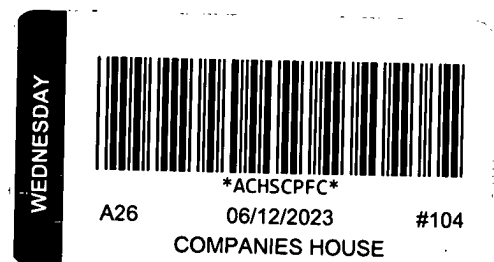


Company Registration No. 03953678

IONOS CLOUD LIMITED

**Annual Report and Financial Statements
31 December 2022**



IONOS CLOUD LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

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IONOS CLOUD LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

OFFICERS AND PROFESSIONAL ADVISERS

The following Directors of the Company were in office during the year and up to the date of signing of the financial statements.

B Schmidt
A Weiss
H Kettler (resigned – 31. May 2023)
C F Steffens (resigned – 31. March 2022)
M Noga (appointed – 01. June 2023)

REGISTERED OFFICE

Discovery House,
154 Southgate Street,
Gloucester,
Gloucestershire,
England,
GL1 2EX

BANKERS

HSBC Bank Plc.
75 – 77 High Street
SUTTON
SM1 1DU

Commerzbank
Junghofstr. 13-15
60311 Frankfurt am Main
Germany

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Kingsway
Cardiff
CF10 3PW
United Kingdom

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**STRATEGIC REPORT****Company Registration 03953678**

The directors present their strategic report together with the audited financial statements of IONOS Cloud Limited ('the company') for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of website hosting, domain name registration services, provision of servers and website development software, all of which remain principally unchanged from the prior year. The directors consider that the company has succeeded in securing its position in the UK and the company remains a major player in the UK web hosting market.

The company continues to develop its cloud technologies, further enhancing the functionality of existing products as well as launching new Bare Metal Cloud and Enterprise Cloud services catering to small medium business ('SMB') and Enterprise customers, which are expected to deliver further growth during 2024. Wherever it makes good business sense the company will continue to develop products within the group and with third-party vendors to maximise efficiency and innovation.

In 2022 revenue increased by 4.3% due to continued customer and contract growth and the directors expect to maintain comparable growth in 2023. In 2022 the gross profit increased by 51.4% (2021: +37.2%) and the profit margin before tax remained the same at 4.0%.

The company's key financial performance indicators during the year:

| | 2022 | 2021 | Change |
|--|--------------|--------------|---------------|
| | £'000 | £'000 | % |
| Turnover | 70,912 | 67,987 | 4.3% |
| Gross Profit | 40,809 | 26,950 | 51.4% |
| Gross Margin | 57.5% | 39.6% | 45.2% |
| Operating Profit | 3,241 | 4,275 | (24.2%) |
| Profit on Ordinary Activities Before Tax | 2,837 | 2,719 | 4.3% |
| Profit Margin Before Tax | 4.0% | 4.0% | |

Turnover growth as well as financial performance during the year under review has come principally from organic growth and shows an increase over the prior year.

The company's non-financial performance indicators during the year:

| | 2022 | 2021 | Change |
|------------------------|-------------|-------------|---------------|
| Customer Inventory (k) | 462.9 | 447.1 | 3.5% |
| Service Inventory (k) | 2,028.4 | 1,958.8 | 3.6% |
| Post Contact NPS (%) | 49.0 | 48.4 | 1.2% |

A customer is counted if it has at least one service in the reporting month according to the service inventory definition. A service is counted if a recurring basic fee is configured. One-time services and free services are not counted as a service.

Net Promoter Score (NPS) that measures likelihood of recommendation on a scale from 0 (very unlikely) to 10 (very likely). Promoter customers are those customers who answer the question with 9 or 10 ("Promoters"). We define those customers responding with 7 or 8 as passives, ("Passives") and those answering 0 to 6 as detractors ("Detractors"). NPS is then measured as the percentage of Promoters minus the percentage of Detractors.

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

STRATEGIC REPORT

Company Registration 03953678

FUTURE DEVELOPMENTS

The company is well positioned to further strengthen itself in the small business hosting market by ongoing marketing investment. In addition, the company extends its segment coverage to enterprise customers furthermore by ramping up dedicated sales force and data centre capacity.

