

Press release

OVH Groupe S.A. announces the publication of its financial statements for the three months ended November 30, 2024 and provides an update on its financing arrangements

Roubaix – January 27th, 2025

OVH Groupe S.A. (the “**Company**”), a global player and a leading European provider of cloud services, is pleased to announce the publication of its unaudited condensed consolidated interim financial statements for the three months ended November 30, 2024 (the “**Q1 2025 Financial Statements**”) and provide an update on its financing arrangements.

Publication of Q1 2025 Financial Statements

Further to the announcement on January 9, 2025 of its results for the three months ended November 30, 2024, the Company has published its Q1 2025 Financial Statements (available at <https://corporate.ovhcloud.com/en/investor-relations/financial-results/>).

Update on Financing Arrangements

In connection with the launch of its share buyback offer (“**OPRA**”), on October 23, 2024, the Company entered into a new facilities agreement (the “**Senior Facilities Agreement**”) with a syndicate of banks, providing for (i) a €450 million term loan facility (the “**New Term Loan Facility**”), (ii) a €200 million multipurpose revolving facility (the “**Multipurpose Revolving Facility**”), and (iii) a €470 million term loan facility (the “**Short-Term OPRA Facility**”), to refinance indebtedness of the Company under its pre-existing senior term loan (other than a €200 million loan entered into with the European Investment Bank), finance the OPRA and fund cash on balance sheet for general corporate purposes and related expenses.

On January 16, 2025, the Company drew €450 million under the New Term Loan Facility and €470 million under the Short-Term OPRA Facility to, among other things, refinance the pre-existing senior term loan (other than a €200 million loan entered into with the European Investment Bank), fund the settlement of the OPRA and fund cash on balance sheet for general corporate purposes and related expenses. Subsequently, on January 17, 2025, the OPRA was settled in a total amount of €350.0 million, resulting in the repurchase of 38,888,889 shares, which led to a corresponding reduction of 20.4% of the share capital of the Company, which was completed on January 23, 2025.

Update on EBITDA figures

Recurring EBITDA and Adjusted EBITDA as presented in the Q1 2025 Financial Statements and in the Company's financial statements for prior periods are calculated on a post-IFRS 16 basis and differ from "Consolidated EBITDA", a financial measure used for the purposes of assessing the Company's performance pursuant to the financial covenants included in the Senior Facilities Agreement and the indenture governing any issuance of Notes, which is calculated on a pre-IFRS 16 basis.

For the three months ended November 30, 2024, the impact of IFRS 16 on Adjusted EBITDA was €8.4 million. For the three months ended November 30, 2023, the impact of IFRS 16 on Adjusted EBITDA was €7.6 million. For the financial year ended August 31, 2024, the impact of IFRS 16 on Adjusted EBITDA was €31.1 million. For the financial year ended August 31, 2023, the impact of IFRS 16 on Adjusted EBITDA was €25.4 million.

Update on Risk factors

Certain risk factors included in the offering memorandum prepared in connection with an offering of certain debt securities of the Company have been included in the Appendix to this announcement.

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Forward-Looking Statements

This announcement may include forward-looking statements within the meaning of the U.S. federal securities laws, which involve risks and uncertainties, including, without limitation, certain statements regarding management's expectations regarding the Company's business, growth, future financial condition, results of operations and prospects. You can identify forward-looking statements because they contain words such as "believe," "expect," "may," "should," "seek," "intend," "plan," "estimate," or "anticipate" or similar expressions that relate to the Company's strategy, plans or intentions. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, the Company's actual results may differ materially from those that it expected. The Company has based these forward-looking statements on its current views and assumptions about future events. While the Company believes that its assumptions are reasonable, it cautions that it is very difficult to predict the impact of known factors, and it is impossible for the Company to anticipate all factors that could affect its actual results. The Company cannot assure you that future results will be achieved. All forward-looking statements are based upon information available to the Company on the date of this announcement.

APPENDIX

There are no standard definitions of the markets in which we operate, making it difficult to predict growth and to compare our business with that of our competitors with a high degree of accuracy.

The markets in which we operate are recently established and rapidly evolving, and do not have standard definitions. As a result, it can be difficult to predict growth and to compare our business with that of our competitors to a high degree of accuracy. Market size estimates and anticipated growth figures included in the offering memorandum for the Offering 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 the offering memorandum for the Offering, we have provided broad ranges of estimated market size (such as the size of the global cloud infrastructure and software platform services market being €180 to €190 billion and €160 to €170 billion in 2024, respectively). Furthermore, we and our competitors may define the markets differently, making it difficult to assess our performance in the market against that of our competitors. Absent a consensus as to the size and expected growth of the cloud markets, we could overestimate or underestimate our investments or allocate our resources to activities that might not grow in the manner anticipated. The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular estimate of our market opportunity will turn out to be accurate or that our revenues will grow at the rate implied by the market growth estimates in the offering memorandum for the Offering. If our growth is lower than expected, the value of our shares could be adversely affected.

