10% of the share capital per 24 months
Delegation of authority to the Board of Directors to increase the share capital of the Company or another company by issuing shares and/or securities giving access to the share capital immediately or in the future, with maintained preferential subscription rights	26 months	€70 million ⁽¹⁾ €1 billion with regard to debt securities giving access to the share capital issued on the basis of this delegation
Delegation of authority to the Board of Directors to increase the share capital of the Company by issuing shares and/or securities giving access to the share capital immediately or in the future, with cancellation of preferential subscription rights, by way of a public offering other than the public offerings mentioned in Article L.411-2 1° of the French Financial and Monetary Code.	26 months	€35 million ⁽¹⁾ €1 billion with regard to debt securities giving access to the share capital issued on the basis of this delegation
Delegation of authority to the Board of Directors to increase the share capital of the Company by issuing shares and/or securities giving access to the share capital immediately or in the future, with cancellation of preferential subscription rights by way of a public offering mentioned in Article L. 411-2 of the French Financial and Monetary Code, subject to the condition	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

Type of delegated authority	Maximum duration	Maximum nominal amount
precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market		
Possibility of issuing shares and/or securities giving access immediately or in the future to shares to be issued by the Company as consideration for contributions in kind consisting of equity securities or securities giving access to the share capital, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	26 months	10% of the share capital ⁽¹⁾
Determination of the issue price, up to a limit of 10% of the share capital per year, as part of an increase in the share capital through the issue of equity securities with cancellation of preferential subscription rights, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	12 months	10% of the share capital per year ⁽³⁾
Delegation of authority to the Board of Directors to increase the share capital by incorporation of premiums, reserves, profits or any other sums, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	26 months	€100 million
Delegation of authority to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights	26 months	15% of the initial issue ⁽¹⁾⁽³⁾
Delegation of authority to the Board of Directors to increase the Company's share capital by issuing shares and/or securities giving access to the share capital immediately or in the future, with cancellation of preferential subscription rights, reserved for members of savings plans	26 months	1% of the share capital ⁽¹⁾
Authorisation to be given to the Board of Directors to grant share subscription or purchase options to the Group's employees and corporate	38 months	2% of the share capital ⁽¹⁾

Type of delegated authority	Maximum duration	Maximum nominal amount
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		Subject to not exceeding 0.40% of the share capital for the corporate officers
Authorisation to be given to the Board of Directors to grant free existing shares or shares to be issued to employees and corporate officers of the Group or to some of them, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market	38 months	2% of the share capital ⁽¹⁾⁽⁴⁾ Subject to not exceeding 0.40% of the share capital for the corporate officers

(1) The maximum aggregate amount of capital increases that may be effected pursuant to this delegation shall be deducted from the overall limit set at €70 million.

(2) The total maximum amount of capital increases that may be carried out under this delegation is deducted from the ceiling amount of €35 million provided for the Company's capital increase through the issuance of shares and/or securities giving access to the share capital immediately or in the future, with cancellation of preferential subscription rights, by way of public offering other than the public offerings mentioned in Article L.411-2 1° of the French Financial and Monetary Code.

(3) The maximum overall amount of capital increases that may be carried out under this delegation is deducted from the ceiling stipulated in the resolution under which the initial issue is decided.

(4) The maximum aggregate amount of capital increases that may be carried out under this delegation is deducted from the ceiling stipulated in the resolution under which share subscription or purchase options are granted for the benefit of the Group's employees and corporate officers, or some of them, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market.

19.1.2 Non-equity securities

On 30 October 2014, the General Shareholders' Meeting of the Company decided the following issues:

- 570 senior secured obligations in the form of Euro PP (*Euro Private Placement*) for an aggregate nominal amount of €57,000,000 bearing interest at 4% per annum which matured on 17 November 2021; and
- 100 senior secured obligations in the form of Euro PP (*Euro Private Placement*) for an aggregate nominal amount of €10,000,000 bearing interest at 4.125% per annum which mature on 27 May 2022.

19.1.3 Shares held in treasury by the Company or for its account

At the date of this Universal Registration Document, the Company does not hold any of its own shares, and no shares of the Company are held by any of its subsidiaries or by any third party on its behalf.

At its meeting of 15 November 2021, the Company's Board of Directors decided to implement the share buyback programme authorised by the General Shareholders' Meeting, by authorising the Chief Executive Officer, with the right to delegate pursuant to the law, to enter into a liquidity contract in accordance with accepted market practice (AMF Decision No. 2021-01 of 22 June 2021).

The Company's General Shareholders' Meeting of 14 October 2021, authorised the Board of Directors with the option of subdelegation under the conditions set by law, in accordance with the provisions of Articles L. 225-210 et seq. and L. 22-10-62 of the French Commercial Code, for a period of 18 months, subject to the condition precedent of the admission of the Company's shares to trading on the Euronext Paris regulated market, to purchase or cause to be purchased shares of the Company with a view to:

- the implementation of any Company share option plan under the provisions of Articles L. 225-177 et seq. and L. 22-10-56 et seq. of the French Commercial Code or of any similar plan; or
- the allocation or sale of shares to employees for their participation in the benefits of the Company's expansion or the implementation of any company or group savings plan (or similar plan) under the conditions provided for by law, in particular Articles L. 3332-1 et seq. of the French Labour Code; or
- the allocation of free shares under the provisions of Articles L. 225-197-1 et seq. and L. 22-10-59 and L. 22-10-60 of the French Commercial Code; or
- in general, to honour obligations related to stock option programmes or other allocations of shares to employees or corporate officers of the issuer or an associate; or
- the delivery of shares upon the exercise of rights attached to securities giving access to the share capital by redemption, conversion, exchange, presentation of a warrant or in any other manner; or
- the cancellation of all or part of the shares thus bought back, subject to the adoption of the 13th resolution of the General Shareholders' Meeting¹⁵ or any other resolution of the same nature; or
- the delivery of shares (in exchange, payment or otherwise) as part of acquisitions, mergers, spin-offs or contributions; or
- market making by an investment services provider under a liquidity contract in accordance with the accepted market practice established by the *Autorité des marchés financiers* (AMF).

The purchase price of the shares under this resolution shall not exceed 200% of the offer price of the shares offered as part of the admission of the Company's shares to trading on the Euronext Paris regulated market.

The maximum amount of funds allocated to the share buyback programme authorised above is set at €50 million.

19.1.4 Other securities giving access to share capital

Free allocation of shares

As of the date of this Universal Registration Document, the General Shareholders' Meeting of the Company has authorised the allocation of free shares (see also Chapter 13 "*Remuneration and benefits*", Subsection 13.1.3 of this Universal Registration Document).

19.1.5 Terms governing any right of acquisition and/or any obligation attached to subscribed but not paid-up capital

None.

19.1.6 Share capital of any Group company under option or agreed to be put under option

None.

¹⁵ 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

19.1.7 History of the Company's share capital

Over the last three fiscal years, changes in the Company's share capital were the following:

- a share capital increase of a nominal amount of €1,008,105 by incorporation of shares premiums (*primes d'émission*) through the issue of €1,008,105 Ordinary Shares at par value of €1 each, pursuant to a General Shareholders' Meeting held on 10 October 2017, and a decision of the Chairman dated 20 October 2018;
- a share capital increase of an aggregate nominal amount of €316,135.83 by incorporation of a part of the special reserve through the issue of 257,021 Class A Preferred Shares at par value of €1.23 each, pursuant to a written consultation dated 7 October 2019;
- a share capital decrease by way of share cancellations of an aggregate nominal amount of €7,705,994.28 relating to the 6,265,036 cancelled Class A Preferred Shares at par value of €1.23 each, pursuant to a General Shareholders' 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 (*primes d'émission*) through the issue of 1,733,779 Ordinary Shares at par value of €1 each, pursuant to a General Shareholders' 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 (*primes d'émission*), through the issue of 371,952 Ordinary Shares at par value of €1 each, pursuant to a General Shareholders' Meeting held on 23 July 2020 and a decision of the Chairman dated 22 July 2021;
- a capital increase of a nominal amount of €3,018,487 through the issuance of 3,018,487 Ordinary Shares with a par value of 1 euro each, to be allocated to the shareholders of MANOVH and a capital reduction of a nominal amount of €3,018,669 through the cancellation of 3,018,669 Ordinary Company Shares contributed by MANOVH as a merger, pursuant to the terms of a General Shareholders' Meeting of 14 October 2021 and a Board of Directors' decision of 18 October 2021;
- a capital increase of a nominal amount of €925,494 through the issuance of 925,494 Ordinary Shares with a par value of 1 euro each, to be allocated to the shareholders of MENOVI and a capital reduction of a nominal amount of €925,264, through the cancellation of 925,264 Ordinary Company Shares contributed by MENOVI as a merger, pursuant to the terms of a General Shareholders' Meeting of 14 October 2021 and a Board of Directors' decision of 18 October 2021;
- a capital reduction of a nominal amount of €6,432,668.29 following the reduction in the par value of the Class A preference shares from 1.23 euros to 1 euro per Class A preference share, pursuant to a written consultation of the Company's shareholders closed on 16 August 2021 and a Board of Directors' decision of 18 October 2021 and a capital increase of a nominal amount of €5,267,621 through the issuance of 33,235,744 Ordinary shares with a par value of 1 euro each following the conversion of all preference shares into Ordinary Shares, pursuant to the terms of a General Shareholders' Meeting of 14 October 2021 and a Board of Directors' decision of 18 October 2021;
- a capital increase of a nominal amount of €18,918,919 through the issuance of 18,918,919 new ordinary shares with a par value of 1 euro 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 capital increase of €702,266 through the issuance of shares subscribed by the persons eligible for an offer reserved for employees concerning 702,266 Ordinary Shares with a value of 1 euro each, and of €663,074 through the incorporation of reserves, compensated by the issue of

663,074 Ordinary Shares with a value of 1 euro each, in respect of the matching contribution paid in addition to the subscriptions, issued on 9 November 2021.

19.2 Constitutive documents and bylaws

This section describes the main provisions of the Company's Bylaws at the date of this Universal Registration Document.

The Company's bylaws were prepared in accordance with laws and regulations applicable to French limited liability companies with a board of directors (*sociétés anonymes à conseil d'administration*).

19.2.1 Corporate purpose (Article 2 of the bylaws)

Pursuant to Article 2 of its bylaws, the Company's purpose is, in France and in all countries:

- all holding activities: management of shareholdings, development of the Group's policy and participation in the control of the Group's subsidiaries, performance of all administrative, legal, accounting or financial services for its subsidiaries;
- the acquisition of interests (*participation*) of the Company in all businesses or companies incorporated or to be incorporated, which may be directly or indirectly related to the corporate purpose, or to any similar or related purposes, and in particular businesses or companies whose corporate purpose may contribute to the realization of the corporate purpose, and this by all means, in particular by way of incorporation of new companies, mergers, alliances or joint ventures; and
- more generally, all commercial, financial, real estate, or property transactions directly or indirectly relating to the corporate purpose and to any similar or related purposes.

19.2.2 Provisions of the bylaws relating to administrative and management bodies – Internal regulations of the Board of Directors

The following description summarises the main provisions of the bylaws and the internal regulations relating to the Board of Directors, in particular its mode of operation and powers, at the date of this Universal Registration Document..

The internal regulations , in addition to the provisions relating to the Board of Directors mentioned below, set out how the Board's committees are organized and run, as well as define their powers and responsibilities (see Section 14.5 "*Board committees*" of this Universal Registration Document).

a) Board of Directors (Articles 13, 14, 15 and 16 of the bylaws and Articles 1, 2, 3, 4 and 5 of the internal regulations)

Composition

The Company is governed by a Board of Directors composed of at least three members and at most eighteen members elected by the ordinary shareholders' meeting pursuant to and subject to the exceptions stated by law.

The Board of Directors shall ensure that at least one third of its members are independent. It shall further ensure that at least two thirds of the members of the Audit Committee and more than half of the members of the Appointments and Compensation Committee are independent.

Directors representing employees do not count when determining the percentage of independent members.

Upon each re-election or appointment of a member of the Board of Directors, and at least once a year before the Board prepares its report on corporate governance, the Board of Directors shall assess the independence of each of its members (or candidates). During this assessment, the Board of Directors, after consulting the Nomination, Remuneration and Governance Committee, shall examine on a case-by-case basis the qualifications of each of its members (or candidates) in light of the criteria referred to below, the specific circumstances and the position of the person concerned in relation to the Company. The findings shall be disclosed to shareholders in the report on corporate governance and, where appropriate, at the General Shareholders' Meeting when members of the Board of Directors are elected.

Subject to the ratification by the next ordinary shareholders' meeting, the Board of Directors may appoint one or more non-voting members. Non-voting members may be natural or legal persons. The term of office of non-voting members is determined by the Board of Directors in the appointment decision. The duties of non-voting members, including any remuneration, shall be decided by the Board of Directors. The Board of Directors may entrust specific tasks to non-voting members. Non-voting members shall be eligible for re-election indefinitely. They shall be invited as observers to meetings of the Board of Directors and shall participate in discussions in an advisory capacity.

Appointment

During the Company's existence, directors shall be appointed, re-elected or removed from office under the conditions laid down by applicable laws and regulations and by the bylaws.

Each member of the Board of Directors shall hold at least 1,000 shares throughout his or her term of office and in any event within six (6) months of his or her appointment.

Directors are appointed for a 4-year term.

By exception, the general shareholders' meeting may elect a director to serve for a period of less than 4 years and, as the case may be, reduce the term of office of one or more directors, as to allow a staggered renewal process of the Board of Directors.

Directors are eligible for re-election indefinitely, subject to the application of the age limit provision below regarding age limits. They may be removed at any time by the ordinary shareholder's meeting.