Up from 2022 the new state of the art data centre has been built and in the meantime hosting IONOS Cloud Limited and Fasthosts customers. As by mid of 2024 approximately 90% of the current datacentre capacity will already be filled a third datacentre module will be built up from October 2023 that will be finalized end of 2024. That allows to meet the high demand for the company's products and services.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

The company attaches high priority to its holistic risk management system, which goes above and beyond the statutory requirements. The company's monitoring system identifies, classifies and evaluates risks using standard procedures and defining clear responsibilities throughout the company. Management not only regard efficient and forward-looking risk management as an important tool to anticipate dangerous developments, but as an important value-adding responsibility.

Financial risk

The company's operations expose it to a variety of financial risks that include liquidity risk, interest rate risk and foreign exchange risk. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Price risk

In contrast to the general trend across all industries, IONOS has only in some cases adjusted its end customer prices since the start of the sharp rise in inflation at the end of 2021. Price increases on a broader level will happen for the first time up from August 2023 for new customers and for existing customers during Q4 2023.

Due to the fact that price increases in the meantime can be understood by customers and the absolute price increases are relatively low compared to the moderate monthly amounts our customers pay, the management does not expect that the company, churn or revenues will be negatively affected materially.

Due to above mentioned low impacts on price increases the management does not believe in problems when price increases from services purchased by the company itself are passed on to customers.

Cashflow risk

In cash management, cash requirements and surpluses are determined and planned centrally throughout the Group. The number of external bank transactions is reduced to a minimum through the netting of cash requirements and surpluses within the Group. This is done through a contractually regulated cash pooling arrangement, which greatly reduces the liquidity risk. Accordingly, IONOS Cloud Limited does not have its own cash flow calculation but is part of the overall planning.

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

STRATEGIC REPORT

Company Registration 03953678

Credit risk

IONOS Cloud Limited currently has no external loans from third parties. This will also not be necessary in the future, as the company participates in the cash pool procedure of the IONOS Group. See the point Cash flow risk.

The credit risk in relation to trade debtor payment defaults is also considered to be low. IONOS Cloud Limited operates a mass market business. Therefore, only a low risk arises from payment defaults or payment delays of individual customers. The risk of non-payment is further minimised by withdrawing customers' access to the product after certain reminder periods. The non-payment rate is at a stable level and does not pose a real risk to the business.

Interest rate risk

The directors consider the company to have low exposure to interest rate risks; IONOS Cloud Limited is connected to the cash pool of the United Internet Group and is therefore not dependent on external loans from third parties. However, IONOS Cloud Limited shares the low interest rate risk of the entire United Internet Group.

Foreign exchange rate risk

Potential exposures to foreign currency exchange rate movements in all currencies in which the company trades are monitored on a daily basis by the finance department and appropriate action taken to manage net open foreign currency positions. The company does not trade in interest rate or currency derivatives.

Liquidity risk

The company retains sufficient cash and cash equivalents to ensure it has adequate funds available for operations. The company has access to longer term funding from its ultimate parent undertaking if required.

Ukraine war / Inflation

The full-scale attack on the entire territory of Ukraine launched by Russia (with the support of Belarus) on February 24th, marked the start of the 2022 Ukraine War. The EU, the USA, Great Britain and other countries reacted to the attack with severe sanctions against Russia, Belarus and the separatist areas in eastern Ukraine. IONOS Cloud Limited is not actively involved in the countries involved in the war. Ukraine as well as Russia and Belarus are not target countries of IONOS Cloud Limited nor are there any locations in the aforementioned countries. Against this background, IONOS Cloud Limited currently does not expect any significant effects on the business development and the situation of the company or the group, especially since the business model of the group is based on a large number of electronic subscriptions with fixed and moderate monthly amounts and contractually fixed terms. This ensures stable and plannable sales and cash flows and offers protection against economic influences.

Nevertheless, there are economic consequences of the war and the sanctions imposed (shortages / increases in price of oil, gas and raw materials) that lead to high inflation rates all over the world. The shut-down of economic activity during Corona crisis which had also led to financial losses for our customers showed, that there wasn't an increase in cancellations or bad debt ratios, underscoring that our business model is largely crisis-proof.

However the increased energy costs or salaries in light of inflation compensation needs to be reflected in the pricing at some point. Due to above mentioned moderate monthly amounts that are billed, potential price increases would be equally low. Therefore, the management believe, that the business model and the company itself will not be affected materially.

