# Annual Financial Statements 2022

MANAGEMENT REPORT FOR THE GROUP AND PARENT COMPANY

ANNUAL FINANCIAL STATEMENTS OF THE PARENT COMPANY ACC. TO HGB

# COMBINED MANAGEMENT REPORT

# Notice of unaudited sections in the Combined Management Report of United Internet AG for the Company and the Group as of December 31, 2022

In addition to regular management report disclosures, it is possible that reporting may also include non-management report-related disclosures (those not required by law) which are not subject to a substantive audit by the auditor. Moreover, certain information may not be verifiable by the auditor: such "non-auditable information" cannot be assessed by the auditor due to the nature of the disclosures or the absence of suitable criteria.

In the Combined Management Report of United Internet AG for the Company and the Group as of December 31, 2022, the following chapters or disclosures were identified as "non-audited management report disclosures":

- The disclosures made in the subsection "1.4 Main focus areas for products and innovations" are "non-audited management report disclosures", as the content of "non-management report-related disclosures" is not audited.

- The "quarterly development" tables contained in the subsections "2.2 Business development" and "2.3 Position of the Group" with key financial figures on a quarterly basis for the segments and the Group are "non-audited management report disclosures" as United Internet does not subject its Interim Financial Statements to a review or audit. The quarterly figures are marked accordingly as "unaudited".

- The German Corporate Governance Code (the "Code") recommends disclosures on the internal control and risk management system. These go beyond the statutory requirements for the management report and are not included in the auditor's review of the content of the management report ("non-management report-related disclosures"). In chapter 5 "Internal control and risk management system", they are thematically assigned to the main elements of the internal control and risk management system and are separated from the disclosures to be audited by separate paragraphs and marked accordingly as "unaudited".

- The disclosures made in chapter "7. Declaration on Company Management" are "non-audited management report disclosures" as an audit of the disclosures contained in the Declaration on Company Management in accordance with section 317 (2) sentence 6 German Commercial Code ("Handelsgesetzbuch" – HGB) is limited to the fact that the information has been provided and the Corporate Governance Report in chapter 7 constitutes a "non-management report-related disclosure" which is not subject to a substantive audit.

# 1. GROUP AND COMPANY PROFILE

## 1.1 Business model

### Group structure

Founded in 1998 and based in Montabaur, Germany, United Internet AG is the **parent company** (hereinafter also referred to as "the Company") of the United Internet Group.

Together with its service company United Internet Corporate Services GmbH, United Internet AG focuses mainly on centralized functions in the areas of Finance, Corporate Controlling & Accounting, Tax, Investment Management, Press Relations, Investor Relations, Legal, Corporate Governance, Compliance & Sustainability, Risk Management, Corporate Audit, HR Management, Facility Management, Procurement, and Corporate IT.

Compared to the previous year, the Group structure as of December 31, 2022 is largely unchanged from the previous year.

Operating activities in the **Consumer Access segment** are mainly managed by the companies Drillisch Online GmbH and 1&1 Telecom GmbH under the umbrella of 1&1 AG.

In its **Business Access segment**, United Internet mainly operates via 1&1 Versatel Germany GmbH, held by 1&1 Versatel GmbH.

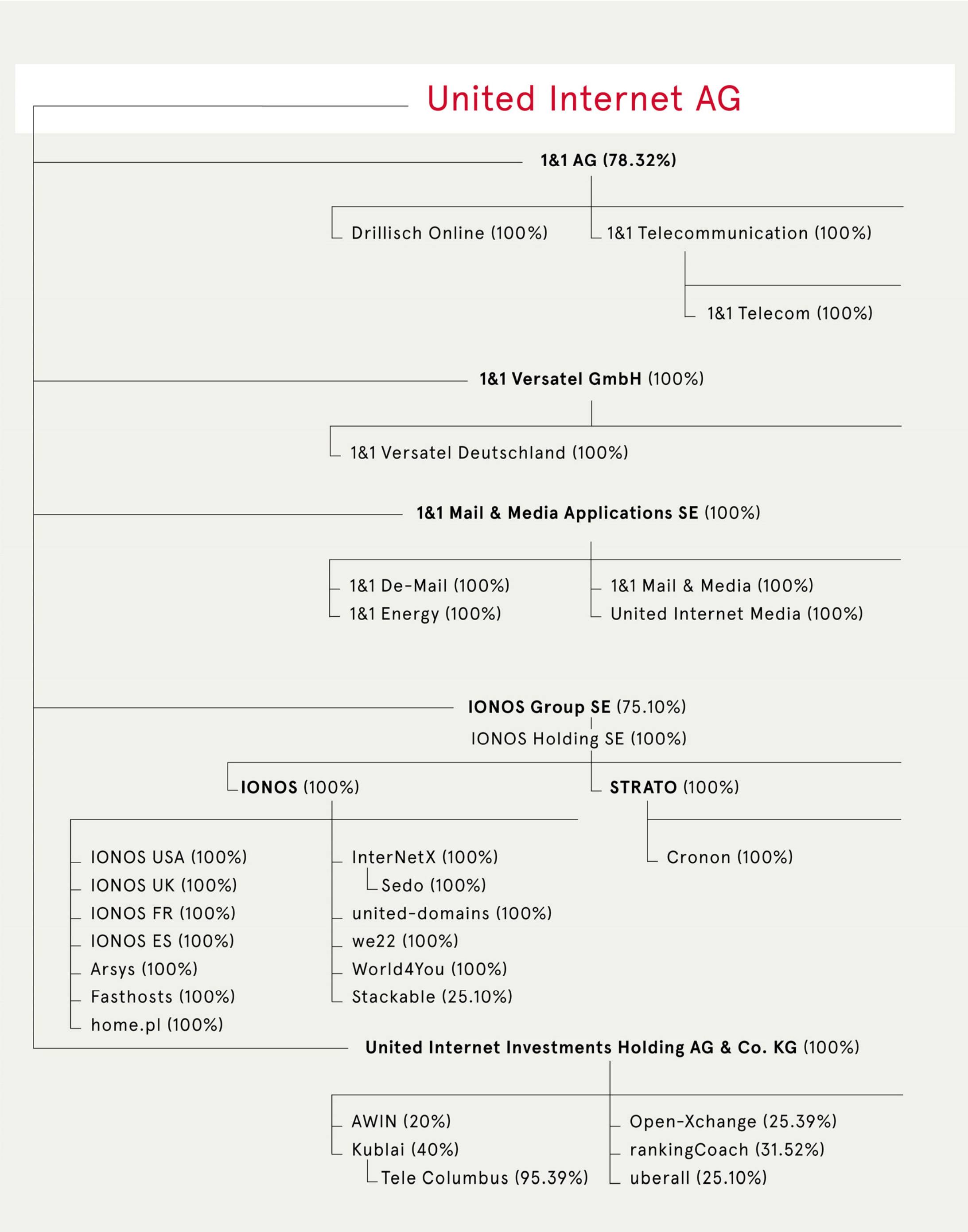
Operating activities in the **Consumer Applications segment** are primarily managed via the companies 1&1 De-Mail GmbH, 1&1 Energy GmbH, 1&1 Mail & Media GmbH, 1&1 Mail & Media Inc., and United Internet Media GmbH, pooled together under 1&1 Mail & Media Applications SE.

In its **Business Applications segment**, United Internet is primarily active via its shares in STRATO AG and its subsidiary Cronon GmbH – held by the holding companies IONOS Group SE (formerly: IONOS TopCo SE) and IONOS Holding SE – as well as in IONOS SE and its main domestic and foreign subsidiaries. These include – in addition to the foreign subsidiaries IONOS Inc. (USA), IONOS Cloud Ltd. (UK), IONOS S.A.R.L. (France), and IONOS Cloud S.L.U. (Spain) – in particular Arsys Internet S.L.U. (Spain), Fasthosts Internet Ltd. (UK), home.pl S.A. (Poland), InterNetX GmbH, Sedo GmbH, united-domains AG, we22 GmbH (formerly: we22 AG), and World4You Internet Services GmbH (Austria).

In addition to these operating and fully consolidated subsidiaries, United Internet held a number of other **investments** as of December 31, 2022. These mainly consist of equity interests – held by United Internet Investments Holding AG & Co. KG – in Kublai GmbH, Frankfurt am Main (40.00%), which in turn holds 95.39% of shares in Tele Columbus AG, Berlin, and investments in the strategic partners Open-Xchange AG, Cologne (25.39%), rankingCoach International GmbH, Cologne (31.52%), uberall GmbH, Berlin (25.10%), and AWIN AG, Berlin (20.00%), as well as the investment in Stackable GmbH, Pinneberg (25.10%) held by IONOS SE.

Further details on these investments and changes in investments are provided in chapter 2.2 "Business development" under "Group investments".

A simplified illustration of the Group structure of United Internet with its significant operating subsidiaries and investments – as of December 31, 2022 – is shown in the following chart.


United Internet AG
1&1 AG (78.32%)
Drillisch Online (100%)
1&1 Telecommunication (100%)
1&1 Telecom (100%)
1&1 Versatel GmbH (100%)
1&1 Versatel Deutschland (100%)
1&1 Mail & Media Applications SE (100%)
1&1 De-Mail (100%)
1&1 Energy (100%)
1&1 Mail & Media (100%)
United Internet Media (100%)
IONOS Group SE (75.10%)
IONOS Holding SE (100%)
IONOS (100%)
STRATO (100%)
IONOS USA (100%)
IONOS UK (100%)
IONOS FR (100%)
IONOS ES (100%)
Arsys (100%)
Fasthosts (100%)
home.pl (100%)
InterNetX (100%)
Sedo (100%)
united-domains (100%)
we22 (100%)
World4You (100%)
Stackable (25.10%)
Cronon (100%)
United Internet Investments Holding AG & Co. KG (100%)
AWIN (20%)
Kublai (40%)
Tele Columbus (95.39%)
Open-Xchange (25.39%)
rankingCoach (31.52%)
uberall (25.10%)

# Business operations

With over 27 million fee-based customer contracts and more than 40 million ad-financed free accounts, United Internet is one of Europe's leading internet specialists.

The Group's operating business is divided into the two business divisions "Access" and "Applications", which in turn are divided into the segments "Consumer Access" and "Business Access", as well as "Consumer Applications" and "Business Applications".

## Consumer Access segment

The Consumer Access segment comprises mobile internet products as well as landline-based broadband products (including the respective applications, such as home networks, online storage, telephony, Smart Home, or IPTV) for private users.

These internet access products are offered as subscription contracts with fixed monthly fees (and variable, volume-based charges) and contractually fixed terms.