We generate a significant portion of our revenue through short-term contracts which makes our financial performance subject to volatility.

We generate a significant portion of our revenues through short-term contracts that are subject to periodic renewal which introduces a level of vulnerability to our revenue stream. Customers may choose to reduce their engagement or contract size with the Group due to market fluctuations, economic downturns, or specific event-driven risks, such as industry disruptions or changes in technology needs. These changes could result in a slowdown of our growth trajectory, impacting our financial stability and strategic planning. The susceptibility to such reductions in contract size poses a challenge to maintaining consistent revenue streams and could lead to greater financial volatility, impacting our ability to forecast future performance accurately.

Certain of our facilities may be difficult or expensive to insure at adequate levels.

We believe our insurance coverage is adequate and in line with industry standards, as our datacenters and manufacturing facilities grow older; however, it may be more difficult and more costly to maintain adequate levels of insurance at rates we consider reasonable. Additionally, many of our datacenters and manufacturing facilities are hosted in former industrial buildings, which can be challenging to adequately insure due to potential existing defects. There can be no guarantee that our insurance coverage will be adequate to cover future claims that may arise. Claims for which we are not fully insured may adversely affect our 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 we typically insure against may decrease, and the insurance that we are able to obtain may have higher deductibles, higher premiums and more restrictive policy terms.

The interests of our controlling shareholder may be inconsistent with the interests of holders of the Notes.

The Klabá family, as our controlling shareholder, holds a significant percentage of our outstanding voting shares, allowing them to exercise considerable influence over matters requiring shareholder approval, including the election of directors, approval of mergers or other business combinations, and other significant corporate transactions. This level of control may result in actions or decisions that are contrary to the interests of holders of the Notes, particularly if we encounter financial difficulties or are unable to pay our debts when due.

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

The Group's activities are subject to various regulations in the countries in which it operates. The Group is thus subject to legislation that applies to any company (trade rules, intellectual property rights, personal data protection, tax rules, etc.), but also to regulations that are more specific to our stature and activity (stock market law, Sapin II law, electronic communications, cybersecurity, liability of technical intermediaries, data sovereignty, obligations to cooperate with the authorities, etc.). Some of these regulations have an impact on the Group's strategic ambitions, particularly in terms of digital sovereignty. These regulations may also be subject to change. In particular, significant restructuring and expansion of the regulatory framework has been under way for several years in the digital sector, in which the Group operates.

The Group must identify and adapt to the rules that apply to it, in order to comply with them and continue to develop its business. It must also detect any failures to comply so that they can be rectified quickly. The Group must also anticipate changes in these rules in order to adapt to them as effectively as possible. Insufficient knowledge of local regulations, or a lack of methodology for monitoring changes in these regulations, would have a significant impact on the Group. It could jeopardise our ability to comply with the law, exposing it to operational and financial risks. It could also weaken our competitive position and damage our image. In addition, certain non-European regulations with extraterritorial scope could conflict with European legislation applicable to the Group, in particular personal data protection legislation.

The Group has in place procedures designed to ensure compliance with the data protection and privacy regulations applicable to it (for example, data hosted by our European datacenters cannot be accessed by employees based outside the European Union or employed by our US subsidiary), and contractual provisions stipulating that customers are responsible for the regulatory compliance of their data and activity.

Nevertheless, from time to time we are subject to various types of claim from third parties relating to the data and activity of our customers. The claims to which we are subject include allegations that we have failed to remove customer content that infringes the rights of third parties, or should otherwise be removed, from our servers in a timely manner. We have procedures in place designed to enable third parties to alert us of any such content and to request its removal. The amounts at issue in most of these claims are insignificant. However, we currently face a claim brought by La Lega Nazionale Professionisti Serie A, the Italian Serie A football league (“**LNPA**”), relating to the alleged broadcasting of audiovisual content (for which LNPA held exclusive broadcasting rights) by customers using our servers, which LNPA estimates caused it to suffer very substantial financial losses. We intend to contest vigorously LNPA’s claim, which we believe is patently without merit and significantly overstates LNPA’s losses from this activity. We do not expect this matter to have a material adverse effect on our business, financial condition, results of operations or reputation.

The Group also has internal procedures for checking the identity of its customers and suppliers, in order to avoid entering into business relationships with people subject to international sanctions. However, the Group cannot be certain that its procedures or contractual protections will be fully effective, with the result that it may inadvertently breach certain regulations or identify changes in legislation too late. Similarly, the Group cannot guarantee that new laws or regulations would not jeopardise its operations. Any such breach could give rise to monetary penalties that could have a significant impact on the Group's financial position. In addition, any actual or reported violation of regulations could impact our reputation.