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

STRATEGIC REPORT

Company Registration 03953678

SECTION 172 COMPANIES ACT STATEMENT

The 172(1) Statement requires directors to disclose how they have met their duties under section 172 of the Companies Act 2006 and which would most likely promote the success of the Company for the benefit of its stakeholders. During the year the Directors have had regard to the following matters when performing their duties under section 172:

- The likely consequence of any decision in the long-term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

IONOS Cloud Limited is an operating subsidiary of the United Internet AG and is represented by its management. United Internet AG's Management Board and Supervisory Board consider it their responsibility to ensure the Company's continued existence and create sustainable value through responsible corporate management that takes a long-term perspective. For United Internet, running a business involves more than pursuing economic goals – it also has an obligation to society, the environment, employees, and other stakeholders.

The Management Board ensures that the requirements of s172 are met by holding regular Management Board and committee meetings, preparing budgets and hosting strategy events, both at the level of the United Internet Group and at the level of its subsidiaries.

Customers

The company engages with its customers directly through various touch points including customer care, external events and individual contact. Its performance is measured through satisfaction surveys (e.g., Net Promoter Score) and monitors third party and social media review sites.

As a direct result of this feedback the company implemented a series of customer satisfaction improvements. Furthermore, from November 2022, an additional 260 persons were employed who act as dedicated consultants for our customers across the Group.

As a result of these measures the company was able to maintain the Net Promoter Score as compared to the previous year despite the negative impact of different price increases (e.g. PHP extended support).

Community

The company engages with the community predominantly through online mechanisms such as social media and blog. It is committed to supporting the community on topics that are important to them; for example, as a datacentre provider the company is often asked about the energy consumed in its datacentres and office space. The directors continue to ensure that all energy is from 100% renewable sources and only work with renewable suppliers. All datacentres are ISO50001 energy management certified, and an environmental management system based on ISO14001 is used for the fibre optic network.

Throughout all of its facilities the company has implemented a complete waste management and recycling solution.

The company is part of the United Internet group which is committed to supporting UNICEF projects. Economic success secures the future for the company and its employees, and via United Internet AG it is able to help where aid is desperately needed.

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

STRATEGIC REPORT

Company Registration 03953678

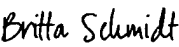
Shareholders

IONOS Cloud Limited is a wholly owned subsidiary of IONOS SE, which is majority owned by United Internet AG and is part of their Business Applications sector. The company engages with representatives from the parent company on a regular basis to discuss the business, its performance and also to understand what issues are important to them. As a result of this dialogue the directors are able to keep key shareholders up to date with latest business developments and ensure the company's strategy and plans remain aligned with wider Group objectives.

Business Conduct

Our company-wide values, our management guidelines and our code of conduct form the basis for our daily work. Beside this our risk management ensures that these values are maintained. In order to ensure ethical behaviour in accordance with the given laws across the group, the management board of United Internet AG set up a compliance management system.

On Behalf of the Board

DocuSigned by:

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29.11.2023

B Schmidt

Director

Date:

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

DIRECTORS' REPORT

Company Registration 03953678

The directors present their report and the audited financial statements of IONOS Cloud Limited for the year ended 31 December 2022

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

B Schmidt

A Weiss

H Kettler (resigned – 31. May 2023)

C F Steffens (resigned – 31. March 2022)

M Noga (appointed – 01. June 2023)

GOING CONCERN

The directors have reviewed the current economic and business environment and have prepared forecasts based on various financial projections. In addition, the directors have considered the ongoing impact of Ukraine war and subjected the financial forecasts and projections to additional revenue and cash stress tests. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence to 31 December 2024 to which date the forecasts were prepared. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

POST BALANCE SHEET EVENTS

There are no post balance sheet events to note.

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISION

The parent company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision was in force at the date of approval of the financial statements and remains as at the date of approving the directors' report.

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The company agrees terms and conditions for its business transactions with suppliers. Payment is then made on these terms, subject to the terms and conditions being met by the supplier. Suppliers are typically paid within 30 days after receipt of invoice.

RESULTS AND DIVIDENDS

The profit for the financial year 2022 after taxation amounted to £2,181k (2021: £2,151k). Dividends declared during the year 2022 were £43.02 per share totalling £2,151k (2021: £2,062k - £41.24 per share).