Directors shall not be more than 70 years of age (although the number of directors who are over the age of 70 may not exceed one third of the directors in office) and shall be subject to applicable laws and regulations on multiple appointments.

Identity of directors

Directors may be individual or legal entities. At the time they are elected, legal entities must appoint a permanent representative who is subject to the same conditions and obligations, and who incurs the same civil and criminal responsibilities as he were a director in his own name, without prejudice to the joint liability with the legal entity he represents.

The office of permanent representative is given for the duration of the term of office of the legal entity he represents.

If the legal entity revokes the appointment of its permanent representative, it must immediately notify the Company, in writing, of this dismissal and the name of its new permanent representative. This is also required in the event of the death, resignation or extended impediment of the permanent representative.

Directors representing employees

The Board of Directors includes in addition, one director representing the employees when the number of members of the Board of Directors, calculated in accordance with Article L. 225-27-1, II of the French Commercial Code, is less than or equal to eight, or two directors representing the employees when this number exceeds eight. The number of members of the Board of Directors to be taken into account to determine the number of Directors representing the employees is assessed on the date of appointment of the Director(s) representing the employees.

The Director(s) representing the employees are appointed by the Company's Social and Economic Committee or, when the Company belongs to an economic and social unit, by the common social and economic committee of the economic and social unit to which the Company belongs, under the conditions provided for by Articles L. 225-27-1 et seq. of the French Commercial Code and of this article. In accordance with Article L. 225-27-1, II of the French Commercial Code, when the Social and Economic Committee appoints two directors representing employees, it must appoint a woman and a man.

The term of office of directors representing employees is four years from the date of their appointment. The term of office is renewable without limitation.

The reduction to eight or less of the number of directors appointed in accordance with the terms mentioned in Article L.225-18 of the French Commercial Code does not have an impact on the duration of the term of the second director representing the employees, as the latter only ends when the term expires. He/she is then not renewed or replaced.

The Director(s) representing the employees are not taken into account for the determination of the minimum number and the maximum number of Directors provided for by the French Commercial Code or for the application of the first paragraph of Article L. 225-18-1 of the French Commercial Code. The term of office of the director(s) representing the employees ends early under the conditions provided for by the laws and regulations in force and this article. Exceptionally, in the event of termination of the employment contract as part of an intra-group transfer, when the new employment contract is signed with the Company or one of its direct or indirect subsidiaries whose registered office is located in France, the term of office remains in force.

If the conditions of application of Article L. 225-27-1 of the French Commercial Code are no longer met at the end of a fiscal year, the term of office of the Director(s) representing the employees shall end after the meeting during which the Board of Directors notes that the Company has been removed from the scope of Article L.225-27-1 of the French Commercial Code.

In the event of a vacant seat of a director representing the employees for any reason whatsoever, the vacant seat shall be filled in accordance with the conditions set out in Article L. 225-34 of the French Commercial Code. Until the date of replacement of the director(s) representing the employees, the Board of Directors may meet and validly deliberate. In addition to the provisions of paragraph 2 of Article L. 225-29 of the French Commercial Code, it is specified, as necessary, that the absence of the appointment of a director representing the employees by the Social and Economic Committee does not affect the validity of Board of Directors' decisions.

Subject to the provisions of this article and the laws and regulations in force, the directors representing the employees have the same status, the same rights and the same responsibilities as the other directors.

These provisions will apply as long as the Company falls within the scope of the provisions of Article L. 225-27-1 of the French Commercial Code (or any legal provision with the same purpose which may succeed this article).

Directors representing employee shareholders

N/A

Chairman of the Board of Directors

The Board of Directors elects a Chairman from among the members who are natural persons and, if it deems it appropriate, one or more Vice-Chairman. The Chairman may not be older than 70 years old.

The Vice Presidents are not entitled to represent the Company.

The Chairman shall be appointed for a term that cannot exceed that of his term of office as director. He may be re-elected indefinitely, subject to the application of the age limit provision below regarding age limits. The Chairman may be removed from office by the Board of Directors at any time.

The Board of Directors shall determine the amount, method of calculation and payment of the compensation of the Chairman.

In the event of temporary impediment or death of the Chairman, the oldest Vice-Chairman of the Board of Directors is delegated to the duties of Chairman or, as the case may be, the Board of Directors may delegate a Director to the duties of Chairman. In the event of temporary impediment, this delegation is given for a limited duration. It is renewable. In the event of death, it is valid until the election of the new Chairman.

The Chairman organizes and manages the work of the Board of Directors, and reports on such work to the shareholders' meeting. He oversees the proper functioning of the Company's governing bodies and ensures, in particular, that the directors are able to carry out their duties.

Deliberations of the Board of Directors

The Board of Directors shall perform the duties and exercise the powers conferred on it by law, by the Company's bylaws and by the internal regulations of the Board of Directors. The Board of Directors shall determine and monitor the implementation of the Company's overall business strategy. It shall examine any and all matters pertaining to the efficient operation of the Company and make decisions about any and all issues concerning the Company, within the limits of the Company's corporate purpose and except for those issues which, by law, can only be decided upon by shareholders at a general meeting. The Board of Directors shall perform any inspections and audits it deems necessary.

The Board of Directors meets when called by the chairman as often as the Company's interests require; it is specified that the frequency and duration of Board meetings must be such that they allow in-depth review and discussion of matters falling within the jurisdiction of the Board. The Board of Directors shall meet at least four times a year.

When the Board of Directors has not met for more than two months, at least one third of the members of the board of directors may request that the Chairman calls a meeting with a determined agenda. The Chief Executive Officer may also request that the Chairman calls the Board of Directors with a determined agenda.

Meetings shall be held at the Company's registered office or at any other place stated in the call to the meeting.

The Board of Directors may legitimately conduct business, even without being formally convened, if all members are present or represented.

In compliance with legal and regulatory provisions, the internal regulations may provide that are considered present for the quorum and the majority, the directors participating to the Board meeting by videoconference or telecommunication means in compliance with technical specifications laid down by the legislative and regulatory provisions in force.

Any director may authorise another director to represent him at a meeting of the Board of Directors, each Director may hold only one proxy per meeting.

An attendance register is signed by the members of the Board participating to the Board meeting, both on their own behalf and as proxy holder.

The deliberations of the Board of Directors are recorded in minutes drawn up in compliance with the law.

The Board of Directors shall validly deliberate only if at least half of the members are present. Decisions shall be adopted by a simple majority of the members present or represented. In the event of a tie vote, the chairman of the meeting shall cast the deciding vote.

Decisions falling within the Board of Directors' sphere of responsibility referred to in Article L.225-37 of the French Commercial Code, as well as decisions to transfer the registered office within the same department may be taken by written consultation of the members of the board of directors.

The Board of Directors set the limitation to the powers of the Chief Executive Officer, if any, under its internal regulations, determining transactions for which the approval of the Board of Directors is required. The Board of Directors determines each year either an overall maximum amount within which the Chief Executive Officer may enter into commitments on behalf of the Company in the form of sureties, endorsements and guarantees, or an amount beyond which each of the above mentioned commitments cannot be taken; any commitment exceeding the overall maximum amount or the maximum amount set for a commitment must be subject to a special authorisation from the Board of Directors.

The following shall be subject to prior authorisation by the Board of Directors acting by a simple majority of members present or represented:

- the annual budget of the Group, the business plan of the Group including any modifications;
- any capex investment decision which individually would exceed the annual budget by 7.5%;

- any acquisition or sale of assets (including patents and intellectual property rights), goodwill, shares by a company of the Group, not included in the annual budget, for an individual amount exceeding €25,000,000;
- any grant of significant guarantees, off-balance sheet commitments and liabilities, or securities not included in the annual budget, for an amount individually exceeding €10,000,000 per year;
- any change to the bylaws of the Company;
- any decision of a Group Company to enter into a new financing agreement (other than with a Group company and other than in the context of an existing Revolving Credit Facility) - for an amount exceeding €25,000,000 and not included in the annual budget.

Compensation of members of the Board of Directors

The general shareholders' meeting may allocate compensation to the directors in a fixed annual amount, which it shall determine for the current fiscal year and/or later fiscal years until a new decision replaces it. The Board of Directors may freely distribute such compensation among its members.

The Board of Directors may also allocate exceptional compensation, which shall be subject to the approval of the ordinary general shareholders' meeting, for specific assignments or mandates given to directors (separately from compensation for participation in specialized Board committees).

Internal regulations

The Board of Directors sets up in its internal regulations its operating procedures in accordance with the law and the bylaws. It may decide to create committees responsible for studying issues that it itself or its Chairman may submit to them for analysis. The composition and powers of each of these committees, which operate under its responsibility, are set by the Board of Directors by internal regulations.

Any person called to attend the meetings of the Board shall exercise discretion with regard to information of a confidential nature and provided as such by the Chairman as well as a general obligation of secrecy.

Chief Executive Officer (Article 17 of the bylaws)

Method of management

The management of the Company is assumed, under his responsibility, either by the Chairman of the Board of Directors, or by another individual, appointed by the Board from Board members or outside the Board, who holds the title of Chief Executive Officer.

The Board of Directors chooses between these two methods of management at any time and at least each time the appointment of the Chief Executive Officer or the term of office of the Chairman expires when the Chairman also assumes general management of the Company.

Shareholders and third parties shall be informed of this choice under the conditions required by the applicable regulations.

When management of the Company is performed by the Chairman of the Board of Directors, the following provisions concerning the Chief Executive Officer shall apply to the Chairman. In this case, he holds the title of Chairman-Chief Executive Officer.

Delegate executive management

On the recommendation of the Chief Executive Officer, the Board of Directors may appoint, among its members or outside, one or more individuals in charge of assisting the Chief Executive Officer, who holds the title of Deputy Chief Executive Officer.

There may not be more than three Deputy Chief Executive Officers.

Age limit – Term of office – Compensation

The Chief Executive Officer and the Deputy Chief Executive Officers may not be more than 70 years of age.

The term of office of the Chief Executive Officer or of a Deputy Chief Executive Officer is determined at the time they are appointed, but this term may not exceed the term of office on the Board, if applicable.

Removal from office

The Chief Executive Officer may be dismissed at any time by the Board of Directors. This is also true for the Deputy Chief Executive Officers, on the recommendation of the Chief Executive Officer. If dismissal is decided without grounds, it may result in damages, except when the Chief Executive Officer assumes the position of Chairman of the Board of Directors.

When the Chief Executive Officer ceases or is prevented from performing his duties, the Deputy Chief Executive Officers retain their duties and powers, unless decided otherwise by the Board, until the appointment of the new Chief Executive Officer.

The Board of Directors determines the compensation of the Chief Executive Officer and the Deputy Chief Executive Officers.

Powers of the Chief Executive Officer and Deputy Chief Executive Officers

The Chief Executive Officer is vested with the most extensive powers to act in all circumstances in the name of the Company. He shall exercise those powers within the limits of the corporate purpose and subject to the powers attributed expressly to the shareholders' meeting and the Board of Directors by law and to the limitations set forth by the internal regulations of the Board of Directors.

He represents the Company in its relations with third parties. The Company is committed by the acts of the Chief Executive Officer which do not fall within the corporate purpose, unless it proves that the third party knew that the act exceeded this purpose or that the third party could not have been aware of this fact given the circumstances; simple publication of the bylaws is not sufficient to establish such proof.

Decisions of the Board of Directors limiting the powers of the Chief Executive Officer are not enforceable against third parties.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers granted to the Deputy Chief Executive Officers. The Deputy Chief Executive Officers have the same powers as the Chief Executive Officer with respect to third parties.

The Chief Executive Officer or the Chief Operating Officers may, within the limits set by the laws in force, delegate the powers they deem appropriate, for one or more specific purposes, to all agents, even outside the Company, individually or in a committee or commission, with or without possibility of substitution, subject to the limitations stipulated by law. These powers may be permanent or temporary, and include or exclude the option of substitution. The delegations so granted retain all their effects despite the expiration of the term of office of the person who granted them.

19.2.3 Rights, privileges and restrictions attached to shares (Article 9, 11 and 12 of the bylaws)

Fully paid-up shares are in registered or bearer form, at the shareholder's discretion, under the conditions defined by the regulations in force.

Each share gives a right to a share of the profits and corporate assets in proportion to the percentage of capital it represents. Moreover, it gives the right to vote and to representation at shareholders' meetings under the conditions set by law and the bylaws. Double voting rights provided for in Article L. 22-10-46 of the French Commercial Code are expressly excluded.

Shareholders are liable for losses only up to the amount of their contributions.

The rights and obligations attached to a share remain with the share when it is transferred. Ownership of a share legally implies compliance with the bylaws and the resolutions of the shareholders' meeting.

Whenever it is necessary to hold several shares to exercise a right, individual shares or a number of shares less than the number required give no rights to their owners against the Company; in this case, it's the responsibility of the shareholders to combine the number of shares necessary.

Shares are indivisible with respect to the Company.

Co-owners of indivisible shares are represented at shareholders' meetings by one of the owners or by a single agent. If they disagree, the agent shall be designed by a court of law at the request of one of the co-owners.

If there is a beneficial owner, the share registration must show the existence of the beneficial ownership. Except where otherwise stipulated in an agreement notified to the Company by registered mail with return receipt, the voting right belongs to the beneficial owner in ordinary shareholders' meetings for decisions concerning the allocation of profits and to the bare owner for the other decisions submitted to the ordinary general meetings, and to the bare owner in extraordinary shareholders' meetings.

Registered or bearer shares are freely negotiable, except where otherwise stipulated by laws or regulations. They are registered in an account and are transferred, with respect to the Company, by a transfer between accounts, under the conditions defined by the laws and regulations in force.