With its **broadband products** under the 1&1 brand (especially VDSL/vectoring and fiber-optic connections), United Internet is one of Germany's leading suppliers.

The Company uses the fiber-optic network of 1&1 Versatel as the transport network for VDSL/vectoring connections and for direct fiber-optic connections (FTTH) it uses city carriers and Deutsche Telekom (mainly Layer-2) for the "last mile". In the case of business with ADSL connections (currently being phased out), further advance service providers are used.

With its **mobile internet products**, United Internet is the leading Mobile Virtual Network Operator (MVNO) in Germany.

United Internet – indirectly via 1&1 AG – is the only so-called MBA MVNO (Mobile Bitstream Access / Mobile Virtual Network Operator) with long-term and guaranteed rights to up to 30% of the used network capacity of Telefónica Germany and thus extensive access to one of the largest mobile networks. In addition to its privileged access to the Telefónica network, the Company also purchases mobile advance services from Vodafone.

These purchased network services are enhanced with end-user devices of major manufacturers, as well as self-developed applications and services in order to differentiate them from competitive offerings.

The mobile internet products are marketed via the premium brand 1&1 as well as via discount brands, such as yourfone and smartmobile.de, which enable the Company to offer a comprehensive range of wireless products while also targeting specific customer groups.

As part of the planned rollout of its powerful 5G mobile communications network – and following its successful bid for two frequency blocks of 2 x 5 MHz in the 2 GHz band and five frequency blocks of 10 MHz in the 3.6 GHz band during the 5G spectrum auction in 2019 – 1&1 concluded long-term agreements in the fiscal years 2021 and 2022 and now has all key prerequisites in place to drive forward the rollout of the 1&1 mobile network and thus extend its added value in this market segment – as in the landline segment. Operations of the 1&1 mobile network were launched on December 28, 2022 with "1&1 5G at home" – a product positioned as an alternative to conventional DSL, cable internet, or fiber-optic house connections. Smartphone tariffs are set to follow in 2023, together with the scheduled provision of national roaming by Telefónica. National roaming is a standard procedure used in the rollout of new mobile networks that enables customers to surf and make calls without interruption in areas not yet covered during the construction phase of the new network. This is achieved by automatically using the roaming partner's antennas in these areas.

## Business Access segment

In its Business Access segment, United Internet offers a wide range of telecommunication products and services for business customers via the 1&1 Versatel brand.

The core of 1&1 Versatel's business model is the operation of a cutting-edge fiber-optic network with a length of over 55,000 km (with 9 own data centers, 35 co-locations, and over 400 own micro data centers), which is one of the largest networks in Germany and is constantly being expanded.

1&1 Versatel uses this network to offer telecommunication products – from fiber-optic direct connections to tailored ICT solutions (voice, data and network solutions) – to companies and local authorities. In addition, the 1&1 fiber-optic network is offered for infrastructure services (wholesale) to national and international carriers and internet service providers (ISPs).

## Consumer Applications segment

Applications for home users are pooled in the Consumer Applications segment. In particular, these applications include Personal Information Management applications (e-mail, to-do lists, appointments, addresses), and online storage (cloud), as well as domains, website solutions tailored to consumer needs, and office software.

In the course of portfolio development over the past few years, the GMX and WEB.DE brands – the most widely used e-mail providers in Germany for many years now – have been expanded from pure e-mail service providers to complete command centers for the communication, information, and identity management needs of users.

Applications for home users are nearly all developed in-house and operated at the Group's own data centers.

The products are offered as fee-based subscriptions (pay accounts) or – for free – in the form of ad-financed accounts (free accounts). These free accounts are monetized via classic – but increasingly also via data-driven – online advertising, which is marketed by United Internet Media.

United Internet markets its ad-financed applications and fee-based consumer applications via the GMX and WEB.DE brands primarily in Germany, Austria, and Switzerland, where it is among the leading players.

Since the acquisition of the US provider mail.com, United Internet has also been driving its international expansion in this segment. In addition to the USA, mail.com targets other countries, such as the UK, France, and Spain.

## Business Applications segment

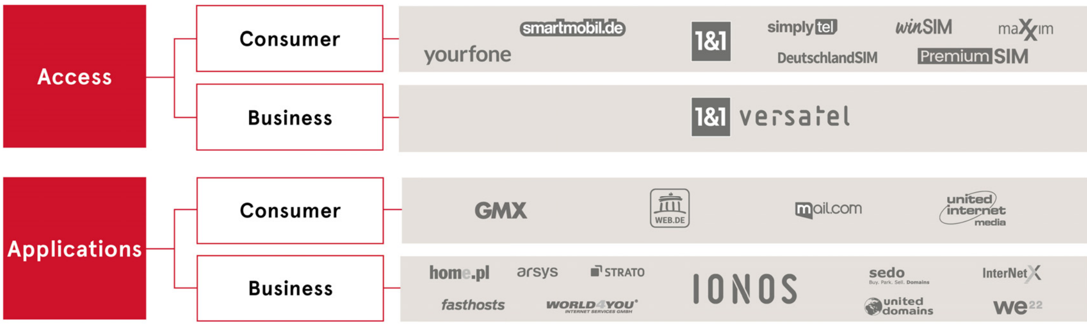
In the Business Applications segment, United Internet opens up online business opportunities for freelancers and SMEs, helping them digitize their processes. This involves offering a broad range of products, such as domains, websites, web hosting, servers and e-shops, group work, online storage (cloud), and office software, which customers can use via subscription agreements. In addition, cloud solutions and cloud infrastructure are offered.

The applications are developed at in-house development centers or in cooperation with partner firms and operated on over 100,000 servers at 11 own data centers and 21 co-locations.

In its Business Applications segment, United Internet is also a leading global player with activities in Europe (Germany, France, the UK, Spain, Portugal, Italy, the Netherlands, Austria, Poland, Hungary, Romania, Bulgaria, Czech Republic, Slovakia, and Sweden) as well as in North America (the USA, Canada, Mexico).

Business applications are marketed to specific target groups via differently positioned brands, such as IONOS, Arsys, Fasthosts, home.pl, InterNetX, Strato, united-domains, and World4You. In its after-market business, United Internet also offers customers professional services in the field of active domain management. Moreover, other hosting suppliers are offered a white-label website builder for the creation of high-quality websites via the we22 brand.

**Divisions, segments and brands (as of: December 31, 2022)**



# Management

The **Management Board** of United Internet AG comprised the following members in the fiscal year 2022:

**Management Board members as at December 31, 2022**

- Ralph Dommermuth, founder and Chief Executive Officer
  (with the Company since 1988)

- Martin Mildner, Chief Financial Officer
  (with the Company since October 1, 2020)

The **Supervisory Board** of United Internet AG comprised the following members in the fiscal year 2022:

**Supervisory Board members as at December 31, 2022**

- Philipp von Bismarck, Chairman
  (member since July 2020; Chairman since May 2021; member of the Audit and Risk Committee since May 2021)

- Dr. Manuel Cubero del Castillo-Olivares, Deputy Chairman
  (member since May 2020; Deputy Chairman since May 2021)

- Stefan Rasch
  (member since May 2021; member of the Audit and Risk Committee since May 2021)

- Prof. Dr. Andreas Söffing
  (member since May 2021; Chairman of the Audit and Risk Committee since May 2021)

- Prof. Dr. Yasmin Mei-Yee Weiß
  (member since July 2020)

**Departed in the fiscal year 2022**

- Dr. Claudia Borgas-Herold
  (member from May 2020 to August 2022)

# Main markets and competitive standing

Germany is the most important **sales market** of the United Internet Group by far and accounted for around 89% of total global sales in the fiscal year 2022.

Besides Germany, the Group's most important sales markets are

- the USA,
- the UK,
- Spain,
- France,
- Poland, and
- Austria.

## Competitive standing in the Consumer Access segment

Following the merger with Drillisch AG (now 1&1 AG) in 2017, United Internet is the fourth force in Germany's telecommunications market with landline and mobile products in its purely domestic Consumer Access segment – based on customer contracts and sales revenues – after Deutsche Telekom, Vodafone, and Telefónica Germany.

## Competitive standing in the Business Access segment

United Internet is also a leading company in its Business Access segment, whose operations are also limited to Germany. With the fiber-optic network of 1&1 Versatel spanning over 55,000 km, United Internet operates one of Germany's largest fiber-optic networks.

## Competitive standing in the Consumer Applications segment

In its Consumer Applications segment, United Internet operates in Germany, Switzerland, and Austria via the GMX and WEB.DE brands, as well as in countries such as the USA, UK, France, and Spain via the international brand mail.com. United Internet is the leading provider of e-mail services and one of the leaders in cloud services in its domestic German market – based on the number of users.

## Competitive standing in the Business Applications segment

In the globally aligned Business Applications segment, United Internet is active in a total of 18 countries with its hosting and cloud applications. The Company has long been the market leader in the German hosting business – based on the number of managed country domains – and strengthened its position in 2017 with the takeover of its competitor STRATO. In other European countries, United Internet's hosting applications are now available in all major markets – either locally or from Germany. In addition to the domestic German market, these mainly include the major European economies of France, the UK, Italy, Poland, and Spain. With the exception of Italy, the Company is among the market leaders –

measured by the number of managed country domains – in the aforementioned countries. All in all, therefore, United Internet is also one of the leading European suppliers of hosting applications – based on the number of managed country domains. Further target markets outside Europe are the North American countries Canada, USA, and Mexico. In the most important of these markets, the USA, United Internet is also one of the leading players in this segment – based on the number of managed country domains.

From a global perspective, United Internet is thus also one of the leading companies in the hosting business.

# Main locations

As of December 31, 2022, the United Internet Group employed a total of 10,474 people at around 40 domestic and foreign facilities.