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**DIRECTORS' REPORT****Company Registration 03953678****UK STREAMLINE ENERGY AND CARBON REPORTING (SECR)**

The table below represents the company's energy use and associated greenhouse gas (GHG) emissions from electricity and fuel in the UK for the year.

| | 2022 | 2021 | Change % |
|---|---------|------|----------|
| Energy consumption (kWh) | | | |
| Electricity | 405,560 | - | n/a |
| Diesel | 6,353 | - | n/a |
| Total | 411,913 | - | n/a |
| Scope 1 emission in metric tonnes CO ₂ e (Diesel) | 1.70 | - | n/a |
| Scope 2 emission in metric tonnes CO ₂ e (Electricity) | - | - | n/a |
| Total emission in metric tonnes CO₂e | 1.70 | - | n/a |
| Intensity ratio: tonnes CO₂e per £m revenue | 0.02 | - | n/a |

Emission factors are based on Government published 2022 GHG conversion factors and grouped in accordance with the GHG Protocol Corporate Standard.

In 2021 IONOS Cloud Limited did not have its own data centre and operated from a coworking office.

During the year as part of the wider group the company launched a new data centre which is a leading example on the UK and beyond of energy efficient and sustainable data centre design. The new site includes an extensive photovoltaics installation which will be able to generate around 10% of all electricity requirements when running at full capacity.

The directors continue to ensure that all electricity is from 100% renewable sources backed by Renewable Energy Guarantees of Origin (REGOs) and only work with renewable suppliers. All datacentres are ISO50001 energy management certified.

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

DIRECTORS' REPORT

Company Registration 03953678

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

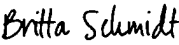
The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On Behalf of the Board

DocuSigned by:

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29.11.2023

B Schmidt

Director

Date:

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

INDEPENDENT AUDITOR'S REPORT

To the members of IONOS Cloud Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, IONOS Cloud Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2022; the Statement of Income and Retained Earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

INDEPENDENT AUDITOR'S REPORT

To the members of IONOS Cloud Limited

material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax law and the Companies Act, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries. Audit procedures performed by the engagement team included:

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

INDEPENDENT AUDITOR'S REPORT

To the members of IONOS Cloud Limited

- enquiries of management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reviewing relevant meeting minutes, including those of the Board; and
- identifying and testing journal entries, in particular any journal entries with unusual account combinations posted to revenue or journals posted by unexpected users, where any such journals were identified.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Nathan Price (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
29 November 2023

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**STATEMENT OF INCOME AND RETAINED EARNINGS
for the year ended 31 December 2022****Company Registration 03953678**

| | Note | 2022 | 2021 |
|---|-------------|---------------------|---------------------|
| | | £'000 | £'000 |
| TURNOVER | 2 | 70,912 | 67,987 |
| Cost of sales | | <u>(30,103)</u> | <u>(41,037)</u> |
| Gross profit | | 40,809 | 26,950 |
| Administrative expenses | | (37,963) | (22,832) |
| Other operating income | 3 | <u>395</u> | <u>157</u> |
| OPERATING PROFIT | 3 | 3,241 | 4,275 |
| Interest receivable and similar income | 6 | 342 | 71 |
| Interest payable and similar expenses | 6 | <u>(746)</u> | <u>(1,627)</u> |
| PROFIT BEFORE TAXATION | | 2,837 | 2,719 |
| Tax on profit | 7 | <u>(656)</u> | <u>(568)</u> |
| PROFIT FOR THE FINANCIAL YEAR | | 2,181 | 2,151 |
| Retained earnings as at 1 January | | 2,201 | 2,112 |
| Dividends declared and paid during the year | 8 | <u>(2,151)</u> | <u>(2,062)</u> |
| Retained earnings as at 31 December | | <u>2,231</u> | <u>2,201</u> |

All amounts derive from continuing operations. There are no items of other comprehensive income for the current or previous financial years.