19.2.4 Changes in share capital and rights attached to shares

Unless otherwise stipulated in the bylaws, changes to the rights attached to shares shall be subject to statutory provisions.

19.2.5 General Shareholders' Meetings (Article 22 of the bylaws)

Notice and place of meeting

Shareholders' meetings shall be called and shall deliberate on the terms provided by law.

Meetings shall be held either at the registered office or at another place stated in the notice of the call to a meeting.

Agenda

The meeting agenda is provided on the notices and/or letters of meeting; it is decided by the author of the notice.

The meeting may deliberate only on items indicated on the agenda; however, in all circumstances it may dismiss one or more Directors and replace them.

One or more shareholders representing at least the percentage of capital required by law, and acting under the statutory conditions and within the statutory time periods, have the option to require the inclusion of proposed resolutions on the agenda.

Access to meetings

Any shareholder has the right to attend shareholders' meetings and participate in the deliberations personally or through an agent.

Any shareholder may participate at meetings in person or through his agent, under the conditions defined by the regulations in force, with proof of his identity and the ownership of his shares in the form of accounting registration under the conditions defined by the laws and regulations in force.

On the decision of the Board of Directors published in the notice of meeting to use such telecommunications methods, shareholders who attend the meeting via videoconference or other telecommunication or electronic transmission methods, including the Internet, which allow identification under the conditions required by the regulations in force, are deemed present for the calculation of quorum and majority.

Any shareholder may vote remotely or give his proxy pursuant to the regulations in force using a form prepared by the company and sent to the Company under the conditions defined by the regulations in force, including electronic or broadcast transmission methods. This form must be received by the company under the regulatory conditions to be counted.

The legal representatives of shareholders who are legally incapacitated or the individuals representing legal entities shall participate in meetings, whether or not they are shareholders themselves.

Attendance sheet, officer, minutes

At each meeting, an attendance sheet containing the information required by law shall be kept.

Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a Director specifically delegated for this purpose by the Board. If not, the meeting shall elect a chairman.

The duties of tellers (*scrutateurs*) are performed by the two members of the meeting who are present and accept the duties and who themselves or as agents have the largest number of votes.

The officers (*bureau*) name the secretary, who does not have to be a shareholder.

The mission of the officers (*bureau*) is to verify, certify and sign the attendance sheet, to ensure the proper conduct of discussion, to settle incidents at meetings, to count the votes cast, and to ensure the meeting is properly conducted and that minutes are prepared.

Minutes are prepared and copies or excerpts of the resolutions are issued and certified as required by law.

Ordinary shareholders' meeting

The ordinary shareholders' meeting is a meeting called to make all decisions that do not amend the bylaws. It meets at least once a year within six months after the closing of each fiscal year to approve the financial statements for the year and the consolidated financial statements unless an extension is granted under the conditions provided for by law.

On the first notice of meeting, it may legally deliberate only if the shareholders present or represented, or voting by mail and electronically, hold at least one-fifth of the voting shares. On the second notice of meeting, no quorum is required.

It rules by a majority of the votes held by the shareholders present, represented or who have voted by mail or means of distance communication. Votes cast do not include those attached to shares in respect of which the shareholder has not taken part in the vote, has abstained, or has returned a blank or invalid vote.

Extraordinary shareholders' meeting

Only the extraordinary shareholders' meeting is authorised to amend all provisions of the bylaws. It may not, however, increase shareholders commitments, subject to operations resulting from a legally performed consolidation of shares.

It legally deliberates only if the shareholders present, represented or who have voted by mail or electronically, hold at least one quarter of the voting shares on the first notice of meeting, and one-fifth of the voting shares on the second notice. If the second quorum is not reached, the second meeting may be moved to a date no more than two months from the date on which it was called.

The meeting rules by a two-thirds majority of the votes of the shareholders present, represented or voting by mail or means of distance communication. Votes cast do not include those attached to shares in respect of which the shareholder has not taken part in the vote, has abstained, or has returned a blank or invalid vote.

However, under no circumstances may the extraordinary shareholders' meeting increase the commitments of the shareholders unless this is done by unanimous vote of the shareholders.

19.2.6 Stipulations that allow delaying, deferring or preventing a change in control of the Company

There are no provisions either in the Company's bylaws or in any internal charter or rules of procedure that could have the effect of delaying, postponing or preventing a change of control of the Company.

19.2.7 Ownership threshold disclosures and identification of shareholders (Article 10 of the bylaws)

In addition to the thresholds provided for by applicable laws and regulations, any natural person or legal entity, acting alone or in concert, who comes to hold or ceases to hold, directly or indirectly, a fraction equal to or greater than one percent (1%) of the Company's share capital or voting rights or any multiple of such percentage, including beyond the reporting thresholds provided for by laws and regulations and up to 50% of the share capital or voting rights, must inform the Company of the total number of shares and voting rights that it possesses as well as of securities giving access to the share capital and voting

rights that are potentially attached thereto, by registered letter with return receipt requested sent to the Company's senior management at the registered office no later than the close of the fourth trading day following the day on which the threshold is crossed.

The thresholds referred to above shall be determined also taking into account indirectly held shares or voting rights and shares or voting rights having the same rights as the shares or voting rights held, as defined in Articles L.233-7 *et seq.* of the French Commercial Code.

In the event of non-compliance with the above provisions, the sanctions provided for by law for the failure to comply with the obligation to report the crossing of legal thresholds shall apply to the thresholds set forth in the by-laws only upon the request (recorded in the minutes of the general shareholders' meeting) of one or more shareholders holding at least five percent (5%) of the Company's share capital or voting rights.

The Company reserves the right to inform the public and the shareholders either of the information that shall have been provided to it or of the non-compliance by any person with the obligation set forth above.

19.2.8 Identification of securities holders (Article 9 of the bylaws)

The Company, or its agent, is entitled, under the legal and regulatory conditions in force, either to request at any time, at its own expense, from the central depository which keeps the account for the issue of its securities, or directly from one or more intermediaries mentioned in Article L. 211-3 of the French Monetary and Financial Code, information under the conditions set out in Articles L. 228-2 *et seq.* of the French Commercial Code, regarding the owners of its shares and securities conferring an immediate or future right to vote in its own shareholders' meetings.

19.2.9 Particular stipulations governing modifications of the share capital

As the bylaws do not provide any specific stipulations, the share capital may be increased, decreased or amortized by any methods or means authorised by law.

20. MATERIAL CONTRACTS

See Section 8.5 “Financial indebtedness” of this Universal Registration Document

21. DOCUMENTS AVAILABLE

The Company's bylaws, minutes of General Shareholders' Meetings and other statutory documents, as well as any valuation or statement made by an independent expert at the Company's request which must be made available to shareholders in accordance with applicable regulations, may be consulted at the Company's registered office.

, Regulated information within the meaning of the provisions of the AMF General Regulations is also be available on the Company's website.

GLOSSARY

Adjusted EBITDA	means current EBITDA adjusted to exclude share-based compensation. In the future, the Group intends to exclude expenses resulting from the payment of earn-outs from its adjusted EBITDA.
Baremetal Cloud	is a high-performance private cloud solution receiving fully automated access to dedicated servers on which the customer operates and manages all software layers.
Cloud	refers to a technology for the remote use of execution and storage resources.
Cloud computing	means providing on-demand, fully automated access, via the internet, to computing, storage and networking resources.
Containerization	refers to the encapsulation of software code and its dependencies in a virtual container to improve response time and performance of cloud solutions.
CPU (<i>Central Processing Unit</i>)	refers to the component of a server that runs the computer programs.
Current EBITDA	is equal to revenues less the sum of personnel costs and other operating expenses (and excluding depreciation and amortization charges, as well as items that are classified as “other non-current operating income and expenses”).
Data center	means a physical site where the infrastructures made available to customers by OVHcloud as part of its services are located.
DCaaS (<i>Data center as a Service</i>)	is a hosting service in which the physical infrastructure and equipment of the data center are provided to customers.
Edge computing	refers to a form of computer optimization aimed at bringing data processing closer to the source of the data.
Free operating cash flow less recurring capital expenditures	means adjusted EBITDA plus the change in working capital less recurring capital expenditures plus rent costs resulting from the application of IFRS 16.
GPU (<i>Graphics Processing Unit</i>)	is the IT component dedicated to the processing of graphic information.
Growth Capital Expenditure	represents all capital expenditures other than recurring capital expenditures.
Hosted Private Cloud	refers to a private cloud solution providing customers with fully automated dedicated servers, with platforms such as the operating system and virtualization stack selected and managed by OVHcloud.

Hybrid Cloud	is a solution that combines public and private cloud with on-premises resources in a multiple deployment model within a single organization.
Hyperconvergence	refers to a tendency to locate processing power and storage solutions in the same unit, separating them through virtualization rather than physical separation.
Hyperscalers	refers to the largest U.S. cloud service providers: Amazon Web Services, Google Cloud Platform and Microsoft Azure.
IaaS (<i>Infrastructure-as-a-Service</i>)	refers to the service by which a cloud service provider makes available to its customer an IT infrastructure (servers, backup, storage, etc.) that the customer can use or configure remotely to compose its own environment.
KKR	means Kohlberg Kravis Roberts & Co. L.P. and/or one or more of its affiliates, including investment funds and other entities managed or advised by Kohlberg Kravis Roberts & Co. L.P. and/or one or more of its affiliates, as the context may require.
KKR Shareholder	means Spiral Holdings SCA.
Leverage ratio	means net financial debt divided by adjusted EBITDA.
Multi-cloud	refers to a solution involving the use of computing and storage services from multiple vendors.
Open source	means software that has an open source code that can be modified and reused.
Open trusted cloud	is a label created by OVHcloud for providers of software applications and of PaaS and SaaS solutions, certifying that the solutions used are open and compliant with European standards and allowing them to be hosted by OVHcloud.
PaaS (<i>Platform-as-a-Service</i>)	refers to the service by which a cloud service provider makes available to its customer an infrastructure (servers, backup, storage etc.) as well as tools called “middleware” (database, web server etc.).
Private cloud	means the provision by a service provider of a server to a single customer by distributing the server’s capacity among groups of users authorised by the customer.
Public cloud	refers to the provision of a server by a service provider to several customers; the server is then shared between these customers.

PUE (<i>Power Usage Effectiveness</i>)	is a sustainability indicator that measures the energy efficiency of a data center.
Recurring Capital Expenditures	reflects the capital expenditures needed to produce new servers to replace the revenues generated by servers that were downgraded or taken offline during the period, calculated on the basis of the average revenues per server taken offline and the average revenues of new servers assembled during the period.
Return on growth capital expenditures	is calculated by dividing the difference between free operating cash flow less recurring capital expenditures for the current year and the previous year, by growth capital expenditures of the previous year.
SaaS (<i>Software-as-a-Service</i>)	refers to the service by which a cloud service provider makes available to the customer tools that it hosts (software, applications, etc.) that can be accessed remotely by the customer and associated services (hosting, maintenance, etc.).
Source code	means a set of instructions written in a computer programming language to produce a computer program.
Streaming	refers to a mode of transmission of audio and video data.
“Trusted Zone Sovereign” solution	is a solution launched by OVHcloud to meet the highest security standards of public sector and critical services operators.
Virtual Private Servers	refers to the virtual subpart of a hosting server whose memory and processor loads are shared with other independent virtual private servers.
Virtualization	refers to a mechanism that consists of running multiple systems, virtual servers or applications, on a single physical server.
Web cloud	refers to web hosting and domain registration solutions.
White label	means the provision of hosting services by a company to resellers and partners who market the company’s solutions to their own customers under their own brand.
WUE (<i>Water Usage Effectiveness</i>)	is a sustainability indicator that measures the amount of water used by data centers for cooling purposes.

**APPENDIX I - CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT
PROVIDED FOR IN ARTICLES L. 225-100 ET SEQ. OF THE FRENCH
COMMERCIAL CODE**

To facilitate the reading of this Universal Registration Document, the cross-reference table below makes it possible to identify the information relating to the annual Board of Directors' Management Report to be presented to the General Shareholders' Meeting called to approve the financial statements for each fiscal year ended, in accordance with Articles L. 225-100 et seq. of the French Commercial Code.