**Main locations (by headcount; > 50 employees)**

| Location | Segment | Main Company |
|---|---|---|
| Montabaur (HQ) | Corporate functions | United Internet |
| | Consumer Access | 1&1 |
| Karlsruhe | Corporate functions | United Internet |
| | Consumer Access | 1&1 |
| | Consumer Applications | 1&1 Mail & Media Applications |
| | Business Applications | IONOS |
| Berlin | Consumer Access | 1&1 |
| | Business Access | 1&1 Versatel |
| | Business Applications | IONOS, Strato, we22 |
| Cebu City (Philippines) | Business Applications | IONOS |
| Dusseldorf | Business Access | 1&1 Versatel |
| Zweibrücken | Consumer Access | 1&1 |
| | Business Applications | IONOS |
| Madrid / Logroño / Barcelona / Lugo (Spain) | Business Applications | IONOS, Arsys |
| Munich | Consumer Access | 1&1 |
| | Consumer Applications | 1&1 Mail & Media Applications |
| Szczecin (Poland) | Business Applications | home.pl |
| Essen | Business Access | 1&1 Versatel |
| Flensburg | Business Access | 1&1 Versatel |
| Gloucester (UK) | Business Applications | IONOS, Fasthosts |
| Bucharest (Romania) | Business Applications | IONOS |
| Krefeld | Consumer Access | 1&1 |
| Maintal | Consumer Access | 1&1 |
| Cologne | Business Applications | Sedo, we22 |
| Regensburg | Business Applications | InterNetX |
| Chesterbrook / Lenexa (USA) | Business Applications | IONOS |
| Stuttgart | Business Access | 1&1 Versatel |
| Starnberg | Business Applications | united-domains |
| Frankfurt am Main | Business Access | 1&1 Versatel |
| Linz / Vienna (Austria) | Business Applications | World4You |
| Dortmund | Business Access | 1&1 Versatel |

## 1.2 Strategy

United Internet's business model is based predominantly on customer contracts (electronic subscriptions) with fixed monthly amounts and contractually agreed terms. Such a business model ensures generally stable and plannable revenue and cash flows, protects against macroeconomic effects, and provides the financial scope to grasp opportunities in new/extended business fields and new/extended markets – organically, or via acquisitions and investments.

The large number of customer relationships helps the Company to utilize so-called economies of scale: the more customers using the products created by its development teams and operated at its own data centers, and/or transport data via its own networks, the greater the profit will be. These profits can then be invested in new customers, new developments, and new or extended business fields.

From the current perspective, Cloud Applications and Mobile Internet will be the growth markets over the coming years. With its clear positioning in the Access and Applications segments, United Internet is well placed to exploit the expected market potential.

In view of the dynamic market development of Cloud Applications and Mobile Internet, the Company's growth opportunities are clearly apparent: universally accessible, increasingly powerful broadband connections are enabling new and more sophisticated cloud applications. These internet-based programs for private users and companies will also be United Internet's growth drivers in the years ahead – both as stand-alone products in the Applications division, as well as in combination with landline and mobile access products in the Access division.

With its many years of experience as an access and application provider, its expertise in software development and data center operation, marketing, sales and customer support, as well as its strong and well-known brands (such as 1&1, GMX and WEB.DE), and customer relationships with millions of private users, freelancers, and small companies in Germany and abroad (currently over 67 million user accounts world-wide), the Company is excellently positioned.

In order to leverage this positioning for further sustainable growth, United Internet will continue to invest heavily in new customers, new products, and new or extended business fields, as well as in its further internationalization.

In addition to organic growth, United Internet also continuously seeks possibilities for company acquisitions, investments, and partnerships in order to extend its market positions, vertical integration levels, and expertise.

Thanks to its high and plannable level of free cash flow, United Internet has a strong source of internal funding as well as good access to debt financing markets. Further information on the Company's equity strength and external financing is presented in the chapters 2.2 "Business development" and 2.3 "Position of the Group".

Further information on strategy, opportunities and targets is included in the "Risk, Opportunity and Forecast Report" in chapter 4.

## 1.3 Management systems

The internal management systems help the management team steer and monitor the Group and its segments. The systems consist of planning, actual situation, and forecast calculations based on the Group's annually revised strategic planning. Particular attention is paid to market developments, technological developments, and trends, as well as their impact on the Group's own products and services, and the Group's financial possibilities. The corporate management system's aim is the continuous and sustainable development of United Internet and its subsidiaries.

The Group's reporting system comprises the monthly profit calculations and quarterly IFRS-compliant reports for all consolidated subsidiaries. It presents the financial position and performance of the Group and all divisions. Financial reporting also includes other detailed information which is required for the assessment and control of the operating business.

Quarterly reports on significant risks for the Company represent a further component of the management systems.

The above mentioned reports are discussed at meetings of the Management Board and Supervisory Board and provide the fundamental basis for assessments and decisions.

In order to steer the Group's performance, United Internet AG uses in particular the key figures of the income statement (sales, EBITDA, EBIT, EPS), of the statement of cash flows (free cash flow), and of the statement of financial position (asset items, financial liabilities).

Information on the use and definition of the relevant key financial figures is presented in chapter 2.2 "Business development".

The Management Board of United Internet AG steers the segments mainly on the basis of key performance figures. It measures the success of each segment primarily according to sales, earnings before interest, taxes, depreciation and amortization (EBITDA), and earnings before interest and taxes (EBIT).

The main non-financial key figures used are the number and growth of fee-based customer contracts, as well as ad-financed free accounts.

The performance indicators of the United Internet Group for top management are also presented in "Segment reporting" under note 5 of the Notes to the Consolidated Financial Statements.

The **key performance indicators (KPIs)** used by top management at Group level are sales and operating EBITDA. These figures are also used in forecast reporting.

As the holding company, United Internet AG (parent company) focuses on the key operating figures of the Group.

The number of customer contracts, the gross and net sales figures, and the related customer acquisition costs in particular – compared to the Company's plans and forecast calculations – serve as an early warning system.

The key performance indicators used in the fiscal year 2021 were unchanged from the previous year.

A comparison of the KPIs stated in the forecast and the actual figures is provided in this Management Report in chapter 2.2 "Business Development" in the section "Actual and Forecast Development" as well as in chapter 2.3 "Position of the Group".

## 1.4 Main focus areas for products and innovations

*The disclosures made in the subsection "1.4 Main focus areas for products and innovations" are "non-audited management report disclosures", as the content of "non-management report-related disclosures" is not audited.*

As an internet service provider, the United Internet Group does not engage in research and development (R&D) on a scale comparable with manufacturing companies. Also within the context of its own sector, research and development expenditures play a fairly subordinate role. Against this backdrop, United Internet does not disclose key figures for R&D.

At the same time, the United Internet brands stand for high-performance internet access, solutions, and innovative web-based products and applications which are mostly developed in-house. The success of United Internet is rooted in an ability to develop, combine, or adapt innovative products and services, and launch them on major markets.

Thanks to its high-performance development teams, United Internet is able to react swiftly and flexibly to new ideas and trends, and to continuously enhance its established products by adapting them to changing market needs – a key success factor in the fast-moving internet market. The Company's expertise in product development, enhancement, and rollout minimizes its reliance on third party development work and supplies in many areas, and thus ensures decisive competitive and time-to-market advantages.

At United Internet's own development centers (especially in Karlsruhe, Berlin, and Bucharest), around 3,700 programmers, product managers, and technical administrators (corresponding to around 34% of all employees) use mainly open source code in clearly defined and modeled development environments. Third-party programming services are also used to swiftly and efficiently implement specific projects. This enables the Company to quickly develop products and adapt them to changing customer needs. United Internet also procures solutions from partners, which are then modified according to needs and integrated into its systems. With the aid of its self-developed applications, United Internet has a set of modules which can be easily combined and provided with product-specific or country-specific user interfaces in order to create a variety of powerful and integrated applications – a huge benefit when tailoring products to varying target groups, or for international rollouts.

Due to the steady growth in customer figures, the demands placed on reliability and availability are constantly rising. In addition to the further development of existing products and continuous optimization of back-end operations, the Company also focuses on continuously enhancing existing processes in order to raise system reliability, and thus also customer satisfaction.

# Focus areas 2022

## Consumer Access

- Launch of own fiber-optic offerings (FTTH) using regional networks of Deutsche Telekom
- Operational launch of the 1&1 mobile network with "1&1 5G at home" – a product that replaces conventional DSL, cable Internet or fiber-optic home connections
- Extension of FTTH customer processes to include additional use cases (direct connection of FTTH and processing of owner data)
- Overhaul of the 1&1 fixed-network platform and reconstruction of all customer processes for customer migration
- Introduction of an error assistant for mobile network customers

## Business Access

- Launch of Cloud PBX product "RingCentral with 1&1 Connected Calls" in cooperation with RingCentral
- Introduction of "1&1 Office Fast & Secure" product, an internet/telephony bundle with integrated security solution for SOHO customers
- Launch of 1&1 DDoS Protect, offering DDoS protection with Myra technology for all company sizes – with the highest level of BSI certification and platforms in Germany
- Launch of 1&1 Connected Calls for Microsoft Teams, a telephony service for Microsoft Teams with number porting and emergency call handling
- Introduction of Office Fast&Secure, a fiber-optic internet access product with VoIP telephony and security package for SOHO and small business customers

## Consumer Applications

- Launch of AI-based system to detect and block spam emails
- Expansion of SMART Inbox platform
- Expansion of AI-based SMART Assistant
- "Letter notification" and "digital copy" services complemented by launch of a "Hybrid Mail" solution for printing and sending digitally delivered letters via Deutsche Post
- Launch of a desktop-based cloud synchronization tool for Windows and Mac

## Business Applications

- Extension of "Deploy Now" to include "Multi-Deployments", enabling multiple production instances of an application to be managed centrally from a GitHub repository
- IONOS and codecentric launch Gitlab-as-a-Service – a first jointly developed offering to use DevOps application for software development and versioning
- Launch of high-capacity storage server models for high storage needs in professional environments
- Launch of "Presence-Suite" – a new management interface for new customers of MyWebsite Now with integration of online marketing and e-commerce use cases
- Launch of Database-as-a-Service with Managed PostgreSQL as an SQL-based database and with MongoDB as a document-based NoSQL database
- Launch of Managed Container Registry as a service for integrating customer CI/CD pipelines, including combined use of the IONOS Managed Kubernetes Service
- Launch of the first IONOS data center (co-location) in Paris with the IONOS Cloud product portfolio
- IONOS and Stackable launch Managed Stackable, a first managed big data product in early access (commercial launch to follow in 2023) that allows customers to define their preferred setup from a catalog of big data-relevant applications, deployed and operated by IONOS and Stackable
- IONOS receives IT basic protection certification
- Development of IT platforms optimized for IONOS on new processor architectures, e.g., Intel Xeon 4th Generation, AMD Xen3 or ARM-based processors
- Ongoing development work to reduce energy losses, improve cooling efficiency and effectively recover heat
- IT basic protection certification of STRATO Acronis & Dedicated Webhosting Management platform
- Introduction of Backup as a Service (Acronis) for the STRATO Virtuozzo platform
- In-product upsell for STRATO HiDrive
- Collabora-Office integration in mobile STRATO HiDrive applications

# 2. ECONOMIC REPORT

## 2.1 General economic and sector conditions

### General economic development

As a result of the war in Ukraine and high inflation, the International Monetary Fund (IMF) downgraded its forecast for 2022 on several occasions during the year. In its latest economic outlook (World Economic Outlook, Update January 2023), the IMF reported growth of 3.4% for the **global economy** in 2022, based on preliminary calculations. Growth was thus significantly below the prior-year level (6.2%) and also 1.0 percentage points lower than the IMF's original outlook in January 2022 (4.4%).