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**STATEMENT OF FINANCIAL POSITION
as at 31 December 2022****Company Registration 03953678**

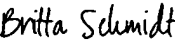
| | Note | 2022 £'000 | 2021 £'000 |
|--|-------------|-----------------------|-----------------------|
| FIXED ASSETS | | | |
| Intangible assets | 9 | 103 | 27 |
| Tangible assets | 10 | 24,710 | 14,405 |
| | | <u>24,813</u> | <u>14,432</u> |
| CURRENT ASSETS | | | |
| Debtors due within one year | 11 | 3,590 | 7,990 |
| Cash at bank and in hand | | <u>2,713</u> | <u>2,377</u> |
| NON-CURRENT ASSETS | | | |
| Debtors due after more than one year | 11 | 55 | 41 |
| | | <u>6,358</u> | <u>10,408</u> |
| CREDITORS: amounts falling due within one year | 12 | <u>(25,159)</u> | <u>(19,391)</u> |
| NET CURRENT LIABILITIES | | <u>(18,801)</u> | <u>(8,983)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 6,012 | 5,449 |
| CREDITORS: amounts falling due after more than one year | 12 | <u>(2,677)</u> | <u>(3,112)</u> |
| Provisions for liabilities | | | |
| Deferred taxation | 7 | (1,104) | (136) |
| NET ASSETS | | <u>2,231</u> | <u>2,201</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 14 | 50 | 50 |
| Profit and loss account | | <u>2,181</u> | <u>2,151</u> |
| TOTAL SHAREHOLDERS' FUNDS | | <u>2,231</u> | <u>2,201</u> |

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

**STATEMENT OF FINANCIAL POSITION
as at 31 December 2022**

Company Registration 03953678

The financial statements on pages 15 to 17 were approved by the Board of Directors on 29th November 2023 and signed on its behalf by

DocuSigned by:

F87BFC02F8E7456...

B Schmidt

Director

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

1. ACCOUNTING POLICIES

General Information

IONOS Cloud Limited is a private limited company by shares incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of its registered office and principal place of business are disclosed on page 1.

Basis of preparation and Statement of Compliance

The individual financial statements of the Company have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 ("FRS 102") and the Companies Act 2006.

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and in the preceding year.

These financial statements are prepared on a going concern basis, under the historical cost convention, except where stated otherwise.

The financial statements are prepared in GBP which is the functional currency of the company and rounded to the nearest £'000.

Exemptions

The Company has taken advantage of the following exemptions under the provisions of FRS 102:

- a. The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17 (d) to prepare a statement of cash flows;
- b. From disclosing the Company key management personnel compensation, as required by paragraph 33.7;
- c. The requirement of Section 33 Related Party Disclosures paragraph 33.9 to disclose related party transactions within other members of the United Internet Group.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Key estimates and judgements

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised and in any future financial years affected.

In the financial statements 2022, there are no significant estimates by the management.

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

1. ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transactions is measured at the present value of the future receipts discounted at a market rate of interest. We are not aware of any other financial assets that should be mentioned in this section.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through the income statement, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income statement.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial assets and substantially all the risks and rewards of ownership to another entity.

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

1. ACCOUNTING POLICIES (continued)

Financial Liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised costs using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised costs of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date. Current tax is charged or credited to the income statement, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income or equity.

Deferred tax

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Group financial statements

The company is a wholly owned subsidiary of IONOS SE and is included in the group financial statements of United Internet AG, the ultimate parent undertaking, which are publicly available.

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022****1. ACCOUNTING POLICIES (continued)****Going Concern**

The directors have reviewed the current economic and business environment and have prepared forecasts based on various financial projections. In addition the directors have considered the ongoing impact of Covid-19 (see Strategic Report) and subjected the financial forecasts and projections to additional revenue and cash stress tests. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence to 31 December 2024 to which date the forecasts were prepared. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Turnover

Turnover represents the provision of website hosting services, domain name registration and website development software, excluding value added tax.

Customers are billed in advance and revenue is recognised pro-rata over the period of service provision, as the right to consideration is earned.

Deferred income

Deferred income contains only advance payments from customers for services that are recognised as revenue over the underlying contract period and recognised as revenue on an accrual basis.

Other operating income

Other operating income includes income from reminder fees to customers for late payment and subsequent payments from customer that were thought to not be recoverable.

Prepaid expenses

Prepaid expenses mainly include registrations of domains already paid for future periods.