No.	Item required	Chapter / Sections of the Universal Registration Document
1.	Group situation and business	
	1.1. Situation of the Company during the past fiscal year and objective and exhaustive analysis of the evolution of the business, the results and the financial position of the Company and the Group, in particular its debt position, with regard to the business volume and complexity	Chapters 5, 7 and 8
	1.2. Key financial performance indicators	Chapters 7 and 8
	1.3. Key non-financial performance indicators relating to the specific activity of the Company and the Group, in particular information relating to personnel and environment issues	Appendix II
	1.4. Significant events occurring between the closing date of the fiscal year and the date on which the Management Report was prepared	Chapter 18 Section 18.1 / Note 2
	1.5. Identity of the main shareholders and holders of voting rights at General Shareholders' Meetings, and changes made during the fiscal year	Chapter 16 / Section 16.1
	1.6. Existing branches	Chapter 6 / Section 6.1
	1.7. Significant equity investments in companies with their registered office in France	N/A
	1.8. Cross-shareholdings	N/A
	1.9. Foreseeable changes in the situation of the Company and the Group and future outlook	Chapters 10 and 11
	1.10. Research and development activities	Chapter 5 / Section 5.8
	1.11. Table showing the Company's results for each of the last five fiscal years	Chapter 18 / Section 18.3
	1.12. Information on supplier and customer payment terms	Chapter 18 / Section 18.3
	1.13. Amount of inter-company loans granted and Statutory Auditors' statement	Chapter 18 / Section 18.3
2.	Internal control and risk management	
	2.1. Description of the main risks and uncertainties facing the Company	Chapter 3 / Sections 3.1 to 3.7
	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 3 / Sections 3.4 Appendix II / Subsection 2.2.2 Appendix II / Subsection 2.2.3
	2.3. Main characteristics of the internal control and risk management procedures implemented by the Company and the Group relating to the preparation and processing of accounting and financial information	Chapter 3 / Section 3.8

No.	Item required	Chapter / Sections of the Universal Registration Document
	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 18 / Section 18.1 / Note 4.20
	2.5. Anti-corruption mechanism	Chapter 3 / Section 3.8
	2.6. Vigilance plan and report on its effective implementation	N/A
3.	Corporate Governance report	
	<i>a. Compensation information</i>	
	3.1. Compensation policy for corporate officers	Chapter 13 / Section 13.1
	3.2. Compensation and benefits in kind paid during the fiscal year or allocated for the fiscal year to each corporate officer	Chapter 13 / Section 13.2
	3.3. Relative proportion of fixed and variable compensation	Chapter 13 / Section 13.2
	3.4. Use of the option to request the return of variable compensation	N/A
	3.5. Commitments of any kind made by the Company for the benefit of its corporate officers, corresponding to elements of compensation, indemnities or benefits due or likely to be due as a result of the assumption, termination or change of their duties or after the exercise of these duties	Chapter 13 / Section 13.2
	3.6. Compensation paid or allocated by a company included in the scope of consolidation within the meaning of Article L. 2333-16 of the French Commercial Code	Chapter 13 / Section 13.2
	3.7. Ratios between the level of compensation of each executive corporate officer and the average and median compensation of the Company's employees	Chapter 13 / Section 13.2
	3.8. 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 fiscal years	Chapter 13 / Section 13.2
	3.9. Explanation of how the total compensation complies with the adopted compensation policy, including how it contributes to the Company's long-term performance and how the performance criteria have been applied	Chapter 13 / Section 13.2
	3.10. Method in which the vote of the last Ordinary General Shareholders' Meeting provided for in I of Article L. 22-10-34 of the French Commercial Code was taken into account	N/A
	3.11. Deviation from the procedure for implementing the compensation policy and any derogation	N/A
	3.12. Application of the provisions of paragraph 2 of Article L. 225-45 of the French Commercial Code (suspension of payment of directors' compensation in the event of non-compliance with diversity of the Board of Directors)	N/A
	3.13. Allocation and retention of options by corporate officers	Chapter 13 / Section 13.3
	3.14. Allocation and retention of free shares to executive corporate officers	Chapter 13 / Section 13.3
	<i>b. Governance information</i>	
	3.15. List of all offices and functions exercised in any company by each of the corporate officers during the fiscal year	Chapter 12 / Section 12.1
	3.16. Agreements entered into between an officer or a significant shareholder and a subsidiary	Chapter 17 / Section 17.1
	3.17. Table summarising the current delegations of authority granted by the General Shareholders' Meeting to increase the share capital	Chapter 19 / Section 19.1
	3.18. General management procedures	Chapter 12 / Section 12.1

No.	Item required	Chapter / Sections of the Universal Registration Document
	3.19. Composition, conditions of preparation and organisation of the Board of Directors' work 3.20. Application of the principle of balanced representation of women and men on the Board of Directors 3.21. Any limitations that the Board of Directors places on the powers of the Chief Executive Officer 3.22. Reference to a corporate governance code and application of the "comply or explain" principle 3.23. Specific procedures for shareholder participation in the General Shareholders' Meeting 3.24. Assessment procedure for current agreements - Implementation 3.25. Information likely to have an impact in the event of a public tender offer or exchange offer: 1. Company share capital structure; 2. statutory restrictions on the exercise of voting rights and share transfers, or clauses in agreements brought to the attention of the Company pursuant to Article L. 233-11 of the French Commercial Code; 3. direct or indirect shareholdings in the share capital of the Company of which it is aware pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code; 4. list of holders of any securities with special control rights and a description of these rights; 5. control mechanisms provided for in a possible employee shareholding system, when the control rights are not exercised by the latter; 6. agreements between shareholders of which the Company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights; 7. rules applicable to the appointment and replacement of members of the Board of Directors and to the amendment of the Company's Bylaws; 8. powers of the Board of Directors, in particular as regards the issue or buyback of shares; 9. 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; 10. 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.	Chapter 14 / Section 14.2 Chapter 12 / Section 12.1 Chapter 19 / Subsection 19.2.2 Chapter 14 / Section 14.6 Chapter 19 / Subsection 19.2.5 Chapter 17 / Section 17.2 1. Chapter 16 / Section 16.1 2. Chapter 16 / Section 16.5 3. Chapter 16 / Section 16.6 4. Chapter 16 / Section 16.5 5. N/A 6. Chapter 16 / 16.5 7. Chapter 19 / Subsections 19.2.2 and 19.2.5 8. Chapter 19 / Subsections 19.1.1 and 19.1.3 9. N/A 10. N/A
4.	Shareholders and share capital	
	4.1. Structure, changes in the Company's share capital and crossing of thresholds	Chapter 16 / Sections 16.1 and 16.6 Chapter 19 / Subsection 19.1.7
	4.2. Acquisition and disposal by the Company of its own shares	Chapter 19 / Subsections 19.1.1 and 19.1.3
	4.3. Statement of employee participation in the share capital on the last day of the fiscal year (proportion of share capital represented)	Chapter 16 / Section 16.1

No.	Item required	Chapter / Sections of the Universal Registration Document
	4.4. Statement of any adjustments for securities giving access to the share capital in the event of share buybacks or financial transactions	N/A
	4.5. Information on transactions by executives and related persons on the Company's shares	Chapter 12 / Section 12.1
	4.6. Amounts of dividends distributed in respect of the three previous financial years	Chapter 18 / Section 18.4
5.	Non-financial performance statement (DPEF)	Appendix II
6.	Other information	
	6.1. Additional tax information (<i>Articles 223 quater and 223 quinquies of the French General Tax Code</i>)	Chapter 18 / Section 18.3
	6.2. Injunctions or financial penalties for anti-competitive practices (<i>Article L. 464-2 of the French Commercial Code</i>)	N/A

Cross-reference table of the annual financial report required by Articles L. 451-1-2 of the French Financial and Monetary Code and 222-3 of the AMF General Regulation

This Universal Registration Document also constitutes the Company's annual financial report. In order to facilitate the reading of this Universal Registration Document, the cross-reference table below identifies, in this Universal Registration Document, the information that constitutes the annual financial report to be published by listed companies in accordance with the Articles L. 451-1-2 of the French Financial and Monetary Code and Article 222-3 of the AMF General Regulation.

No.	Item required	Chapter / Sections of the Universal Registration Document
1.	Annual Financial Statements	Chapter 18 / Section 18.2
2.	Consolidated Financial Statements	Chapter 18 / Section 18.1
3.	Management report	See Cross-reference table above.
4.	Statement by the persons responsible for the annual financial report	Chapter 1 / Section 1.2
5.	Statutory Auditors' reports on the parent company and consolidated financial statements	Chapter 18 / Sections 18.1 and 18.2

APPENDIX II - NON-FINANCIAL PERFORMANCE STATEMENT (DPEF) 2021

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OVH Groupe S.A.

**Report by one of the Statutory Auditors, appointed as independent third party,
on the consolidated Non-financial Performance Statement**

For the year ended 31 August 2021
OVH Groupe S.A.
2, rue Kellermann, 59100 Roubaix
This report contains 4 pages

OVH Groupe S.A.

Registered office: 2, rue Kellermann, 59100 Roubaix

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.

For the year ended 31 August 2021

To the Annual General Shareholders' 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 (*Comité Français d'Accréditation* or COFRAC) under number 3-1049¹, we hereby report to you on the consolidated Non-financial Performance Statement for the year ended 31 August 2021 (hereinafter the "Statement"), included in the entity's Management Report pursuant to the requirements of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the entity

The Management Board is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available upon request at the entity's head office.

Independence and quality control

¹ Accreditation Cofrac Inspection, number 3-1049, scope available at www.cofrac.fr

Our independence is defined by the requirements of article L.822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the Statutory Auditors appointed as independent third party,

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R.225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the “Information”) in particular the French duty of care law and anti-corruption and tax avoidance legislation not on the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of Article A.225-1 *et seq.* of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes* or CNCC) applicable to such engagements and with ISAE 3000²:

- We obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Statement includes each category of social and environmental information set out in article L.225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation set out in article L. 22-10-36, paragraph 2;
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;

² ISAE 3000: international standard on assurance engagements other than audits or reviews of historical financial information

- We referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented;
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important³. Our work was carried out at the head office of the consolidating entity.
- [We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement];
- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important⁴, 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 the definitions and procedures and reconcile the data with the supporting documents. This work was carried out at the head office of the entity and covers 100% of the consolidated data selected for these tests;

We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of five people between September and November 2021 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.

³ Measures taken to attract and retain employees, Employee health and well-being policy, Actions in favour of diversity and inclusion, Measures for the prevention of physical environmental risks, Commitments and actions to reduce the environmental impact of activities, Actions implemented to promote circular economy, Commitments in favour of stakeholders, Procedures implemented in terms of good business conduct and the fight against corruption, IT security and data sovereignty.

⁴ Power Usage Effectiveness, Water Usage Effectiveness, Carbon Usage Effectiveness, Renewable energy factor, Reused components ratio, Cyber-attack simulation campaigns success rate, Percentage of workforce trained, Loyalty rate, Employee commitment score, Accident frequency rates (FR1 & FR2).

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Non-financial Performance Statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, on December 15, 2021

KPMG S.A.

Anne Garans
Partner
Sustainability Services

Jacques Pierre
Partner

Non-financial performance statement - DPEF 2021

Pursuant to Article L. 225-102-1 of the French Commercial Code, the Company is required to prepare a consolidated non-financial performance statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators.

Pursuant to Article L. 225-102-1 of the French Commercial Code, this statement of non-financial performance must include information concerning the manner in which the Company takes into account the social, environmental and societal consequences of its activity. This document includes the information from the non-financial performance statement.

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1. Business model presentation

1.1. General presentation and overview

OVHcloud is the leading Europe-based cloud services provider, uniquely positioned in the rapidly growing global cloud market. It provides business customers with a comprehensive suite of solutions designed to capture growing demand for multi-cloud and hybrid cloud strategies, serving a wide range of needs and customer segments. OVHcloud is an open, trusted cloud provider, which offers data sovereign and secure cloud solutions for a customer base that is increasingly sensitive to these issues. It delivers predictable prices and an optimal price/performance ratio thanks to its proprietary technology, supported by a differentiated, sustainable and vertically integrated production model that offers optimal efficiency. OVHcloud delivers sustainable cloud solutions through innovation, leveraging an active ecosystem of technological and commercial partners.

Non-financial reporting covers the entire scope described in paragraph 1.2, excluding Singapore and Australia.

1.2. Presentation of OVHcloud's business, products & services

OVHcloud operates 33 data centers worldwide in 12 locations in France, Europe, North America, Singapore and Australia, housing over 400,000 servers manufactured in production plants in France and Canada. OVHcloud serves a diversified, loyal and growing base of nearly 1.7 million⁵ customers, mostly composed of mid-sized technology companies. By operating data centers around the world, OVHcloud and its 2,253 employees support its customers worldwide by addressing customer concerns about data sovereignty.

Initially founded as a web hosting company in 1999, OVHcloud gradually transitioned to a diversified cloud service provider, successfully developing a comprehensive suite of cloud solutions.

Today, OVHcloud has three main cloud offerings:

- **Private Cloud** services (60% of FY2021 revenue). OVHcloud offers customers private cloud solutions with dedicated servers for a monthly fee that depends on the customer's choice of performance levels and service options. It should be noted that this offer was the most impacted by the commercial gestures offered to customers following the fire of two data centers in Strasbourg in March 2021.
 - **Baremetal Cloud** (46.9% of FY2021 revenue). OVHcloud customers can choose a high performance "Baremetal" solution, receiving fully automated access to dedicated servers on which the customer operates and manages all software layers, including the operating system and the virtualisation stack (which allows a single server to operate multiple "virtual machines").
 - **Hosted Private Cloud** (13.1% of FY2021 revenue). OVHcloud's Hosted Private Cloud solutions provide customers with fully automated, dedicated servers, with platforms such as the operating system and the virtualisation stack selected and managed by OVHcloud.
- **Public cloud services** (14% of FY2021 revenue). OVHcloud offers customers computing and storage services on shared servers, providing them with the greatest degree of scalability and continuity. Public Cloud provides pay-as-you-go IT services on shared servers. Based on open source standards (OpenStack, Kubernetes), this universe ensures portability, hybridity, scalability and continuity.
- **Web Cloud and other services** (26% of FY2021 revenue). OVHcloud offers customers web cloud services, including web hosting and domain registration, telecommunications and internet access, as well as a "marketplace" of third-party software solutions. Web Cloud customers generally pay fixed monthly fees for these services, plus fees for additional services such as support.

1.3. Customers and marketing

OVHcloud serves almost 1.7 million customers, including large corporations, public sector entities, technology companies, small and medium enterprises, and a broad range of individual and business Web

⁵ Number of customers generating revenue at least once during FY2021

customers. The customer base is highly diversified, with the top 50 customers representing approximately 8% of revenues in FY2020.

OVHcloud's customer base includes three groups that are distinguished by their main cloud usages:

- “digital native” technology and software companies;
- large corporations, SMEs, and public entities; and
- White-labellers and resellers (including individuals).