In the United Internet Group's target markets in North America, growth also fell well short of the IMF's original expectations (exception: Mexico). The IMF anticipates growth of 2.0% for the **USA** (prior year: 5.9%), and thus 2.0 percentage points less than in its January outlook. The forecast of 3.5% for **Canada** (prior year: 5.0%) is 0.6 percentage points less than originally expected. And for **Mexico**, the IMF forecasts an increase in economic output of 3.1% (prior year: 4.7%), and thus 0.3 percentage points more than at the beginning of the year.

The picture is also similar in United Internet's important **eurozone** region. The IMF now expects growth of 3.5% (prior year: 5.3%) and thus 0.4 percentage points less than it forecast in January. Growth of 2.6% was calculated for **France** (prior year: 6.8%), 3.9% for **Italy** (prior year: 6.7%), and 5.2% for **Spain** (prior year: 5.5%). This corresponds to a decrease of 0.9 percentage points for France and 0.6 percentage points for Spain, but an increase of 0.1 percentage points for Italy compared to the January outlook.

For the **UK**, the IMF now expects growth of 4.1% (prior year: 7.6%), and thus 0.6 percentage points less than at the beginning of the year.

The economic development in **Germany** – United Internet's most important market by far (sales share 2022: around 89%) – was much slower than in the previous year and also well below the IMF's original expectations. The IMF has calculated that economic output increased by 1.9% (prior year: 2.6%) and thus 1.9 percentage points less than expected at the beginning of the year.

The IMF's calculations for Germany are in line with the preliminary figures of the country's Federal Statistics Office (Destatis), which – at its "GDP 2022" press conference on January 13, 2023 – announced a 1.9% increase in (price-adjusted) gross domestic product (GDP) for 2022. This is 0.7 percentage points less than in 2021 (2.6%). According to estimates of the Federal Statistics Office, the macroeconomic situation in Germany in 2022 was dominated by the consequences of the war in Ukraine and, in particular, by extreme energy price increases. In addition, there were intensified material and supply bottlenecks, huge price increases, for example for food, as well as a shortage of skilled workers and the ongoing coronavirus pandemic – although this eased over the course of the year. Against this difficult backdrop, the Federal Statistics Office believes the German economy fared reasonably well on the whole in 2022.

**Changes in growth forecasts made during 2022 for United Internet's key target countries and regions**

| | January forecast 2022 | April forecast 2022 | July forecast 2022 | October forecast 2022 | Actual 2022 | Change on January forecast |
|---|---|---|---|---|---|---|
| World | 4.4% | 3.6% | 3.2% | 3.2% | 3.4% | -1.0%-points |
| USA | 4.0% | 3.7% | 2.3% | 1.6% | 2.0% | -2.0%-points |
| Canada | 4.1% | 3.9% | 3.4% | 3.3% | 3.5% | -0.6%-points |
| Mexico | 2.8% | 2.0% | 2.4% | 2.1% | 3.1% | +0.3%-points |
| Eurozone | 3.9% | 2.8% | 2.6% | 3.1% | 3.5% | -0.4%-points |
| France | 3.5% | 2.9% | 2.3% | 2.5% | 2.6% | -0.9%-points |
| Spain | 5.8% | 4.8% | 4.0% | 4.3% | 5.2% | -0.6%-points |
| Italy | 3.8% | 2.3% | 3.0% | 3.2% | 3.9% | +0.1%-points |
| UK | 4.7% | 3.7% | 3.2% | 3.6% | 4.1% | -0.6%-points |
| Germany | 3.8% | 2.1% | 1.2% | 1.5% | 1.9% | -1.9%-points |

Source: International Monetary Fund, World Economic Outlook (Update), January 2019, 2020, 2021, 2022 und 2023

**Multi-period overview: GDP trend in United Internet's key target countries and regions**

| | 2018 | 2019 | 2020 | 2021 | 2022 | YoY change |
|---|---|---|---|---|---|---|
| World | 3.6% | 2.8% | -3.1% | 6.2% | 3.4% | -2.8%-points |
| USA | 2.9% | 2.2% | -3.4% | 5.9% | 2.0% | -3.9%-points |
| Canada | 1.9% | 1.9% | -5.2% | 5.0% | 3.5% | -1.5%-points |
| Mexico | 2.1% | -0.1% | -8.2% | 4.7% | 3.1% | -1.6%-points |
| Eurozone | 1.9% | 1.3% | -6.4% | 5.3% | 3.5% | -1.8%-points |
| France | 1.7% | 1.5% | -8.0% | 6.8% | 2.6% | -4.2%-points |
| Spain | 2.4% | 2.0% | -10.8% | 5.5% | 5.2% | -0.3%-points |
| Italy | 0.8% | 0.3% | -8.9% | 6.7% | 3.9% | -2.8%-points |
| UK | 1.3% | 1.4% | -9.4% | 7.6% | 4.1% | -3.5%-points |
| Germany | 1.5% | 0.6% | -4.6% | 2.6% | 1.9% | -0.7%-points |

Source: International Monetary Fund, World Economic Outlook (Update), January 2019, 2020, 2021, 2022 und 2023

**Multi-period overview: development of price-adjusted GDP in Germany**

| | 2018 | 2019 | 2020 | 2021 | 2022 | YoY change |
|---|---|---|---|---|---|---|
| GDP | 1.0% | 1.1% | -3.7% | 2.6% | 1.9% | -0.7%-points |

Source: Destatis, January 2023

# Development of sector / core markets

At its annual press conference on January 10, 2023, the industry association Bitkom assumed growth of 4.0% (prior year: 5.9%) to € 196.1 billion for the German **ICT market** in 2022. At the beginning of 2022, the association had anticipated revenue growth of 3.6% for 2022. The digital sector thus proved highly robust in a macroeconomic environment dominated by war, disrupted supply chains, and inflation.

The increase in the overall ICT market resulted in particular from strong growth in sales of **information technology**. According to Bitkom's 2022 forecast, sales in this largest submarket rose by 6.6% (prior year: 9.1%) to € 118.9 billion – after growth of 5.9% had been expected at the beginning of 2022. All segments of this sub-market made good progress, especially the software and IT hardware segments – of particular importance for United Internet's cloud business (Infrastructure-as-a-Service/IaaS and Software-as-a-Service/SaaS). Software grew by 9.4% (prior year: 11.3%), IT hardware by 5.4% (prior year: 11.8%), and IT services by 5.5% (prior year: 5.3%).

There was also good progress in the **telecommunications** submarket. For this second core market of United Internet, the industry association expects growth in 2022 of 1.3% (prior year: 2.5%) to € 68.9 billion – compared to its forecast at the beginning of 2022 of 0.9%. The individual segments of the telecommunications market developed quite differently: infrastructure business (driven by the 5G network rollout) increased strongly by 7.3% (prior year: 2.0%), while growth was more modest for user devices at 1.8% (prior year: 9.2%), and telecommunication services at 0.3% (prior year: 1.1%).

The smallest sub-market, consumer electronics (of no significance for United Internet), continued its decline and decreased by -8.2% (prior year: -4.3%) to € 8.2 billion.

The most important ICT markets for United Internet's business model are the German telecommunications market (broadband connections and mobile internet) in its mostly subscription-financed Access division, as well as the global cloud computing market, and the German online advertising market for its subscription- and ad-financed Applications division.

## (Stationary) broadband market in Germany

In view of the high level of household coverage already achieved and the strong trend toward mobile internet usage, demand for new landline broadband connections in Germany has slowed in recent years. With expected growth of 0.7 million, or 1.9%, to 37.7 million in 2022, the number of new connections was again well below earlier record years. These figures were calculated by the Association of Telecommunications and Value-Added Service Providers (Verband der Anbieter von Telekommunikations- und Mehrwertdiensten – VATM) and Dialog Consult in their joint "24th TC Market Analysis for Germany 2022" (October 2022). Despite the above mentioned growth, the connections currently of relevance for United Internet in the two technology fields of DSL and FTTB/FTTH (fiber-optic) performed very differently. Whereas DSL connections in Germany fell by 0.3 million to 25.1 million, fiber-optic connections grew by 0.8 million to 3.4 million. The number of cable connections (a technology which United Internet expects to offer for the first time in April 2023 via a cooperation with Tele Columbus) rose by 0.2 million to 9.2 million. A further <0.05 million connections in Germany are still operated via satellite/powerline.

At € 33.6 billion, revenues generated in the landline business in 2022 were up 1.2% on the previous year (€ 33.2 billion). In addition to retail sales, these revenue figures also include wholesale, interconnection, and terminal device revenues.

According to calculations of Dialog Consult/VATM, the average volume of data used is rising much more strongly than the number of newly activated connections and landline revenues – as an indicator of continued growth in usage of e.g., IPTV and cloud applications – with growth of 18.7% to 274.4 GB (per connection and month).

As a result, demand for more powerful broadband connections also developed strongly. For example, the proportion of switched broadband connections with speeds of at least 50 Mbit/s increased by 2.3 percentage points, from 55.7% in the previous year to 58.0% in 2022. Fixed-line connections with speeds of at least 1 Gbit/s increased their share by 1.7 percentage points  to 5.8% (of all broadband connections).

**Key market figures: fixed-line in Germany**

| | 2022 | 2021 | Change |
|---|---|---|---|
| Fixed-line revenues (in € billion) | 33.6 | 33.2 | + 1.2% |

Source: Dialog Consult / VATM, TC Market Analysis for Germany 2022, October 2022

## Mobile internet market in Germany

According to estimates of Dialog Consult/VATM, the number of active SIM cards in the German mobile communications market increased by 8.0 million, or 5.0%, to 169.3 million in 2022. This growth is attributable to so-called M2M SIM cards (machine-to-machine SIM cards), which are used, for example, for the automated exchange of information between machines, vending machines, vehicles, etc. and/or with a central control station, which increased by 10.9 million to 56.5 million. By contrast, the number of personal SIMs declined by 2.9 million to 112.8 million.

Total revenues in the German mobile communications market increased by 1.5% from € 26.3 billion to € 26.7 billion in 2022 (including interconnection, wholesale, and user device revenues). Service revenues increased by 3.4% to € 21.1 billion, while other revenues (which include interconnection, wholesale, and user device revenues) decreased by 5.1% to € 5.6 billion.

According to forecasts of Dialog Consult/VATM, the average volume of data used (per connection and month) – as an indicator of the growing use of mobile data services – grew much faster than the number of SIM cards and mobile revenues by 38.8% to 5.65 GB.