Intangible assets

Intangible assets include licences for ATT servers as well as perpetual software licences. Amortisation is calculated to write off the cost of the assets in equal annual instalments over their useful economic life.

| | | |
|-------------------|---|--------------------------------|
| Software licenses | – | Straight line over 3-4,5 years |
|-------------------|---|--------------------------------|

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided for all tangible fixed assets, apart from land and those assets in the course of construction, at the following annual rates in order to write-off each asset evenly over its estimated useful life:

| | | |
|--|---|--------------------------------|
| Leasehold improvements | – | Straight line over 10 years |
| Plant and machinery and computer equipment | – | Straight line over 3-11 years |
| Fixtures and fittings | – | Straight line over 3-13 years |
| Land and Buildings | – | Straight line over 20-50 years |

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

1. ACCOUNTING POLICIES (continued)

Depreciation and residual values

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives, and residual values are appropriate.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at

the date of transaction. Gains and losses arising on retranslation of monetary assets and liabilities are included in the income statement.

Leasing commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payments to defined contribution retirement schemes are charged as an expense as they fall due. The cost of such contributions is recognised in the period in which the contributions are made.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022****2. TURNOVER**

Turnover, which is stated net of value added tax, represents amounts invoiced to customers in respect of the principal, continuing activity, as well as the services charged within the United Internet Group, but reconciled to the period in which the service is active and paid for. Other revenue includes services within the United Internet Group.

| | 2022 | 2021 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Analysis of turnover by geography | | |
| Revenue UK | 70,188 | 67,478 |
| Revenue rest of the world | 434 | 244 |
| Revenue from contracts with customers | <u>70,622</u> | <u>67,722</u> |
| Other revenue | <u>290</u> | <u>265</u> |
| Total revenue | <u>70,912</u> | <u>67,987</u> |

3. OPERATING PROFIT

| Items charged before Operating Profit | 2022 | 2021 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Amortisation of intangible, owned assets | 26 | 10 |
| Depreciation of tangible, owned assets | 861 | 322 |
| Foreign exchange losses/(gains) | 255 | (316) |
| Rentals under operating leases: | | |
| Land and buildings | 354 | 293 |
| Auditors' remuneration: | | |
| Audit fees | 71 | 58 |
| Defined contribution pension cost | <u>177</u> | <u>159</u> |

| Other operating income | 2022 | 2021 |
|--------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Reversal of bad debt provision | 260 | |
| Income from dunning fees | 120 | 127 |
| Other | <u>15</u> | <u>31</u> |
| | <u>395</u> | <u>158</u> |

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022****4. DIRECTORS' REMUNERATION**

The directors' remuneration is borne by subsidiaries of the ultimate parent undertaking, United Internet AG as follows:

Directors B Schmidt, H Kettler, M Noga and A Weiss are remunerated by IONOS Holding SE; Director C F Steffens is remunerated by STRATO AG.

The directors' service to the company does not occupy a significant amount of their time. As such, the directors do not consider that they have received any remuneration for their incidental services to the company for the years ended 31 December 2022 and 31 December 2021.

5. STAFF COSTS

| Staff costs during the year | 2022 | 2021 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Wages and salaries | 3,535 | 3,428 |
| Social security costs | 406 | 387 |
| Other pension costs | 177 | 159 |
| | <u>4,118</u> | <u>3,974</u> |

| Average number of persons employed | 2022 | 2021 |
|---|-------------|-------------|
| | No. | No. |
| Customer service | 73 | 90 |
| Development | 3 | 1 |
| Sales | 13 | 13 |
| | <u>89</u> | <u>104</u> |

6. INTEREST PAYABLE AND RECEIVABLE

| | 2022 | 2021 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Interest receivable | | |
| Group interest receivable | 342 | 71 |
| | <u>342</u> | <u>71</u> |
| Interest payable and similar expenses | | |
| Group loan account interest | 746 | 1,627 |
| | <u>746</u> | <u>1,627</u> |

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022****7. TAX ON PROFIT ON ORDINARY ACTIVITIES***(i) Analysis of tax charge on ordinary activities*

| | 2022 | 2021 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Current taxation | | |
| UK corporation tax (credit)/charge at 19% (2021: 19%) on the profit for the year | - | 390 |
| Adjustment in respect of prior periods | (312) | 26 |
| | <u>(312)</u> | <u>416</u> |
| Deferred taxation | | |
| Timing differences, origination and reversal | 680 | 158 |
| Adjustment in respect of prior periods | 73 | - |
| Impact of change in tax rate | 215 | (6) |
| | <u>656</u> | <u>568</u> |