1.4. The Group's competitive strengths

1.4.1. The only European player of scale in the hyper-growth cloud market.

OVHcloud is positioned as the leading European player in a “hyper-growth” cloud services market, which is both large and growing at a rapid pace.

- OVHcloud is one of the two leading providers of private cloud services in Europe, together with IBM Cloud, based on estimated 2020 revenues. According to Forrester (June 2020), OVHcloud is a leader in Hosted Private Cloud services in Europe based on its current offering, market presence, and strategy. Additionally, as a Europe-based cloud provider, OVHcloud is able to meet the requirements of European customers for data sovereignty and security.
- OVHcloud has a growing presence in the public cloud market, which is dominated globally by the so-called “Hyperscalers” (Amazon Web Services, Google Cloud Platform and Microsoft Azure). It is the only European provider of public cloud infrastructure services that was named a contender in the IDC MarketScape (IDC (September 2020)), based on its infrastructure offering.

1.4.2. A comprehensive suite of solutions designed to capture growing demand for multi-cloud and hybrid cloud strategies, serving a wide range of needs and customer segments.

OVHcloud has a suite of private cloud, public cloud and web cloud solutions that positions it to capture the growing demand for multi-cloud and hybrid cloud services that drive the expansion of the cloud market, by serving a wide range of needs and customer segments. OVHcloud's offerings are differentiated from those of other providers, particularly the Hyperscalers, through a guarantee of data sovereignty as well as a unique combination of price predictability and performance.

The “trusted cloud” offering of OVHcloud is also a powerful differentiator in North America, India and the Asian markets. As a pure cloud player, by design, OVHcloud does not compete with its customers and has committed to not using their data to optimise or to sell its own products. OVHcloud allows customers to choose the localisation of their data among its 33 data centers around the world. It also offers the highest standards of data protection and security, with a broad range of security certifications essential for attracting customers in sensitive sectors such as financial services, healthcare and government.

1.4.3. Predictable pricing and optimal 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.

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.

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

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

1.4.5. A pioneer in cloud solutions through innovation leveraged across an active ecosystem of technological and commercial partners.

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

1.5. Strategy

OVHcloud is convinced that there are multiple opportunities for value creation and sustained growth. Its ambition is to be the "European champion" in the cloud sector by following the following strategic focuses.

1.5.1. Growing key customer segments in core geographic markets

OVHcloud is pursuing a growth strategy adapted to its three key customer segments: (i) “digital native” technology and software companies”, (ii) large corporations, SMEs and public entities, as well as (iii) white-labellers and resellers. OVHcloud is addressing each of these customer segments with tailored product offerings and marketing channels tailored to their needs.

1.5.2. Addressing a larger market through new cloud usages and integrated PaaS solutions

OVHcloud is expanding its addressable market by integrating new offers in its cloud solutions. Traditionally, OVHcloud’s core solutions have been focused on the IaaS market, which is estimated at €60-80 billion in 2020. By integrating a range of new cloud usages and PaaS solutions in its offerings, OVHcloud is seeking to expand its addressable market to encompass both IaaS and PaaS, which together represented a market estimated at €100-120 billion in 2020. OVHcloud is seeking to offer over 80 PaaS services by FY2022, up from approximately 24 in 2020. By way of comparison, other main public cloud providers (including the Hyperscalers) offered approximately 50 to 100 public cloud services in 2020.

1.5.3. Consolidating European leadership and growing outside of Europe, particularly in North America and Asia

OVHcloud will seek to leverage its market leading positions in France and Continental Europe and its substantial asset base to generate growth through geographic expansion. OVHcloud will implement this strategy through defined geographic clusters, each with dedicated websites (in local languages for the countries in those clusters), start-up programmes, partner programmes and sales staff.

1.5.4. Expanding and accelerating development through targeted external growth

OVHcloud intends to seek mid-scale external growth opportunities to build upon its European leadership positions, expanding and accelerating the development of its product portfolio, and broadening its reach to new customers. OVHcloud plans to use external growth to complement its internal growth in each of its three main strategic areas – growing its customer base, driving new cloud usages and PaaS solutions, and expanding its geographic footprint. As part of this strategy, OVHcloud plans to target “at-scale” start-ups with active customer bases and technologies that would allow for synergies with the rest of OVHcloud’s portfolio. OVHcloud also plans to consider opportunities with mature European cloud or web cloud providers that have complementary customer bases and steady financial profiles.

1.5.5. The cloud for strategic data

1.5.5.1. Data sovereignty

As the leading European cloud services provider, OVHcloud is uniquely positioned to provide data sovereign solutions that respond to the needs of customers (particularly in Europe) that are emphasising data privacy issues to an ever greater extent. OVHcloud’s ability to provide data sovereign solutions is a significant factor that differentiates it from the U.S.-based Hyperscalers and other U.S.-based cloud providers. In addition, while data sovereignty is particularly important in Europe, OVHcloud believes it is likely to take on increasing significance in other countries, including in the United States.

In Europe, the need for solutions offering the highest standards of data sovereignty is derived from a number of legal developments:

- *GDPR*. The General Data Protection Regulation (GDPR) came into effect in May 2018, and substantially increased the data privacy obligations applicable to companies that receive, store,

process, transfer and otherwise make use of personal data. GDPR places organisations that do business in Europe under strict obligations in terms of security and reporting, strengthens the rights of individuals and increases the enforcement powers of supervisory authorities, with violations giving rise to potentially substantial fines. In addition, GDPR places strict restrictions on the transfer of personal data outside the European Economic Area.

- *Schrems II*. The United States and the European Union have entered into two agreements to facilitate the transfer of personal data across borders. Both agreements have been declared invalid by the European Court of Justice (ECJ). In the most recent decision (Schrems II), the ECJ decided that the E.U.-U.S. Privacy Shield was invalid because it did not provide sufficient protection against the ability of U.S. law enforcement agencies to access personal data of European Union citizens. As a consequence, cloud customers must take steps to ensure that the personal data they store with cloud service providers will not be transferred to the United States in violation of GDPR. By choosing OVHcloud's solutions, cloud customers are able to satisfy this obligation because OVHcloud does not transfer their personal data to the United States.
- *Cloud Act*. In 2018, the United States Congress adopted the Cloud Act, which provides that U.S. law enforcement agencies may obtain subpoenas or warrants requiring companies subject to U.S. jurisdiction to turn over data stored on their servers, including those located outside the United States. Many European cloud customers are concerned about storing data with cloud service providers in a manner that could be subject to Cloud Act subpoenas and warrants. These customers are increasingly seeking data storage solutions from companies that are not subject to U.S. jurisdiction.

OVHcloud is able to provide customers with "trusted cloud" services that comply with GDPR and it has structured its U.S. operations to be completely segregated from its operations elsewhere, so that data stored on OVHcloud servers outside the United States by non-U.S. customers should not be subject to subpoena or warrant searches under the Cloud Act. OVHcloud customers are able to choose the location of the servers where their data is stored, providing them with assurances regarding compliance with the applicable data protection regime.

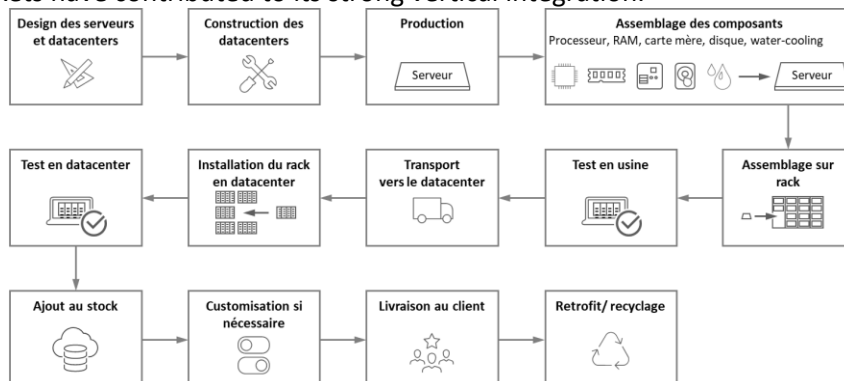
OVHcloud is also a leading member of organisations designed to promote data sovereignty in Europe. The Group is a founding member of CISPE (Cloud Infrastructure Service Providers in Europe), which has established a charter of good practices to ensure the highest degree of personal data protection. It is also a founding member of GAIA-X, a European consortium launched in 2020 with the goal of building the next generation data infrastructure to foster digital sovereignty of Europe, offering a European alternative to the U.S. Hyperscalers.

OVHcloud has implemented a "trusted cloud by design" offering that it believes is attractive to customers in Europe and around the world. It has publicly committed not to sell or use its customers' data, even for internal service optimisation purposes. It has also publicly stated that it will not transfer customer data outside the locations chosen by them, except pursuant to their instructions.

OVHcloud has also created the "Open Trusted Cloud" label for software vendors and providers of PaaS and SaaS solutions. These software providers benefit from a label that certifies that their solutions are open and comply with European standards, allowing them to be hosted by OVHcloud. More than 300 applications are currently eligible for this certification.

1.5.6. Vertically integrated, sustainable production model

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

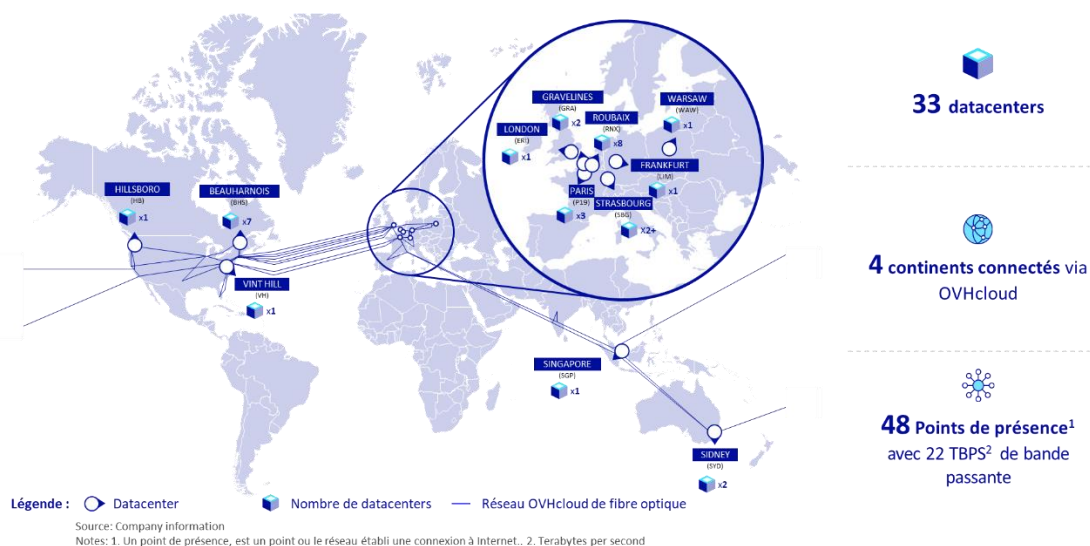


FR	EN
Design des serveurs et datacenters	Server and data center design
Construction des datacenters	Data center construction
Production Serveur	Production Server
Assemblage des composants Processeur, RAM, carte mère, disque, water-cooling	Components assembly CPU, RAM, motherboard, hard drive, water-cooling
Test en datacenter	In-data center testing
Installation du rack en datacenter	Installing the rack in data center
Transport vers le datacenter	Transport to data center
Test en usine	In-factory testing
Assemblage sur rack	Mounting on rack
Ajout au stock	Adding to stock
Customisation si nécessaire	Customisation if needed
Livraison au client	Delivery to customer
Retrofit/recyclage	Retrofit/refurbishment

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

Because OVHcloud manufactures its servers in-house, it is not dependent on a third-party manufacturer, which reduces the risk of supply chain disruption. The capacity to manufacture servers proved to be essential in allowing OVHcloud to respond rapidly to restore service following the Strasbourg fire, as OVHcloud doubled its server production following the fire. It is unlikely that OVHcloud could have achieved the same degree of responsiveness at a similar scale with a third-party manufacturer.

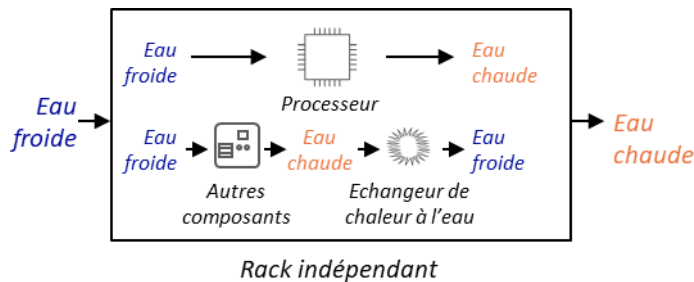
In addition, by owning and operating its data centers, OVHcloud has more control over each stage of the production process, which, in turn, allows its customers more opportunities for customisation. With data centers in 30 locations in 12 countries worldwide (excluding the two Strasbourg data centers that were damaged in the March 2021 fire), OVHcloud is able to deliver servers to its customers within a short time frame: in OVHcloud's European and North American locations, it takes approximately 14 days from server production to delivery. OVHcloud's data centers are generally housed in former industrial buildings, which has provided a cost advantage and has reduced its environmental impact by repurposing existing resources.



Source: Company

Notes: 1. A Point of presence is a point at which the network establishes a connection with the Internet. 2. Terabytes per second

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



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

2. Risks, policies and performance indicators, with regard to the challenges for the Group

A risk mapping was carried out in FY 2020-2021, involving the management of all Group activities and functions, and enabling the objectives and challenges of all stakeholders to be taken into account. The overall risk mapping and action plans are presented to the Company's Audit Committee twice a year.