In line with this growing usage, the number of (personal) SIM cards used for the faster 4G/5G networks also rose by 9.9 million to 89.8 million, while SIM cards with indefinite use (2G/3G) fell by 12.8 million to 23.0 million.

**Key market figures: mobile communications in Germany**

| | 2022 | 2021 | Change |
|---|---|---|---|
| Mobile revenues (in € billion) | 26.7 | 26.3 | + 1.5% |
| thereof service sales | 21.1 | 20.4 | + 3.4% |
| thereof other sales | 5.6 | 5.9 | - 5.1% |

Source: Dialog Consult / VATM, TC Market Analysis for Germany 2022, October 2022

## Global cloud computing market

There was further dynamic growth in the cloud computing market in 2022. In its "Public Cloud Services, Worldwide, 2020-2026, 3Q22 Update" (October 2022), Gartner Inc. forecasts global growth for public cloud services of 18.8% in 2022, from USD 412.63 billion to USD 490.33 billion.

Over the past years, cloud technology has evolved from a useful and competitive business tool to a key enterprise enabler.

In addition to macroeconomic conditions and high inflationary pressure, the coronavirus pandemic in particular has accelerated the digitalization process across numerous sectors since 2020. Most companies now regard new technologies as essential tools for coping with the crises. Within just a short period of time, for example, thousands of employees working from home were connected, new digital channels for sales and support were opened, and a large number of systems and data were moved to the cloud.

As a result, the migration of data, applications, and infrastructure to the cloud has become an integral part of most digital transformation strategies, with the aim of creating more agile and adaptable operations.

Growth is particularly strong at present in the field of IaaS, as companies accelerate their IT modernization initiatives in order to minimize risks and optimize costs. Moving operations to the cloud reduces current capital expenditures by spreading them over the life of a cloud subscription – a key advantage in an environment where liquidity can be critical to maintaining operations.

**Key market figures: cloud computing worldwide**

| in $ billion | 2022 | 2021 | Change |
|---|---|---|---|
| Global sales of public cloud services | 490.33 | 412.63 | + 18.8% |
| thereof Application Infrastructure Services (PaaS) | 110.68 | 89.91 | + 23.1% |
| thereof Application Services (SaaS) | 167.11 | 146.33 | + 14.2% |
| thereof Business Process Services (BPaaS) | 60.13 | 54.95 | + 9.4% |
| thereof Desktop as a Service (DaaS) | 2.54 | 2.06 | + 23.3% |
| thereof Management and Security Services | 34.14 | 28.49 | + 19.8% |
| thereof System Infrastructure Services (IaaS) | 115.74 | 90.89 | + 27.3% |

Source: Gartner, Public Cloud Services, Worldwide, 2020-2026, 3Q22 Update, October 2022

## German online advertising market

In its study "German Entertainment and Media Outlook 2022 – 2026" (August 2022), the auditing and consultancy company PricewaterhouseCoopers (PwC) forecasts an increase in total revenues (paid search, display, video, affiliate / classifieds) of the German online advertising market (mobile advertising and desktop advertising) of 12.0% from € 11.99 billion to € 13.43 billion for 2022 – following very strong growth of 27.0% in 2021.

**Key market figures: total online advertising market in Germany (mobile advertising & desktop advertising) – acc. to PWC**

| in € billion | 2022 | 2021 | Change |
|---|---|---|---|
| Online advertising revenues | 13.43 | 11.99 | + 12.0% |

Source: PricewaterhouseCoopers, German Entertainment and Media Outlook 2022 – 2026, August 2022

The Online Marketing Group (OVK) of the German Association for the Digital Economy (BVDW) is much more cautious than PwC in its assessment of the situation in the German online advertising market. The OVK only takes net revenues into account in its market figures and focuses on the most important sub-market for United Internet, the display advertising market (mobile and desktop). The definition of the display advertising market comprises in-page advertising, including out-stream advertising and in-stream video advertising. Keyword-based paid search, affiliate or newsletter marketing, advertising for apps in the app store, and in-game advertising, by contrast, are not included in the OVK model.

Based on its updated forecast of September 2022, the OVK anticipates – in its OVK Report 2022/02 (November 2022) – an increase in net revenues of the display advertising market from € 5.120 billion in the previous year to € 5.468 billion. This represents an increase of 6.8%, following growth of 24.7% in the previous year.

**Key market figures: display advertising market in Germany (mobile advertising & desktop advertising) – acc. to OVK**

| in € billion | 2022 | 2021 | Change |
|---|---|---|---|
| Display advertising revenues | 5.47 | 5.12 | + 6.8% |

Source: Online-Vermarkterkreis (OVK), OVK-Report 2022/02, November 2022

The OVK believes that the coronavirus pandemic has led to a strengthening of display advertising. Advertising budgets followed consumers and were increasingly invested in digital advertising. In 2021, the display advertising market thus achieved exceptionally strong growth of 24.7%, reaching a new, significantly higher market level.

According to OVK estimates, the display advertising market also got off to a strong start in the first quarter of 2022. The 2nd quarter was then dominated by the war in Ukraine and its consequences. In some sectors, budgets were reduced or postponed as advertising planning returned to a more flexible approach. However, thanks to flexible booking options, digital display advertising was less affected by the decline in advertising spend and the second quarter closed with a slight year-on-year increase.

For the second half of 2022, the OVK expected demand to rise again due to catch-up effects, growing revenues in the retail and e-commerce sectors, and a further shift of budgets to digital media.

# Legal conditions / significant events

## Legal conditions

### Amendment of the German Telecommunications Act

The modernized German Telecommunications Act ("Telekommunikationsgesetz" -TKG) came into force on December 1, 2021. The TKG amendment transposes Directive (EU) 2018/1972 of December 11, 2018 on the European Electronic Communications Code into national law. The modernized legislation focuses on the faster rollout of FTTH and mobile networks as well as consumer protection. For example, the legislature has enshrined in law for the first time the right of citizens to high-speed internet connections and is encouraging faster network rollout with new framework conditions and simplified approval procedures. In the interests of consumer protection, the terms of contracts in particular have been regulated, meaning that contracts can be terminated with one month's notice at any time after expiry of the minimum contract term, unless a contract extension is actively requested.

In 2022, these legal changes (shortening of subsequent contract terms in the extension period) led to a year-on-year decline in contract growth for United Internet's Consumer Access segment from shift effects (resulting from the shifting of contract terminations to an earlier date). This had the effect of slowing 1&1's contract growth by 250,000 contracts in 2022. No further shift effects are expected in the fiscal year 2023.

The other legal parameters for United Internet's business activities remained largely unchanged from the previous year in 2022 and had no significant influence on the development of the United Internet Group.

## Significant events

### War in Ukraine

The full-scale attack on the entire territory of Ukraine launched by Russia (with the support of Belarus) on February 24, 2022, marked the beginning of the Ukrainian War of 2022.

The EU, the USA, the UK, and other states reacted to the attack by imposing stringent sanctions against Russia, Belarus, and the separatist regions of eastern Ukraine. With an overwhelming majority, the United Nations and its 193 member countries (UN General Assembly) also condemned Russia for the attack on Ukraine and called for an immediate withdrawal and an end to the aggression.

The United Internet Group does not pursue any business activities in the countries involved in the war. Ukraine, Russia, and Belarus are not target countries for United Internet companies and there are no locations in the aforementioned countries. Against this backdrop, the war has had no direct impact on the business performance and position of the Company or the Group.

However, the macroeconomic conditions caused by the war deteriorated significantly during the course of 2022. The high inflation rate in particular, with hitherto unprecedented price hikes also for electricity and gas, has placed a major burden on citizens and companies – both nationally and internationally

Compared with the previous year, United Internet's earnings were negatively impacted in particular by a € 22.4 million increase in electricity costs in its fiscal year 2022.

## FTTH product contract with Deutsche Telekom

Following a commercial agreement in the fiscal year 2021, 1&1 and Deutsche Telekom concluded the respective FTTH product contract in February 2022. This deal enables 1&1 to integrate all of Deutsche Telekom's fiber-optic home connections into its products. 1&1 receives these upstream services together with network transport services and value-added services such as VoIP and IP-TV from a single source from its sister company 1&1 Versatel, whose nationwide transport network is already largely connected to Deutsche Telekom's regional broadband networks.

## Contract signed with GfTD for the construction of antenna locations

On April 4, 2022, 1&1 signed an agreement with GfTD GmbH regarding the construction of antenna locations for the rollout of 1&1's mobile communications network. The order is for 500 new locations. GfTD is one of Germany's leading service providers for radio tower infrastructure and will act as general contractor for the nationwide acquisition and construction of new antenna locations for 1&1's mobile network. The two companies have already been successfully cooperating since early 2020 on the German government's "not-spots program" aimed at closing coverage gaps in rural areas.

## Contract signed with ATC for renting of existing antenna locations

On April 21, 2022, 1&1 signed a framework contract with ATC Germany Holdings GmbH, a German subsidiary of American Tower Corporation (ATC), regarding the joint use of existing antenna locations for the rollout of 1&1's mobile communications network. As an independent owner of communications sites, ATC is one of the world's leading providers of radio tower infrastructure and owns around 15,000 antenna locations in Germany alone. As part of the agreement, ATC will provide 1&1 with antenna masts for the installation of 1&1's high-performance antennas. Both companies will work closely together to assess the availability of co-location sites which can be gradually put into operation in the near future. The individual location agreements have terms of 20 years and can be extended several times by 1&1.

## Wholesale cooperation with Tele Columbus

On November 21, 2022, 1&1 and Tele Columbus AG announced a long-term wholesale framework agreement. Under the terms of the partnership, the nationwide transport network of 1&1 Versatel GmbH will be connected to the regional city networks of Tele Columbus AG. From the second quarter of 2023, 1&1 will then also be able to offer high-speed internet connections to all households equipped with an internet-capable Tele Columbus fiber-optic connection. Tenants of apartments with Tele Columbus internet connections will thus also be able to use 1&1's high-performance broadband offering. For 1&1, this opens up additional marketing potential for fixed-line products offering peak bandwidths of up to 1,000 Mbit/s in households connected by Tele Columbus. At the same time, Tele Columbus will benefit from even higher network utilization. The technical and organizational preparations to guarantee seamless booking and service processes are already well advanced. 1&1's internet signal is fed into multiple central Tele Columbus network points and routed directly to households.