(ii) Factors affecting tax charge for the current year

The tax charge for the current year is higher than (2021: higher than) that resulting from applying the standard rate of corporation tax of 19% (2021: 19%) to the profit before tax. The differences are explained below:

| | 2022 | 2021 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Profit before tax | 2,837 | 2,719 |
| Profit multiplied by the standard rate of tax in the UK of 19% (2021: 19%): | 539 | 517 |
| Expenses not deductible for tax purposes | 1 | - |
| Income not subject to tax | - | (1) |
| Fixed asset differences | (99) | (6) |
| Losses carried back | 239 | - |
| Adjustments to tax charge in respect of previous periods | (312) | 26 |
| Adjustments in respect of previous periods – deferred tax | 73 | - |
| Remeasurement of deferred tax for changes in tax rates | 215 | 32 |
| Total tax charge for the year | <u>656</u> | <u>568</u> |

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022****7. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)***(iii) Deferred tax*

The movement on the deferred tax (assets)/liabilities is as follows:

| | 2022 | 2021 |
|---|----------------|--------------|
| | £'000 | £'000 |
| Opening balance | (136) | 17 |
| Timing differences, origination and reversal | (680) | (158) |
| Adjustments in respect of previous periods – deferred tax | (73) | - |
| Remeasurement of deferred tax for changes in tax rates | (215) | 5 |
| Closing balance | <u>(1,104)</u> | <u>(136)</u> |

(iv) Factors that may affect future tax charges

In the Budget 2020, the government announced that the corporation tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023 will go ahead.

8. DIVIDENDS DECLARED AND PAID DURING THE YEAR

| | 2022 | 2021 |
|-----------------------------|--------------|--------------|
| | £'000 | £'000 |
| Dividends declared and paid | <u>2,151</u> | <u>2,062</u> |

In the year all dividends were declared and fully paid up.

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022****9. INTANGIBLE ASSETS**

| | Software £'000 |
|---|---------------------------|
| At 1 January 2022 | |
| Costs | 37 |
| Accumulated amortisation and impairment | (10) |
| Net book amount | 27 |
| <hr/> | |
| Year ended 31 December 2022 | |
| Opening net book amount | 27 |
| Additions | 102 |
| Transfers | - |
| Disposals | - |
| Amortisation | (26) |
| Closing net book amount | 103 |
| <hr/> | |
| At 31 December 2022 | |
| Cost | 139 |
| Accumulated amortisation and impairment | (36) |
| Net book amount | 103 |
| <hr/> | |

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022**

| 10. TANGIBLE ASSETS | Leasehold improvements £'000 | Plant & Machinery £'000 | Fixtures & Fittings £'000 | Land & Building £'000 | Assets under construction £'000 | Total £'000 |
|---|---|--|--|--|--|------------------------|
| At 1 January 2022 | | | | | | |
| Costs | 28 | 2,218 | 60 | 2,087 | 10,807 | 15,200 |
| Accumulated amortisation and impairment | (18) | (738) | (39) | - | - | (795) |
| Net book amount | 10 | 1,480 | 21 | 2,087 | 10,807 | 14,405 |
| Year ended 31 December 2022 | | | | | | |
| Opening net book amount | 10 | 1,480 | 21 | 2,087 | 10,807 | 14,405 |
| Additions | 1,955 | 6,098 | 19 | 3,225 | - | 11,297 |
| Transfers | 614 | 1,184 | - | 8,851 | (10,650) | - |
| Disposals | - | (89) | - | - | (41) | (130) |
| Amortisation | (20) | (777) | (6) | (58) | - | (861) |
| Closing net book amount | 2,559 | 7,896 | 34 | 14,105 | 116 | 24,710 |
| At 31 December 2022 | | | | | | |
| Cost | 2,597 | 9,326 | 66 | 14,163 | 116 | 26,268 |
| Accumulated amortisation and impairment | (38) | (1,430) | (32) | (58) | - | (1,558) |
| Net book amount | 2,559 | 7,896 | 34 | 14,105 | 116 | 24,710 |

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 December 2022**11. DEBTORS****Amounts falling due within one year:**

| | 2022 | 2021 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Trade debtors | 2,275 | 1,878 |
| Amounts owed by group undertakings | - | 5,901 |
| Corporate Tax | 1,000 | 147 |
| Prepayments and accrued income | 315 | 63 |
| | <u>3,590</u> | <u>7,989</u> |

Amounts falling due after more than one year are:

| | 2022 | 2021 |
|--------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Prepayments and accrued income | <u>55</u> | <u>41</u> |

Intercompany amounts owed by group undertakings are unsecured, interest free and repayable on demand. Due to the amounts having no set repayment date they have been classified as current assets.