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

During FY 2020-2021, with the support of an external consultant, the Group also initiated an initial analysis of its main sustainable development challenges, which compares the Group's internal ambitions in this area with stakeholder expectations. This work will result in a materiality matrix specific to sustainable development issues, which will be communicated in the next FY 2021-2022.

The identification of non-financial risks carried out for the first time during FY 2020-2021, and communicated in this chapter, is the result of the joint analysis of the Group's overall risk mapping with the identification of the sustainable development challenges.

It resulted in a selection of 16 non-financial risks presented in the table in section 2.1 below, and ten key indicators for this fiscal year, which are detailed and defined in sections 3 and 4.

2.1. Global approach to risks, policies, performance indicators

Main CSR risks	Description of the risk	Policies implemented or comment	Performance indicator (if applicable)
Business Continuity risks			
Cybersecurity (R1)	Risk of failure of the resources deployed to ensure the security of the hosted IT systems and data.	<u>Data security §2.2.1</u> <u>Cloud Security §2.2.1</u>	Sec Num Cloud Success rate of cyber attack simulation campaigns
Personal data (R1)	Risk of legal non-compliance with respect to personal data	<u>GDPR process §2.2.1</u>	

	protection. Risk of loss of stakeholder trust.		
Data security (R1)	Risk of loss of trust and mismatch between corporate vision and execution.	<u>Data security §2.2.1</u> <u>Cloud Security §2.2.1</u>	ISO/IEC 27001 certification
Financial affordability of products (R2)	Risk of digital divide and loss of digital freedom, due to the lack of financial accessibility of products.	Business model	
Innovation (R2)	Risk of failing to integrate the latest innovations into the value-added offer. Risk of non-protection of intellectual property.	Business model	
Customer satisfaction (R2)	Risk of customer dissatisfaction on the various elements of the value chain. Risk related to a decline in the quality of service or service interruptions.		
Environmental risks			
Physical risks (R1)	Risk of disasters/unusual natural events causing more or less significant damage.	<u>Environmental Policy §2.2.3</u> Paragraph dedicated to the management of environmental risks	
Energy management (including water) (R1)	Risk of environmental and social impacts related to the use of water and energy related to geopolitical, environmental or other contexts.	<u>Environmental Policy §2.2.3</u> <u>Energy Policy §2.2.3</u> Paragraph dedicated to the management of environmental risks	PUE (Power Usage Effectiveness) WUE (Water Usage Effectiveness) REF (Renewable Energy Factor)
Carbon emissions (R2)	Risk of not controlling greenhouse gas emissions, thus contributing to global warming.	<u>Environmental Policy §2.2.3</u> <u>Carbon footprint §2.2.3</u> Paragraph dedicated to the management of environmental risks	CUE (Carbon Usage Effectiveness)
End-of-life analysis of the product and management of industrial waste (R2)	Risk of pollution related to the failure to control the end-of-life of	<u>Environmental Policy §2.2.3</u> Paragraph dedicated to the management of environmental risks	<i>Reused components ratio</i>

	products, including the waste generated.		
Governance risks			
Stakeholder engagement (R2)	Risk related to anticipating stakeholder expectations.		
Anti-corruption (R2)	Risk of failure of measures to prevent and detect corruption. Risk of unfair practices.	Compliance Policy §2.2.8	
Ethics and compliance (R2)	Group of financial, legal and reputational risks incurred in the event of non-compliance with laws, regulations, conventions or code of ethics.	Compliance Policy §2.2.8	
Social Risks			
Talent attraction and development (R2)	Risk of talent shortage in the various OVHcloud locations.	HR policy §2.2.4	Loyalty Rate Engagement score Training rate
Employee well-being and Health and Safety (R2)	Risk of injury, accident and mental exhaustion of employees.	Social report FY20	TF1 & TF2 (<i>Frequency rate of workplace accidents 1 & 2</i>) Engagement score
Diversity and inclusion (R2)	Risk of unequal treatment between employees leading to a risk of non-compliance and employee disengagement.	Inclusion and diversity policy §2.2.6	

Note: R1 refers to tier one priorities, and R2 refers to tier two priorities, in terms of importance for stakeholders, and impact for the Group's business.

In addition to the existing mapping, the Group is carrying out more precise work on the impact of sustainable development issues, in order to compare the internal CSR ambitions with the expectations of the Group's stakeholders. Its presentation of key performance indicators and risk mitigation policies in the context of the Non-Financial Performance Statement for 2022 should therefore be enhanced.

2.2. Details of policies implemented

2.2.1. IT security

For the Group, IT security is a real priority. OVHcloud offers its customers “trusted cloud” services that comply with current legislation, in particular the GDPR. In order to guarantee this essential IT security, OVHcloud is a member of the main organisations aiming to promote data sovereignty in Europe. In addition, the Group is a founding member of CISPE (Cloud Infrastructure Service Providers in Europe), which has established a charter of good practices to ensure the highest degree of personal data protection. It is represented on the CISPE Board of Directors. This body publishes a code of conduct that aligns with the strict requirements set out in the GDPR to help cloud infrastructure providers comply, avoiding penalties while also offering a framework to help customers and end users to select cloud providers and trust their services. OVHcloud is a signatory to the CISPE code of conduct.

Because OVHcloud is increasingly involved in this process of guaranteeing IT security, it is also a founding member of GAIA-X, a European consortium launched in 2020 with the goal of building the next generation data infrastructure to foster digital sovereignty of Europe, offering a European alternative to the U.S. Hyperscalers.

More than words, actions: OVHcloud has implemented a “trusted cloud by design” offering that it believes is attractive to customers in Europe and around the world. It has publicly committed not to sell or use its customers’ data, even for internal service optimisation purposes. It has also publicly stated that it will not transfer customer data outside the locations chosen by them, except pursuant to their instructions.

As IT security is essential for all users, OVHcloud has also created the “Open Trusted Cloud” label for software vendors and providers of PaaS and SaaS solutions. These software providers benefit from a label that certifies that their solutions are open and comply with European standards, allowing them to be hosted by OVHcloud. More than 300 applications are currently eligible for this certification.

In addition to providing market-leading data sovereignty solutions, OVHcloud’s services benefit from multiple security certifications that attest to their compliance with the highest security standards. OVHcloud benefits from several key certifications, including the following:

- *SecNumCloud*. This is the highest French security certification for cloud providers, released by the French National Cybersecurity Agency (ANSSI) to guarantee data security and sovereignty. The certification aims at guiding public/administrative authorities, vital organisations and all French and European economic entities towards trusted cloud providers to store sensitive data. It is based on an extensive security audit.
- *ISO/IEC 27001*. This security certification standard evaluates an organisation’s compliance with the standards released by the International Organisation for Standardisation (ISO), which establishes best practices for the management system for information security within an organisation. The certification is performed by an independent third party and assesses the information security for a range of information assets, including financial information, intellectual property and employee information.
- *ISO27017:2015*. This security certification confirms an organisation’s compliance with the ISO’s ISO27017:2015 guidelines, which pertain to information security controls of cloud service providers. Compliance is assessed, and certification is performed, by an independent third party.

- *SOC*. The security operations center (SOC) certification is administered by the American Institute of Certified Public Accountants. It certifies that an organisation has the required internal procedures for managing the security of its information systems.
- *PCI DSS*. The Payment Card Industry Data Security Standard is a security certification administered by the PCI Security Standards Council (PCI SSC). It certifies that a business conforms with the PCI SSC standards on the storage, transmission and processing of cardholder data when processing card payments in order to reduce card fraud.
- *HDS. Hébergeur de Données de Santé (HDS)* security certification reflects standards determined by the French *Agence du Numérique en Santé (ANS)* with respect to health information security measures. It is required for organisations that host personal health data under French law and certifies that such organisations meet the required security standards to handle this sensitive information. The assessment of compliance is made by an independent third-party through both a documentary and on-site audit.
- *Cloud Computing Compliance Criteria Catalogue (C5) Type II Report*. The C5 Type II report signifies a baseline security level for cloud computing. This is a global attestation provided through an independent audit.

In addition, OVHcloud's subsidiaries hold several country-specific certifications to comply with national regulations. These certifications include:

- *HIPAA type 1 Attestation - United States*. The U.S. Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH) establish privacy and security standards for protected health information in the United States. The Type I report is a compliance report that checks the design of security controls at the time of the audit.
- *Qualified Certification Service Provider (AGID) - Italy*. The AGID provides a list of qualified service providers under Regulation (EU) No. 910/2014 in Italy.
- *G-Cloud - United Kingdom*. The G-Cloud framework enables cloud service providers to sell cloud services to the public sector in the U.S. Cloud service providers must apply through the U.K. government's Digital Marketplace.

OVHcloud is also a founding member of the CISPE (Cloud Service Infrastructure Providers in Europe), and is represented on the CISPE Board of Directors. The CISPE publishes a code of conduct that aligns with the strict requirements set out in the GDPR to help cloud infrastructure providers comply, avoiding penalties while also offering a framework to help customers and end users to select cloud providers and trust their services. OVHcloud is a signatory of the CISPE code of conduct.

In addition, the Cloud Security Alliance (CSA) publishes best practices for cloud service providers' information security practices. Since 2016, OVHcloud has been listed on the CSA STAR (Security, Trust, Assurance and Risk) registry at Level One, on the basis of best practices self-assessment.

2.2.2. Physical site security

While OVHcloud believes that its operations were consistent with industry standards, in the wake of the Strasbourg fire of 9 and 10 March 2021, it has taken steps to enhance its resilience measures:

- By increasing data center and network resilience,
- By upgrading data centers with a new physical security approach,
- By enhancing customer support and developing new backup solutions and disaster recovery plans, including limited free backup and regional application deployment strategies.

OVHcloud recognises that natural disasters and other environmental risks could cause damage to its data centers. It believes that one of the main environmental risks it faces is water, from drought, flooding, water pollution or water depletion. It is, therefore, with a view to prevention that OVHcloud has taken measures to reduce the impact of these risks, notably by:

- Optimising the evaporative cooling and predictive cooling process;
- Installing cooling systems for water recycling.

And in order to anticipate any other natural event, OVHcloud has also put in place procedures for other types of natural disasters, in particular seismic, volcanic, cyclonic risks and forest fires.

Some of OVHcloud's data centers and manufacturing sites host activities that are classified as presenting environmental or other risks in accordance with applicable French legislation. In many cases, OVHcloud is required to obtain authorisations from the relevant government authorities before starting its operations. OVHcloud seeks to maintain a constructive and productive relationship with the authorities and continues to issue all the necessary authorisations.

2.2.3. Climate action

Environmental policy

OVHcloud is sustainable through its integrated model. Throughout its twenty years of existence, it has been committed to reducing its waste production and minimising its energy consumption. It holds itself accountable for its objectives: for example, it is one of the founding members of the [Climate Neutral Data Centre Pact](#), an initiative of data center operators and trade associations committed to the EU's European Green Deal.

To go further in this climate-friendly approach, OVHcloud is committed to reducing its environmental impact at each stage of the server life cycle, in particular by designing and building its data centers, recycling components for the various product offerings and extending the life of its equipment.

Its commitments include:

- Carbon neutral operations by 2025 (which means balancing carbon emissions and offsetting actions with respect to both direct emissions (scope 1) and some indirect emissions (scope 2 and part of scope 3));
- Zero Net Carbon by 2030 (which means balancing carbon emissions and offsetting actions across scopes 1, 2 and 3);
- Use of 100% renewable energy by 2025; and

- Zero waste to be landfilled at production centres by 2030.

With respect to the commitments made by the end of FY2021, the Group obtained ISO 50001 certification for the scope of data centers located in France, and carried out a comprehensive assessment of the server life cycle.

To go further in its approach, OVHcloud now provides a beta version of the carbon footprint of its products in the Baremetal range, linked to the various scopes of its carbon footprint.

Finally, to continue this momentum in favour of the environment, the new brand of refurbished servers will be released in mid-2022.

Energy Policy

As a data center designer and operator, energy is one of the Group's main items of expenditure and environmental impact. As part of its environmental approach, OVHcloud makes energy performance a priority. This commitment is implemented in the form of an energy management system, compliant with EN ISO 50001, with the aim of increasing energy management efficiency in a continuous process of improvement and optimisation, for data centers operated worldwide.

In concrete terms, the Group aims to improve its energy expenditure planning, ensuring a gap of less than 20% between the baseline energy situation (representing the energy consumption trajectory) and the actual consumption recorded.

This commitment is based on a four-step approach:

Plan: each year, write the energy management vision in order to establish annual improvement plans, taking into account the work to be done, the means to achieve it, and the associated action plans.

Do: count energy, calculate monitoring indicators, manage energy supplies.

Check: examine and monitor changes in energy consumption, local energy regulations, and the alignment between the energy policy and the Group's commitments.

Act: train and raise awareness among operators, encourage the purchase of energy-efficient products and services.