## Contract with Orange for international roaming around the world

On November 25, 2022, 1&1 and Orange signed a long-term agreement for the provision of international roaming services for the 1&1 mobile network. With the launch of 1&1`s mobile network, 1&1 will thus be able to provide its customers with reliable mobile services also during their trips abroad. As one of the world`s largest telecommunications service providers, Orange is a leader in the field of international roaming and sponsored telecommunications platforms. As part of the partnership, 1&1 customers will have access to all international roaming services based on Orange's global roaming footprint. These services use state-of-the-art roaming technologies – including 5G and VoLTE. 1&1 will therefore receive all international roaming services from a single source and customized to its needs, providing comprehensive global network coverage – including numerous value-added services and top-level anti-fraud solutions.

## Contract with Eubanet for acquisition of new antenna locations

On December 21, 2022, 1&1 signed an agreement with Eubanet GmbH concerning the acquisition of up to 7,500 new 5G antenna locations. Based in Germany, Eubanet GmbH is a well-established consulting and service company in the telecommunications sector focusing in particular on the analysis and acquisition of suitable locations for new mobile telecommunications facilities. Eubanet has technical and contract-specific expertise in setting up virtually all networks, including 5G. This direct collaboration with a highly experienced acquisition partner represents a further step in reaching the expansion targets for 1&1's mobile communications network.

There were no other significant events in fiscal 2022 which had a material effect on the development of business.

# 2.2 Business development

## Use and definition of relevant financial performance measures

In order to ensure the clear and transparent presentation of United Internet's business trend, the Group's Annual Financial Statements and Interim Financial Statements include key financial performance measures – in addition to the disclosures required by International Financial Reporting Standards (IFRS) – such as EBITDA, the EBITDA margin, EBIT, the EBIT margin, and free cash flow.

United Internet defines these measures as follows:

- **EBIT:** Earnings before interest and taxes represents the operating result disclosed in the statement of comprehensive income.
- **EBIT margin:** Presents the ratio of EBIT to sales.
- **EBITDA:** Earnings before interest, taxes, depreciation, and amortization are calculated as EBIT/operating result plus the depreciation and amortization (disclosed in the Consolidated Financial Statements) of intangible assets and property, plant, and equipment, as well as assets capitalized in the course of company acquisitions.
- **EBITDA margin:** Presents the ratio of EBITDA to sales.
- **Free cash flow:** Calculated as cash flow from operating activities (disclosed in the consolidated financial statement), less capital expenditure for intangible assets and property, plant, and equipment, plus payments from the disposal of intangible assets and property, plant, and equipment.

Insofar as necessary for a clear and transparent presentation, these indicators are adjusted for special items and disclosed as "key operating figures" (e.g., operating EBITDA, operating EBIT and operating EPS). A reconciliation of EBITDA, EBIT, EBT, net income, and EPS (according to the consolidated statement of comprehensive income) with figures adjusted for special items can be found in chapter 2.3 "Position of the Group".

Such special items usually refer solely to those effects capable of restricting the validity of the key financial performance measures with regard to the Group's financial and earnings performance – due to their nature, frequency, and/or magnitude. All special items are presented and explained for the purpose of reconciliation from the unadjusted key financial figures to the key operating figures in the relevant section of the financial statements.

One-off amounts (such as one-offs for integration projects) or other effects (e.g., from regulation topics or growth initiatives) in the fiscal years 2021 and 2022 are not adjusted but are disclosed – if there were any – in the respective sections.

Currency-adjusted sales and earnings figures are calculated by converting sales and earnings figures with the average exchange rates of the comparative period, instead of the current period.

# Actual and forecast development 2022

United Internet AG maintained its growth trajectory in the fiscal year 2022 and reached its forecast for the fiscal year 2022 of December 2021 and its updates of March 2022 and September 2022.

## Forecast development

In an ad-hoc announcement on December 9, 2021, United Internet published its guidance for the fiscal year 2022 and updated it during the year as follows:

| | Forecast 2022 (December 2021) | Specification (March 2022) | Specification (September 2022) |
|---|---|---|---|
| Sales | approx. € 5.8 billion | approx. € 5.85 billion | approx. € 5.85 billion |
| EBITDA | approx. € 1.25 billion(1) | approx. € 1.259 billion(1) | approx. € 1.270 billion(2) |

(1) This figure includes costs of approx. € 70 million for the 5G network rollout of 1&1 and an amount of approx € 30 million for additional marketing activities of IONOS
(2) This figure includes costs of approx. € 60 million for the 5G network rollout of 1&1 and an amount of approx € 30 million for additional marketing activities of IONOS and around € 20 million higher electricity costs

## Actual development

In the fiscal year 2022, **consolidated sales** rose by 4.8%, from € 5.646 billion in the previous year to € 5.915 billion and were thus well above the original sales forecast (December 2021: approx. € 5.8 billion) and its update (March 2022: approx. € 5.85 billion).

Without consideration of a non-cash valuation effect from derivatives (€ -0.5 million) and additionally adjusted for a special item in the form of IPO costs incurred in the fiscal year 2022 for the planned IPO of Group subsidiary IONOS Group SE (€ -8.8 million), **operating EBITDA for the Group** in the fiscal year 2022 amounted to € 1.272 billion and was thus 0.7% above the comparable prior-year figure (€ 1.262 billion – adjusted for IONOS IPO costs). As a result, EBITDA was slightly above the original EBITDA forecast (December 2021: approx. € 1.25 billion) and exactly within the target corridor of its last update (September 2022: approx. € 1.270 billion).

In addition to the year-on-year increase in electricity costs of € -22.4 million, this at first glance only moderate growth in operating EBITDA was due to expenses for the construction of 1&1's mobile communications network of € -51,7 million (prior year: € -37.9 million) and costs for the announced additional marketing activities of IONOS to raise brand awareness in its most important European markets of € -32.4 million.

**Summary: actual and forecast development of business in 2022**

| | Forecast 2022 (December 2021) | Specification (March 2022) | Specification (September 2022) | Actual 2022 |
|---|---|---|---|---|
| Sales | approx. € 5.8 billion | approx. € 5.85 billion | approx. € 5.85 billion | € 5.915 billion |
| EBITDA | approx. € 1.25 billion(1) | approx. € 1.259 billion(1) | approx. € 1.270 billion(2) | € 1.272 billion(3) |

(1) This figure includes costs of approx. € 70 million for the 5G network rollout of 1&1 and an amount of approx € 30 million for additional marketing activities of IONOS
(2) This figure includes costs of approx. € 60 million for the 5G network rollout of 1&1 and an amount of approx € 30 million for additional marketing activities of IONOS and around € 20 million higher electricity costs
(2) This figure includes costs of € 51.7 million for the 5G network rollout of 1&1 and an amount of € 32.4 million for additional marketing activities of IONOS and € 22.4 million higher electricity costs

# Development of divisions and segments

The Group's operating activities are divided into the two business divisions Access and Applications, which in turn are divided into the segments Consumer Access and Business Access, as well as Consumer Applications and Business Applications.

Details on the business models of the individual segments are presented in chapter 1.1 "Business model".

## Consumer Access segment

In addition to preparations for the establishment of its own mobile communications network, the Consumer Access segment once again focused on adding further valuable broadband and mobile internet contracts in the fiscal year 2022. Contract growth was significantly slowed by the effects of the amended German Telecommunications Act ("Telekommunikationsgesetz" -TKG), which came into force on December 1, 2021.

Details on the TKG and its effects are provided in chapter 2 "Economic report" under "Legal conditions / significant events".

The total number of **fee-based contracts** in the Consumer Access segment rose by a further 350,000 contracts (+600,000 operating growth less -250,000 contracts due to the TKG effect) to 15.78 million in 2022. Broadband connections decreased by 140,000 (-50,000 operating and -90,000 contracts due to the TKG effect) to 4.10 million, while mobile internet contracts increased by 490,000 (+650,000 operating less -160,000 contracts due to the TKG effect) to 11.68 million.

**Development of Consumer Access contracts in the fiscal year 2022**

| in million | Dec. 31, 2022 | Dec. 31, 2021 | Change |
|---|---|---|---|
| Consumer Access, total contracts | 15.78 | 15.43 | + 0.35 |
| thereof Mobile Internet | 11.68 | 11.19 | + 0.49 |
| thereof broadband connections | 4.10 | 4.24 | - 0.14 |

**Development of Consumer Access contracts in the fourth quarter of 2022**

| in million | Dec. 31, 2022 | Sept. 30, 2022 | Change |
|---|---|---|---|
| Consumer Access, total contracts | 15.78 | 15.65 | + 0.13 |
| thereof Mobile Internet | 11.68 | 11.52 | + 0.16 |
| thereof broadband connections | 4.10 | 4.13 | - 0.03 |

**Sales of the Consumer Access segment** rose by 1.5% in the fiscal year 2022, from € 3,883.0 million in the previous year to € 3,943.0 million.

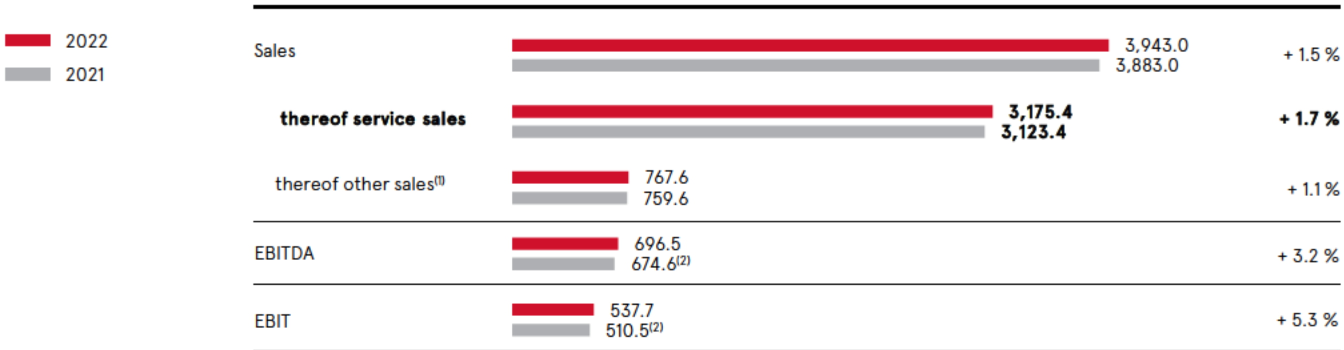
This at first glance only moderate overall sales growth was due in particular to fluctuations during the year in (low-margin) **hardware sales**, which rose only slightly in the reporting period by 1.1%, or € 8.0 million, from € 759.6 million to € 767.6 million. Such hardware sales (especially smartphones) are subject to seasonal effects and also depend strongly on the appeal of new devices and the model cycles of hardware manufacturers. Consequently, this effect may be reversed in the coming quarters. If this is not the case, however, it would have no impact on the segment's EBITDA trend. High-margin **service revenues** – which represent the core business of the segment – improved by 1.7% from € 3,123.4 million to € 3,175.4 million.