12. CREDITORS

| | 2022 | 2021 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Creditors falling due within one year | | |
| Trade creditors | 2,694 | 1,762 |
| Amounts owed to group undertakings | 5,998 | 3,486 |
| Other taxation and social security | 1,863 | 1,873 |
| Accruals and deferred income | <u>14,604</u> | <u>12,270</u> |
| | <u>25,159</u> | <u>19,391</u> |

| | 2022 | 2021 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Creditors falling due after more than one year | | |
| Deconstruction obligation | 28 | 28 |
| Accruals and deferred income | <u>2,649</u> | <u>3,084</u> |
| | <u>2,677</u> | <u>3,112</u> |

Intercompany amounts owed to group undertakings are unsecured, interest free and repayable on demand. Due to the amounts having no set repayment date they have been classified as current assets.

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022****13. PROVISIONS FOR LIABILITIES**

| | 2022 | 2021 |
|--|----------------|--------------|
| | £'000 | £'000 |
| Deferred tax liabilities realised < one year | | |
| Timing differences Fixed asset | (314) | - |
| Short term timing differences | 26 | 11 |
| Deferred tax liabilities realised > one year | | |
| Timing differences Fixed asset | (832) | (147) |
| Short term timing differences | 16 | - |
| Deferred tax liabilities | <u>(1,104)</u> | <u>(136)</u> |

14. CALLED UP SHARE CAPITAL

| | 2022 | 2022 | 2021 | 2021 |
|---|----------------|--------------|----------------|--------------|
| | No.'000 | £'000 | No.'000 | £'000 |
| Called up, allotted and fully paid | | | | |
| 50,000 ordinary shares of £1 each | <u>50</u> | <u>50</u> | <u>50</u> | <u>50</u> |

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

15. PENSIONS

The company operates a defined contribution pension plan and contributes to personal pension plans in respect of certain of its employees. Contributions are charged to the income statement as they become payable.

| | 2022 | 2021 |
|--|--------------|--------------|
| | £'000 | £'000 |
| PROFIT AND LOSS | | |
| Pension costs | 177 | 159 |
| BALANCE | | |
| Unpaid contributions outstanding at the year end | <u>21</u> | <u>22</u> |

The unpaid contributions outstanding at the year end are included in 'Other creditors including tax and social security'.

IONOS CLOUD LIMITED | ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2022****16. OPERATING LEASE COMMITMENTS**

At 31 December 2022, the company was committed to making the following payments in respect of operating leases:

| | Land and buildings | |
|--------------------------------|---------------------------|--------------|
| | 2022 | 2021 |
| | £'000 | £'000 |
| Due within one year | 361 | 168 |
| Due between two and five years | 526 | 53 |
| Due beyond five years | - | - |

Lease payments of £354k (2021: £293k) were recognised as an expense during the year.

17. CAPITAL COMMITMENTS

As at 31 December 2022, there is an order commitment of £85k (2021 £ 5.9 Million) for goods and services that will be recognised as intangible assets or property, plant and equipment in the 2023 financial year.

The higher value in 2021 was due to two contracts in connection with the construction of the new data centre. These contracts were fulfilled in 2022.

18. POST BALANCE SHEET EVENTS

There are no post balance sheet events to note.

19. CONTROLLING PARTY

The ultimate parent undertaking and controlling party of the largest group of undertakings, for which group financial statements are prepared, is United Internet AG, a company incorporated in Germany. Copies of the financial statements of United Internet AG can be obtained from United Internet AG, Elgendorfer Strasse 57, D-56410 Montabaur, Germany (registered office).

The parent undertaking of the smallest group for which group financial statements are prepared, and of which IONOS Cloud Limited is a member, is IONOS SE. Copies of the financial statements of IONOS SE are available from United Internet AG, Elgendorfer Strasse 57, D-56410 Montabaur, Germany (registered office).