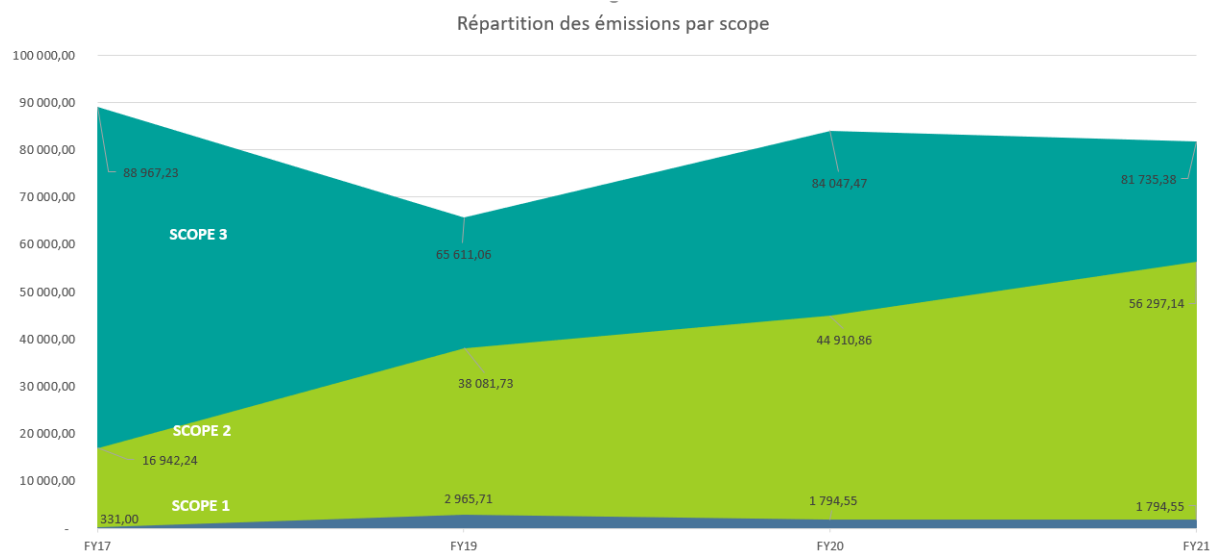
It should be noted that OVHcloud believes that its energy and water use efficiency is generally competitive or even lower than that of hyperscalers and other data center operators.

Carbon footprint and Net Zero strategy

OVHcloud has carried out a study of its carbon footprint since 2017, including the upstream scope 3 and part of the downstream scope 3 of the activity. This footprint is detailed below with the history since 2019.

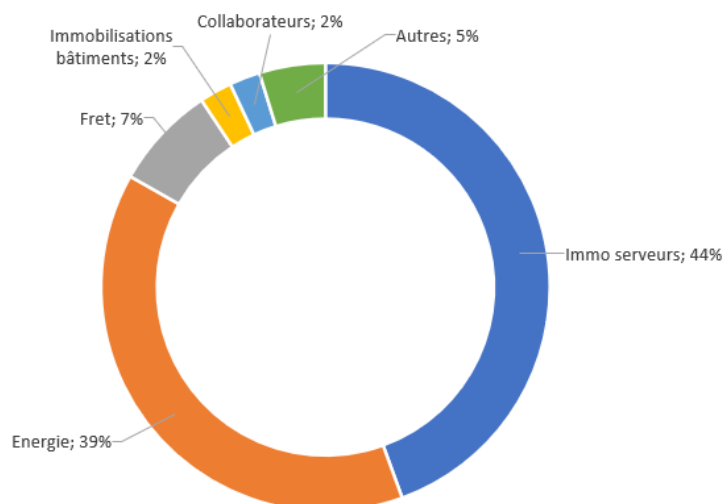
	Fiscal year 2019	Fiscal year 2020	Fiscal year 2021*
Carbon footprint – induced emissions	107 kt of CO _{2e}	130 kt of CO _{2e}	142 kt of CO _{2e}

* For FY2021, the footprint report was carried out by the Group's teams trained in carrying out the carbon footprint. This report is awaiting review by a third party.



FR	EN
Répartition des émissions par scope	Breakdown of emissions by scope
100 000,00	100,000.00
90 000,00	90,000.00
80 000,00	80,000.00
70 000,00	70,000.00
60 000,00	60,000.00
50 000,00	50,000.00
40 000,00	40,000.00
30 000,00	30,000.00
20 000,00	20,000.00
10 000,00	10,000.00
SCOPE 1	SCOPE 1
SCOPE 2	SCOPE 2
SCOPE 3	SCOPE 3
88 967,23	88,967.23
16 942,24	16,942.24
331,00	331.00
65 611,06	65,611.06
38 081,73	38,081.73
2 965,71	2,965.71
84 047,47	84,047.47
44 910,86	44,910.86
1 794,55	1,794.55
81 735,38	81,735.38
56 297,14	56,297.14
1 794,55	1,794.55

Répartition des émissions par activités



FR	EN
Répartition des émissions par activités	Breakdown of emissions by activity
Immobilisations bâtiments ; 2%	Fixed assets buildings; 2%
Collaborateurs ; 2%	Employees; 2%
Autres ; 5%	Others; 5%
Immo serveurs ; 44%	Fixed assets servers; 44%
Énergie ; 39%	Energy; 39%
Fret ; 7%	Freight; 7%

In line with its desire to be part of a sustainable climate initiative, OVHcloud has made a commitment to contribute to global Net Zero, which is broken down into three major areas, in order of priorities:

- **Area 1: Reduction of compressible emissions** to their maximum by 2030. All emissions are accounted for in the carbon footprint as *induced emissions*.
- **Area 2: Involvement of the ecosystem:** partners, customers, suppliers and employees in a process to reduce their carbon footprint. These emissions avoided upstream and downstream of the value chain are monitored in the form of *avoided emissions*.
- **Area 3: Contribution to increasing carbon sinks** for all residual emissions. These emissions are monitored in the form of *negative emissions*.

Fiscal year	2021	2020	2019
Carbon footprint – induced emissions	142 kt of CO _{2e}	130 kt of CO _{2e}	107 kt of CO _{2e}
Avoided emissions	N/A	N/A	N/A
Negative emissions	3.5 kt of CO _{2e}	N/A	N/A

As the data center industry is growing rapidly, due to the intensification of digital uses, as well as the “move-to-cloud” operated by companies seeking to reduce the environmental footprint of their digital activities, this carbon footprint should increase in absolute value over the next few years.

OVHcloud’s commitments to carbon neutrality are reflected in the following:

- Carbon neutrality target for operations by 2025 (scope 1, scope 2, part of scope 3)
- Carbon neutrality target for the entire scope (all scopes combined) by 2030, taking into account:
 - Avoided emissions from renewable energy supply to data centers;
 - Emissions avoided annually by the move-to-cloud, which are currently not recorded;
 - The emissions avoided annually by extending the life of the servers, which are not currently recorded;
 - Negative emissions linked to the absorption by financing of sequestration projects.

2.2.4. Human Resources Policy

For over 20 years, OVHcloud has aimed to give each person the freedom to pursue their ambitions.

OVHcloud’s employees (also known internally as the “Team”) are at the heart of the Group’s DNA and the Management teams consider OVHcloud to be a human adventure. It is the story of people sharing the same values, the same professional ethics, a common goal and the pleasure of working together. Joining OVHcloud means taking part in a challenge: becoming the European player that dares to challenge the giants of the cloud.

This team is bound by sincere convictions that bring people together, build strong relationships and guide the company in everything it does. In short, they are the very essence of its state of mind.

In concrete terms, this means dedicated teams, such as the Office team (responsible for the offices, their layout and their adaptation to different forms of work) or the medical division (based in Roubaix, composed of a nurse and a doctor and offering expertise to all employees by leading conferences, responding to concerns, particularly in this period of health crisis).

In addition to the teams, programmes have also been put in place, including programmes offered directly to employees such as an employee assistance system (which offers legal advice, psychological support for employees and their families) or the implementation of a global programme dedicated to identifying and preventing psycho-social risks (organisation of groups of employees from different countries and business lines to understand their perceptions, reporting them and defining action and communication plans), as well as a training policy based mainly on digitisation and technologies (by offering self-service training to employees), management and leadership (with various courses adapted to the level of management of employees), and agility and project management.

In addition, the Group has put in place a set of specific management actions with regard to the health and safety of its employees in view of the risks of the 2021 health context:

- **Promotion and facilitation of barrier gestures and social distancing** in particular via the establishment of regular medical conferences dedicated to the pandemic with the OVH employee doctor and, more generally, regular communications on the evolution of the situation and the health adjustment measures in our offices (provision of hydroalcoholic gel, preventive displays) - This measure is temporary;
- **Encouragement and facilitation of teleworking:** massive deployment of teleworking from March 2020 for all employees whose job allowed it (+80% of the population), across all Group sites (allocation of IT equipment and provision of ergonomic equipment, depending on employee needs), deployment of medical teleconsultation services for more than three quarters of employees worldwide (76%), implementation of a psychological, legal and social support service for all Group employees and their families - along with quarterly conferences on topics related to the prevention of psychosocial risks, setting up of remote federating events (well-being/social newsletters, online sports sessions, online events), creation of a dedicated 'One Valley' programme relating to how OVH has organised to support the change towards a hybrid way of working: adaptation of the offices and management of OVH teams favouring social ties and the efficiency of hybrid work (alternating face-to-face/teleworking) - Permanent measure;
- Adaptation of the IT infrastructure to enable remote working: see previous point - Permanent measure.

2.2.5. Health and Safety Policy

OVHcloud is aware of the importance of creating safe and healthy workspaces for all its employees and stakeholders, its facilities and products.

For OVHcloud, this means protecting the health of all persons directly or indirectly linked to the Group's activities.

The Group's ambition is to "be recognised as the benchmark for risk prevention and environmental protection in its business".

The objectives of its Health and Risk Prevention policy are part of a continuous performance improvement process aimed at:

- Targeting zero accidents
- Complying with legal Health, Safety and Environment requirements and other requirements applicable in all countries
- Implementing all satisfactory measures to protect the health and physical integrity of the Group's employees, customers and local communities and protecting the environment
- Involving the entire management line in the commitment of its Health, Risk Prevention and Environment policy
- Empowering all employees to maintain a healthy and safe workplace
- Developing a culture of professionalism, rigour and respect for the rules to all employees
- Ensuring the deployment of the "Be Smart, Be Safe!" Health and Safety Programme

Through its Health and Safety policy, OVHcloud oversees the implementation of measures to offer safe and healthy workspaces for all its employees and stakeholders, its sites and its products. The Group's industrial risk management policy is based on two focuses: (i) prevention through audits carried out by external organisations on each of the sites, giving rise to reports with 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.

In summary, OVHcloud strives for excellence in health, risk prevention and the environment as it does for all of its activities, services and products in line with its values and consistent with its ethics charter.

2.2.6. Inclusion and Diversity Policy

Everyone has a role to play to meet the current societal challenges. At OVHcloud, the Company seeks to support each of its employees in their life journey so that everyone can thrive in a caring environment. To respond to this strong desire, the Group is committed to a diversity and inclusion policy.

THE GROUP'S CONVICTIONS

- Each employee is a key contributor to OVHcloud's success.
- Team spirit inspires everything the Group does
- They are passionate people who like to share their enthusiasm together
- They know how to change the rules of the game to find innovative solutions
- They take responsibility together

WHAT THEY DEFEND

- Providing a caring working environment
- Guaranteeing the development of each person
- Supporting employees in their life paths

HOW THEY WORK EVERYDAY

- Innovative recruitment and integration pathways
- Disability support measures
- Life@OVHcloud pro-personal services
- Innovative HR policies on gender equality
- Local employment and local training projects

2.2.7. Supplier code of conduct and responsible purchasing

As a major player in its field of activity, and in order to have an impact within its ecosystem, it is important for OVHcloud to conduct its activities in a responsible manner and to share its values with its partners. The purchasing function therefore has a significant role to play. OVHcloud thus favours a collaborative relationship with its suppliers rather than a simple negotiation relationship. The idea is that we go further together.

In addition to the Code of Ethics and the Supplier Code of Conduct, OVHcloud has implemented a responsible purchasing policy in order to manage its entire value chain. This policy requires suppliers, their employees, agents and subcontractors to comply with applicable regulations (national or international) in all the regions where they operate, to commit to a responsible approach and to adhere to the principles laid down by the Supplier Code of Conduct. Topics covered include Human Rights, work, ethics and the environment.

In addition to an annual mapping of the risks associated with each category of purchases, the Group regularly assesses and audits its suppliers to ensure that risks are managed.

2.2.8. Compliance Policy

The Group aims to develop a common culture between the OVHcloud teams and those of its partners, through its ethics and anti-corruption programme. It has been deployed for several years and is fully supported by the Executive Committee.

The ethics charter, the partner code of conduct, the anti-corruption policy and the reporting platform are part of the prevention and detection measures that the Group has put in place. They make it possible to deal with the risks of corruption and to disseminate best practices to the Company's third parties.

2.2.9. Tax Policy

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

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

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

None of the transactions carried out by the OVHcloud Group aims to evade the payment of tax.

The Group is in the process of compiling all of these actions and provisions into a formal tax policy.

2.3. Analysis of CSR risks not relevant to the activity

As OVHcloud carries out various actions as part of its CSR policy, it has chosen to address issues in the DPEF that it considers to be a priority with regard to its activity. Thus, the following topics were not addressed:

- Combatting food waste
- Combatting food insecurity
- Respect for animal welfare
- Respect for responsible, fair and sustainable food
- Societal commitments in favour of sustainable development
- Company collective agreements

3. Indicator analysis

Changes in key indicators are explained below. The calculation methods and definitions are detailed in part4.

3.1. Governance Indicator

Indicator	2021	2020
Cyber attack simulation campaigns	89%	91%

Cyber attack simulation campaigns: the success rate is slightly lower for 2021 than in 2020, due to simulation campaigns, which are increasingly difficult to detect.

3.2. Environmental Indicators

Indicator	2021	2020	2019	2018	2017
PUE (kWh / kWh IT)	1.1 – 1.3	1.1 – 1.3	-	-	-
WUE (L/kWh IT)	0.17 - 0.20	0.24 - 0.29	-	-	-
CUE (TCO2e/MWh)	0.15 - 0.18	0.15 - 0.18	0.15 - 0.17	0.13 - 0.15	0.09 - 0.11
REF (%)	78%	79%	77%	80%	90%
Reused components ratio (%)	34%	20.9%	-	-	-

PUE - Power Usage effectiveness:

The energy efficiency of the equipment managed directly in the data centers is stable for the Group.