The segment's key earnings figures in the previous year were affected by a (non-period) positive effect on earnings of € 39.4 million, which was attributable to the second half of 2020. Without consideration of this positive earnings effect in the previous year, the segment's key earnings figures developed as follows: **operating segment EBITDA** improved by 3.2% in the fiscal year 2022, from € 674.6 million in the previous year to € 696.5 million. In addition to increased electricity costs (€ -0.9 million), this figure also includes expenses for the construction of 1&1's mobile communications network (€ -51.7 million; prior year: € -37.9 million), which were mainly incurred (€ -25.6 million) in the fourth quarter. **Operating segment EBIT** rose by 5.3% from € 510.5 million to € 537.7 million.

The **operating EBITDA margin** improved from 17.4% to 17.7% and the **operating EBIT margin** from 13.1% to 13.6%.

The number of **employees** in the segment fell slightly by 0.1% to 3,163 (prior year: 3,167).

**Key sales and earnings figures in the Consumer Access segment (in € million)**




(1) Mainly hardware sales
(2) Excluding the non-period positive effect on earnings attributable to the second half of 2020 (EBITDA and EBIT effect: € +39.4 million)

**Quarterly development; change over prior-year quarter** *(unaudited; see note "unaudited disclosures" on page 3)*

| in € million | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q4 2021 | Change |
|---|---|---|---|---|---|---|
| Sales | 969.4 | 971.3 | 992.9 | 1,009.4 | 1,002.5 | + 0.7% |
| **thereof service sales** | **789.1** | **792.8** | **804.8** | **788.7** | **787.6** | **+ 0.1%** |
| thereof other sales(1) | 180.3 | 178.5 | 188.1 | 220.7 | 214.9 | + 2.7% |
| EBITDA | 187.9 | 182.2 | 181.9 | 144.5 | 160.7 | - 10.1% |
| EBIT | 147.5 | 142.0 | 142.0 | 106.2 | 117.4 | - 9.5% |

(1) Mainly hardware sales

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

| in € million | 2018 (IFRS 15) | 2019 (IFRS 16) | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Sales | 3,600.8 | 3,647.5 | 3,759.0 | 3,883.0 | 3,943.0 |
| **thereof service sales** | **2,854.4** | **2,943.0** | **3,020.0** | **3,123.4** | **3,175.4** |
| thereof other sales(1) | 746.4 | 704.5 | 739.0 | 759.6 | 767.6 |
| EBITDA | 719.3 | 686.6 | 640.6(2) | 674.6(3) | 696.5 |
| EBITDA margin | 20.0% | 18.8% | 17.0% | 17.4% | 17.7% |
| EBIT | 560.6 | 536.1 | 488.1(2) | 510.5(3) | 537.7 |
| EBIT margin | 15.6% | 14.7% | 13.0% | 13.1% | 13.6% |

(1) Mainly hardware sales
(2) Including the non-period positive effect on earnings in 2021 attributable to the second half of 2020 (EBITDA and EBIT effect: € +39.4 million); excluding write-off of VDSL contingents that are still available (EBITDA and EBIT effect: € -129.9 million)
(3) Excluding the non-period positive effect on earnings attributable to the second half of 2020 (EBITDA and EBIT effect: € +39.4 million)

As part of the planned rollout of its powerful 5G mobile communications network – and following its successful bid for two frequency blocks of 2 x 5 MHz in the 2 GHz band and five frequency blocks of 10 MHz in the 3.6 GHz band during the 5G spectrum auction in 2019 – 1&1 concluded long-term agreements in the fiscal years 2021 and 2022 and now has all key prerequisites in place to drive forward the rollout of the 1&1 mobile network and thus extend its added value in this market – as in the landline market.

These agreements include the national roaming agreement between 1&1 and Telefónica concluded on May 21, 2021, which secures nationwide mobile coverage for 1&1 customers during the construction phase of 1&1's own network through shared use of the Telefónica network, as well as the partnership announced on August 4, 2021 between 1&1 and Rakuten for the joint construction of Europe's first fully virtualized mobile network based on the innovative OpenRAN technology. In addition, 1&1 signed an intercompany agreement with 1&1 Versatel on December 9, 2021, which in particular provides the access network (primarily fiber-optic cables) and data centers for operating 1&1's mobile network on a rental basis. On the same date, an agreement was also concluded between 1&1 and Vantage Towers, one of Europe's leading companies for radio tower infrastructure, which among other things includes the renting of Vantage's existing antenna locations and the installation of 1&1's high-performance antennas by Vantage.

The above mentioned contract signings were complemented by further partnership agreements in 2022. These include a contract with GfTD GmbH regarding the construction of antenna locations signed on April 4, 2022. The first order is for 500 new locations. GfTD is one Germany's leading service providers for radio tower infrastructure and will act as general contractor for the nationwide acquisition and construction of new antenna locations for 1&1's mobile communications network. Noteworthy is also the framework contract signed on April 21, 2022 between 1&1 and ATC Germany Holdings GmbH, a German subsidiary of American Tower Corporation (ATC), for the joint use of existing antenna locations. As an independent owner of communications sites, ATC is one of the world's leading providers of radio tower infrastructure and owns around 15,000 antenna locations in Germany alone. As part of the agreement, ATC will provide antenna masts for the installation of 1&1's high-performance antennas. In addition, an agreement was signed with Orange on November 25, 2022 for the world-wide provision of international roaming. As part of this partnership, 1&1 customers will have access to all international roaming services based on Orange's global roaming footprint. Last but not least, 1&1 signed an agreement with Eubanet GmbH on December 21, 2022, concerning the acquisition of up to 7,500 new 5G antenna locations.

Operations of the 1&1 mobile network were launched on December 28, 2022 with "1&1 5G at home" – a product positioned as an alternative to conventional DSL, cable internet, or fiber-optic house connections. Smartphone tariffs are set to follow in 2023, together with the scheduled provision of national roaming by Telefónica. National roaming is a standard procedure used in the rollout of new mobile networks that enables customers to surf and make calls without interruption in areas not yet covered during the construction phase of the new network. This is achieved by automatically using the roaming partner's antennas in these areas.

Despite the current delay in the rollout of 1&1's antenna locations (1&1 press release of September 16, 2022), the company is still pursuing its goal of covering at least 50 percent of households before 2030. To this end, additional partners have been acquired for network expansion. The company therefore expects to make up for the delays in the course of the rollout phase. In addition, 1&1 has filed a complaint with the German Federal Cartel Office regarding a competitor's obstruction of the network rollout (1&1 press release of February 23, 2023).

## Business Access segment

Despite negative regulatory effects (€ -6.1 million), **sales in the Business Access segment** rose by 5.5% from € 514.4 million to € 542.8 million in the fiscal year 2022.

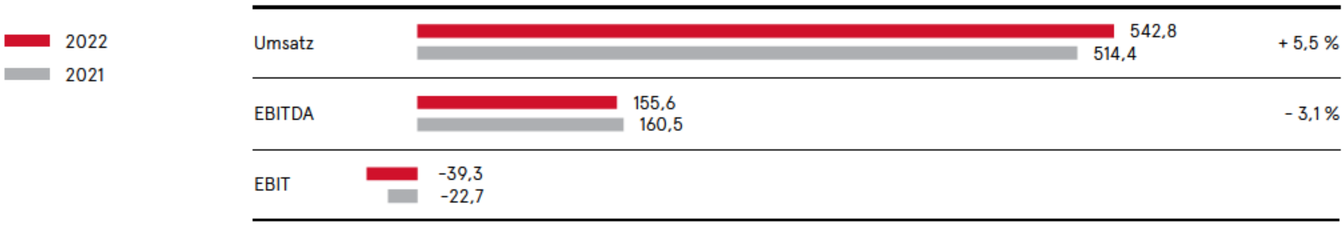
At € 155.6 million, **segment EBITDA** however was 3.1% below the prior-year figure of € 160.5 million. There was a corresponding decline in the **EBITDA margin** from 31.2% to 28.7%. In addition to increased electricity costs (€ -2.1 million), as well as costs for the technically necessary (SDH-based advance services of Deutsche Telekom are being terminated) and also economically sensible SDH migration (€ -2.3 million), this decline was mainly due to start-up costs for the construction of 1&1's mobile communications infrastructure (€ -8.0 million).

Under the terms of an intercompany agreement, 1&1 Versatel is responsible in particular for setting up data centers and fiber-optic connections for 1&1 and providing them on a rental basis to 1&1 for the operation of its mobile network. During the set-up period, and in order to avoid potential supply bottlenecks in the future, 1&1 Versatel had decided (as already reported on presentation of the half-year figures 2022) to perform more in advance for 1&1 than originally planned and bring forward some investments originally scheduled for the following year to the fiscal year 2022. In addition to these burdens on earnings, there were unexpected delays in the provision of antenna locations due to the delivery bottlenecks of one of 1&1's rollout partners, which also had a negative impact on 1&1 Versatel's earnings (since start-up costs already incurred could not yet be invoiced).

As a result of increased writedowns for network infrastructure, **segment EBIT** decreased from € -22.7 million in the previous year to € -39.3 million in the fiscal year 2022.

The number of **employees** in the segment rose by 7.9% to 1,336 in (prior year: 1,238).

**Key sales and earnings figures in the Business Access segment**




**Quarterly development; change over prior-year quarter** *(unaudited; see note "unaudited disclosures" on page 3)*

| in € million | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q4 2021 | Change |
|---|---|---|---|---|---|---|
| Sales | 128.4 | 133.4 | 136.9 | 144.1 | 131.7 | + 9.4% |
| EBITDA | 36.6 | 39.1 | 37.8 | 42.1 | 41.7 | + 1.0% |
| EBIT | -11.0 | -8.6 | -11.7 | -8.0 | -5.3 | |

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

| in € million | 2018 (IFRS 15) | 2019 (IFRS 16) | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Sales | 465.9 | 476.6 | 493.3 | 514.4 | 542.8 |
| EBITDA | 72.6 | 147.2 | 149.8 | 160.5 | 155.6 |
| EBITDA margin | 15.6% | 30.9% | 30.4% | 31.2% | 28.7% |
| EBIT | -58.1 | -51.2 | -48.1 | -22.7 | -39.3 |
| EBIT margin | - | - | - | - | - |

## Consumer Applications segment

In the course of preparing its annual financial statements for the fiscal year 2022, United Internet decided to include app store contracts previously not included in its (fee-based) contract figures as at the end of the reporting period and to retroactively adjust its prior-year figures accordingly. The aforementioned contracts are fee-based apps for the premium mail accounts of GMX and WEB.DE that were acquired via the Apple and Google app stores (and previously disclosed in the free account figures). The reclassification resulted in an increase of 110,000 pay accounts (fee-based contracts) as of December 31, 2022. The figures as at September 30, 2022 and December 31, 2021 were retroactively adjusted by 90,000 contracts and 50,000 contracts, respectively. By contrast, the free account figures as at the aforementioned dates were reduced by the same amount. The total number of accounts remained unchanged.