WUE - Water Usage Effectiveness:

The mild summer in France led to less water consumption for the cooling of the Strasbourg, Gravelines and Roubaix data centers.

On the other hand, the exceptionally hot summer in the United States led to a significant increase in water consumption for the cooling of the Vint Hill and Hillsboro data centers.

In total, these changes led to an improvement in the WUE indicator at Group level.

CUE - Carbon Usage Effectiveness:

The CUE indicator shows a stable performance in FY2021 compared to 2020. The Group expects that the implementation of renewable energy purchase contracts in the form of Corporate Power Purchase Agreements will significantly improve this indicator in the coming years.

REF - Renewable Energy Factor:

The indicator is relatively stable at 78% in FY2021 compared to 2020. The decrease in the REF is due to above-average growth in data centers that are partially covered by guarantees of origin.

Reused components ratio:

With the strong increase in its production on pre-existing product lines, the Group has been able, through its integrated model and its inventory control, to use more reused components than in normal times, particularly in the context of replacing the servers destroyed following the Strasbourg fire. As a result, the reused components ratio increased from 21% in FY2020 to 34% in FY2021.

3.3. Social indicators

	2021	2020	2019
Employee training rate	66%	60%	58%
Loyalty rate	77%	84%	79%
Engagement score	7.3	7.5	7
Frequency rate of workplace accidents 1	7.04	4.20	8.65
Frequency rate of workplace accidents 2	14.09	9.18	16.65

Employee training rate:

The rate of access to training increased by +10% to reach 66% in FY21. This performance is mainly due to:

- More remote training sessions (videoconferencing);
- Training courses dedicated to teleworking;
- Development of IT training (development language) and customer relationship tools;

- An increase in training provided following the annual interview campaign.

Loyalty rate:

The loyalty rate decreased slightly in FY21 to reach 77%. This slight decrease is due in particular to the integration of teams, which was less effective at a distance, in the context of the health crisis. However, the rate is maintained at a satisfactory level, with nearly eight out of ten employees still on the workforce one year after their recruitment. The rate of voluntary departures (less than 11%) and the length of voluntary departures (three years on average) confirm this good performance.

Engagement score:

Two surveys were conducted in FY21: the first in December 2020 (with a participation of 83% and a score of 7.4/10) and the second in June 2021 (with a participation of 80% and a score of 7.3/10). The results of these surveys are therefore stable and consistent with those of the previous fiscal year: participation was 79% for a score of 7.0/10 in December 2019, and participation was 84% for a score of 7.5/10 in June 2020.

Frequency rate of workplace accidents Tf1 & Tf2:

The frequency rate of workplace accidents Tf1 and Tf2 are at levels slightly lower than those observed in 2019 but are up compared to 2020. 2020 saw an exceptional performance due to reduced teams at the sites in the context of the health crisis.

In terms of accidents, 80% of accidents are recorded in France, the leading cause of occupational accidents being attributable to ergonomics and handling (leading to muscle pain or injury), a stable proportion compared to FY20.

Beyond the base effect linked to a FY20 heavily impacted by the health crisis, FY21 saw strong growth in activity leading to a record number of data center connections and an overload of work following the incident on 10 March 2021. The combination of these factors temporarily impacted the level of vigilance and compliance with instructions and protocols during the second half of the year, particularly in handling.

In FY20, the Group launched a study with two occupational nurses on physical activity and handling. The results were used to build a support, awareness and training programme on the prevention of handling risks and gestures and postures whose results should be reflected in FY22.

It was decided to reinforce the actions and monitoring of sites in France, coupled with a safety management training programme, "Be Smart! Be Safe!".

4. Methodology and audit of indicators

4.1. Scope

The Group monitors the following ten ESG indicators:

Type	Indicator
Environment	PUE - Power Usage Effectiveness
Environment	WUE - Water Usage Effectiveness
Environment	CUE - Carbon Usage Effectiveness
Environment	REF - Renewable Energy factor
Environment	Component reuse ratio

Social	Employee training rate
Social	Loyalty rate
Social	Engagement score
Social	Frequency rate of workplace accidents 1 and Frequency rate of workplace accidents 2
Governance	Success rate of cyber attack simulations campaigns

Each indicator is described in the following sections, with:

- The method of calculating the indicator
- The data production

The evolution of the indicators and their value is given in §3 -Indicator analysis Analysis .

General organisation of reporting and corporate governance on CSR stakes

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. 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. Information on environmental matters comes from the Quality Services or Departments, Management Control, or CSR, within the reporting scope. Information on cybersecurity was provided by the Chief Information Security Officer. These last three categories of information were coordinated by the Group's financial communication department.

The general coordination of the drafting of the Non-financial performance statement was carried out under the responsibility of the Group's Chief Financial and Administration Officer.

The Strategy and CSR Committee is responsible of preparing the work and facilitating the Board of Directors decision making process, especially with regard to the appropriate consideration of topics relating to Corporate Social Responsibility (such as diversity and non-discrimination policies, compliance and ethics policies) in the Group's strategy and implementation. Its work includes the analysis of the "Non-financial Performance Statement" regarding social and environmental matters pursuant to article L. 22-10-36 of the French Commercial Code, the analysis of reviews by investors, analysts and other third parties and, where appropriate, the analysis of the corresponding action plan set by the Company to strengthen highlighted social and environmental issues and the assessment and relevance of Group's strategic commitments and orientations in terms of social and environmental matters. These aspects are considered in relation to the stakes specific to its business and objectives. The Committee is also responsible for monitoring their implementation.

Lastly, it is to be noted that the compensation policy of the Chief Executive Officer includes a portion of 25% of the total variable compensation which is linked to CSR achievements.

Reporting period

Unless otherwise stated, the information provided is always presented for the fiscal year ended on 31 August 2021. Comparable data, established on a constant basis, are presented for previous periods, where possible, for comparison purposes.

Reporting scope

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

Note: BuyDRM, a company purchased by the Group in July 2021, is excluded from the scope of all ESG indicators. BuyDRM employs five people.

4.2. Governance - Success rate of cyber attack simulation campaigns:

Calculation and production of the indicator

In addition to the Group's headcount, interns and service providers are included as the phishing campaigns (fake hacking campaigns) are sent to anyone with a company email address.

The calculation of the three indicators (proportion of employees tested, proportion of employees who reported phishing, proportion of employees on which phishing worked) is fully automated.

Review and update of the indicator

The data is available in real time, and the calculation is carried out over the fiscal year.

4.3. Environment - PUE - Power Usage Effectiveness

Calculation of the indicator

The PUE - Power Usage Effectiveness - measures the energy efficiency of equipment managed directly in data centers. It is expressed as a ratio and calculated by dividing the electricity consumption of the sites containing the data centers by the electricity consumption of the servers. The difference corresponds to other energy uses on sites, namely air conditioning, but also heating and office automation.

$$PUE \text{ of a data center} = \frac{\text{Energy consumed by the data center over a year (kWh)}}{\text{Energy consumed for IT services over one year (kWh)}}$$

As data centers consume additional electricity for the systems attached to the servers (cooling, lighting, offices, security systems), the PUE is by definition greater than 1.

The PUE is then consolidated for the Group:

$$OVHcloud \text{ PUE} = \frac{\sum \text{Energy consumed by the data center over a year (kWh)}}{\sum \text{Energy consumed for IT services over one year (kWh)}}$$

Notes:

- 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 data centers in hot and humid climates than in hot and dry climates, or cold and humid ones.

Production of the indicator

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

The electricity consumption of servers is extrapolated from actual measurements taken in the Gravelines data center (France), which is representative of other data centers.

Review and update of the indicator

The PUE is calculated in an internal data aggregation platform.

This indicator is updated annually.

The scope of reporting concerns all of the Group's sites, except for (i) the energy consumption of head offices and sites that do not contain data centers, (ii) the two sites in Roubaix in France which are currently being closed.

4.4. Environment - REF - Renewable Energy Factor

Calculation of the indicator

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

This indicator is calculated as follows:

$$REF = \frac{\text{Annual consumption of renewable energy by the data center (kWh)}}{\text{Annual consumption of energy by the data center (kWh)}}$$

The annual energy consumption of the data centers is obtained from all electricity bills for the fiscal year in question.

The annual renewable energy consumption of the data centers is obtained by the purchase of renewable energies (Corporate PPA), by the certificates of renewable origin (GoO) as well as by the electricity generated on the sites, during the fiscal year in question.

Production of the indicator

Annual energy and renewable energy consumption is compiled by the financial teams, then reviewed and analysed by the "Carbon" team which calculates the indicator.

Review and update of the indicator

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

4.5. Environment - WUE - Water Usage Effectiveness

Calculation of the indicator

WUE - Water usage effectiveness - measures water usage per unit of energy consumed for powering the servers. Water is used in the data centers for the following purposes:

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

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

$$WUE = \frac{\text{Annual consumption of water for data centers (L)}}{\text{Annual consumption of electricity by servers (kWh)}}$$

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

Note:

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

Production of the indicator

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

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

Review and update of the indicator

This indicator is updated annually.

The scope of reporting concerns all of the Group's sites, except for (i) the BHS site (Beauharnois, Canada) where a meter is being installed to monitor the indicator - as water is not billed there, and (ii) the Paris site because there is no cooling process.

4.6. Environment - CUE - Carbon Usage Effectiveness

Calculation of the indicator

The CUE - Carbon Usage Effectiveness - measures the carbon intensity of data centers. It corresponds to a ratio and is calculated by dividing the greenhouse gas emissions of scopes 1 and 2 by the energy consumption of the sites containing the data centers, weighted by the PUE. It is expressed in TCO2e / MWh IT.

$$CUE = \frac{\text{GHG emissions related to consumption of energy by data centers (TCO2e)}}{\text{Annual consumption of energy by data centers (MWh)}} * PUE$$

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

$$CUE = \frac{\sum (\text{GHG emissions linked to the consumption of energy by data centers (TCO2e)})}{\sum (\text{Annual consumption of energy by data centers (MWh)})} * PUE$$

Note: the energy consumption of the Strasbourg generators that operated during the fire of 10 March 2021 is excluded from the calculation of this indicator.

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 data centers.

Annual data center 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 data center production. The emission factors are taken from the Ademe Carbon Base® and equivalent databases for Canada and the United States.

Review and update of the indicator

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

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

4.7. Environment - Reused components ratio

Calculation of the indicator

The reused components ratio represents the proportion of non-new, reconditioned components used by the Group for its server production. The indicator relates to the servers connected during the fiscal year in question (in use, available, to be connected, to be repaired) and is calculated by dividing the number of refurbished components present in the servers by the total number of components. It is expressed as a %: a rate of 20% means that at least twenty out of one hundred of the components used to manufacture servers are second-life components.

$$\text{Reused components ratio} = \frac{\sum (\text{Second - life components used})}{\sum (\text{Components used})}$$

Production of the indicator

As the servers are assembled in the production centres of Croix (Nord, France) and Beauharnois (Quebec, Canada), the Group has control over the assembly stages and its inventory.

In particular, refurbished components available on the market are recorded.

The components concerned are as follows: motherboard, drives (HDD / SSD), memory, CPU, power supply.

The vast majority of reconditioned components come from OVHcloud's internal production department. A residual share of less than 5% is purchased on the market for reconditioned components.

Review and update of the indicator

The indicator is updated annually.

The scope concerned for the fiscal year concerns only the production centre of Croix (Nord, France), representing nearly 75% of the production of servers.

4.8. Social - Percentage of employees trained

Calculation of the indicator

The indicator is calculated by dividing the number of employees trained by the workforce at the end of the period.

E-learning training courses are excluded from the calculation because they are recorded on independent platforms which, to date, do not communicate with the Learning Management System (training monitoring information system). A plan is in place to be able to follow all training hours via the LMS in the future.

The training courses included in the induction week for new employees are not recorded to date.

An employee whose training covers two fiscal years will be counted as a person trained for each of the two fiscal years.

The scope concerned for the fiscal year concerns the OVHcloud Group, with the exception of the USA.

4.9. Social - loyalty rate

Calculation of the indicator

The indicator is calculated based on the number of employees who are still present one year after joining the company.

Only permanent contracts and permanent professionalisation contracts are included in the calculation of the indicator.

4.10. Social – employee engagement score

Calculation and production of the indicator

The indicator is calculated based on the results of an internal survey conducted by an external service provider.

Service providers, temporary workers and interns are excluded from the indicator.

4.11. Social – Frequency rate of workplace accidents 1 and Frequency rate of workplace accidents 2

Calculation of the indicator

The frequency rate 1 is calculated by dividing the number of workplace accidents with lost time by the number of hours worked, multiplied by 1,000,000.

The frequency rate 2 is calculated by dividing the total number of workplace accidents (with or without lost time) by the number of hours worked, multiplied by 1,000,000.

Theoretical hours are calculated taking into account the hours of the following profiles:

- OVH permanent / fixed-term employee
- Temporary employees
- Paid interns

Does not include external service providers, unpaid interns

The theoretical hourly time is calculated using the following method:

Theoretical hour = Legal working time (contractual) - absences* (holidays - illnesses - workplace accidents).

Note: absences for training, travel and on-call duty are not considered as absences, but as working time.

Production of the indicator

Workplace accidents are reported by site managers or Hygiene, Health and Environment managers via a dedicated internal application.

Hours worked are theoretical hours. They are communicated monthly by the sites or calculated directly to the head office based on the monthly headcount and employment contracts.