Including app store contracts, the number of fee-based pay accounts (contracts) rose by 120,000 to 2.64 million in the fiscal year 2022. Ad-financed free accounts increased by 40,000 to 40.31 million. The total number of **Consumer Applications accounts** therefore increased by 160,000 to 42.95 million.

**Development of Consumer Applications accounts in the fiscal year 2022**

| in million | Dec. 31, 2022 | Dec. 31, 2021 | Change |
|---|---|---|---|
| Consumer Applications, total accounts | 42.95 | 42.79 | + 0.16 |
| thereof with Premium Mail subscription | 1.89 | 1.77 | + 0.12 |
| thereof with Value-Added subscription | 0.75 | 0.75 | 0.00 |
| thereof free accounts | 40.31 | 40.27 | + 0.04 |

**Development of Consumer Applications accounts in the fourth quarter of 2022**

| in million | Dec. 31, 2022 | Sept. 30, 2022 | Change |
|---|---|---|---|
| Consumer Applications, total accounts | 42.95 | 42.55 | + 0.40 |
| thereof with Premium Mail subscription | 1.89 | 1.86 | + 0.03 |
| thereof with Value-Added subscription | 0.75 | 0.75 | 0.00 |
| thereof free accounts | 40.31 | 39.94 | + 0.37 |

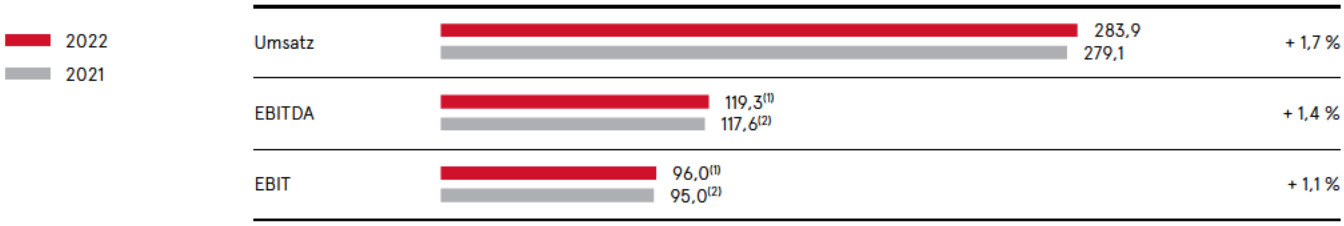
As of the beginning of the second quarter of 2022, the online advertising market was dominated in 2022 by a noticeable decline in advertising activity brought about by the war in Ukraine and very high inflation. In spite of this adverse sector environment, **segment sales** were increased slightly by 1.7% – compared to already good prior-year figure – from € 279.1 million to € 283.9 million.

The segment’s key earnings figures were affected during the year by non-cash valuation effects from derivatives. Valuation effects developed positively in the first three quarters following quarterly remeasurement and gradually increased to € +12.2 million, but then turned negative in the fourth quarter at € -0.5 million. Adjusted for these non-cash valuation effects from derivatives of € +4.9 million in the previous year and € -0.5 million in 2022, operating **segment EBITDA** rose by 1.4% from € 117.6 million to € 119.3 million and operating **segment EBIT** by 1.1% from € 95.0 million to € 96.0 million. These earnings figures include a € 3.5 million increase in electricity costs.

The **EBITDA margin** fell slightly from 42.1% to 42.0% and the **EBIT margin** from 34.0% to 33.8%.

The number of **employees** in the segment increased by 3.2% in 2022 to 1,036 (prior year: 1,004).

**Key sales and earnings figures in the Consumer Applications segment (in € million)**




(1) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € -0.5 million)
(2) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +4.9 million)

**Quarterly development; change over prior-year quarter** *(unaudited; see note "unaudited disclosures" on page 3)*

| in € million | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q4 2021 | Change |
|---|---|---|---|---|---|---|
| Sales | 70.2 | 69.9 | 67.9 | 75.9 | 79.0 | - 3.9% |
| EBITDA | 26.7[1] | 29.7[1] | 27.2[1] | 35.7[1] | 37.1[1] | - 3.8% |
| EBIT | 20.8[1] | 23.8[1] | 21.4[1] | 30.2[1] | 31.4[1] | - 3.8% |

(1) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +0.8 million in Q1 2022; € +3.8 million in Q2 2022; € +7.6 million in Q3 2022; € -12.7 million in Q4 2022) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -0.9 million in Q1 2022; € -1.5 million in Q2 2022; € -0.8 million in Q3 2022; € -5.6 million in Q4 2022)

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

| in € million | 2018 (IFRS 15) | 2019 (IFRS 16) | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Sales[1] | 274.2 | 247.2 (255.0) | 251.8 | 279.1 | 283.9 |
| EBITDA | 112.8 | 103.6 | 100.7 | 117.6[2] | 119.3[3] |
| EBITDA margin | 41.1% | 41.9% | 40.0% | 42.1% | 42.0% |
| EBIT | 100.8 | 85.9 | 79.0 | 95.0[2] | 96.0[3] |
| EBIT margin | 36.8% | 34.7% | 31.4% | 34.0% | 33.8% |

(1) Sales in 2019 after changing from gross to net presentation of third-party marketing revenues in 2020; the gross amount disclosed in 2019 is shown in brackets; 2018 reported unchanged on a gross statement
(2) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +4.9 million)
(3) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € -0.5 million)

## Business Applications segment

The number of **fee-based Business Applications contracts** grew by 260,000 in the fiscal year 2022. This growth resulted from 170,000 contracts in Germany and 90,000 contracts abroad. As a result, the total number of contracts rose to 9.04 million.

**Development of Business Applications contracts in the fiscal year 2022**

| in million | Dec. 31, 2022 | Dec. 31, 2021 | Change |
|---|---|---|---|
| Business Applications, total contracts | 9.04 | 8.78 | + 0.26 |
| thereof in Germany | 4.43 | 4.26 | + 0.17 |
| thereof abroad | 4.61 | 4.52 | + 0.09 |

**Development of Business Applications contracts in the fourth quarter of 2022**

| in million | Dec. 31, 2022 | Sept. 30, 2022 | Change |
|---|---|---|---|
| Business Applications, total contracts | 9.04 | 8.94 | + 0.10 |
| thereof in Germany | 4.43 | 4.34 | + 0.09 |
| thereof abroad | 4.61 | 4.60 | + 0.01 |

**Sales of the Business Applications segment** rose by 17.4% in the fiscal year 2022, from € 1,062.8 million in the previous year to € 1,248.1 million. Sedo's after-market business (domain trading platform and domain parking) contributed 9.9 percentage points to this sales growth.

The segment's key earnings figures in 2022 and 2021 were affected by a special item in the form of IPO costs for the planned IPO of the IONOS Group. Total IPO costs of € -8.8 million in 2022 (prior year: € -3.0 million) were primarily incurred in the fourth quarter.

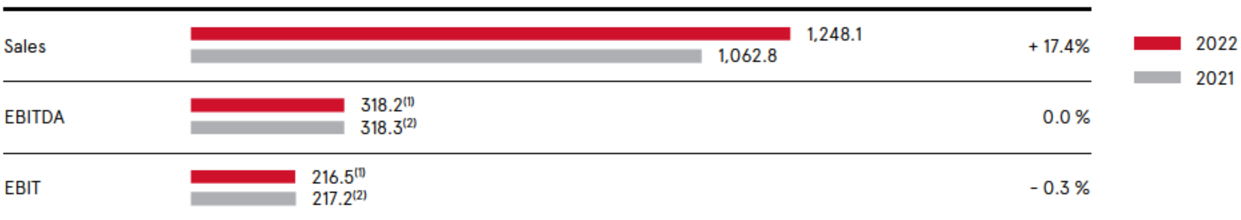
Adjusted for this special item, **segment EBITDA** was virtually unchanged from the previous year at € 318.2 million (prior year: € 318.3 million). In addition to increased electricity costs (€ -15.9 million compared to the previous year), this figure also includes costs for the announced additional marketing activities of IONOS to raise brand awareness in its most important European markets (€ -32.4 million, of which € -19.8 million in Q4 2022).

Also burdened by these costs, **segment EBIT** of € 216.5 million was slightly down on the previous year by 0.3% (prior year: € 217.2 million).

Against the backdrop of strong sales growth, the **EBITDA margin** and **EBIT margin** decreased accordingly from 29.9% to 25.5% and from 20.4% to 17.3%, respectively.

The number of **employees** in the segment rose by 6.2% to 4,247 in 2022 (prior year: 3,998).

**Key sales and earnings figures in the Business Applications segment (in € million)**




(1) Excluding IPO costs (EBITDA and EBIT effect: € -8.8 million)
(2) Excluding IPO costs (EBITDA and EBIT effect: € -3.0 million)

**Quarterly development; change over prior-year quarter** *(unaudited; see note "unaudited disclosures" on page 3)*

| in € million | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q4 2021 | Change |
|---|---|---|---|---|---|---|
| Sales | 300.1 | 307.9 | 311.7 | 328.4 | 287.9 | + 14.1% |
| EBITDA | 84.0(1) | 82.9(1) | 86.1(1) | 65.2(1) | 76.1(1) | - 14.3% |
| EBIT | 58.7(1) | 56.9(1) | 61.1(1) | 39.8(1) | 49.2(1) | - 19.1% |

(1) Excluding IPO costs (EBITDA and EBIT effect: € -0.9 million in Q1 2022; € -1.5 million in Q2 2022; € -0.8 million in Q3 2022; € -5.6 million in Q4 2022; € -3.0 million in Q4 2021)

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

| in € million | 2018 (IFRS 15) | 2019 (IFRS 16) | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Sales | 841.8 | 890.6 | 948.6 | 1,062.8 | 1,248.1 |
| EBITDA | 290.4 | 306.2 | 328.3 | 318.3(2) | 318.2(3) |
| EBITDA margin | 34.5% | 34.4% | 34.6% | 29.9% | 25.5% |
| EBIT | 202.1 | 201.4(1) | 229.2 | 217.2(2) | 216.5(3) |
| EBIT margin | 24.0% | 22.6% | 24.2% | 20.4% | 17.3% |

(1) Excluding trademark writeups Strato (EBIT effect: € +19.4 million)
(2) Excluding IPO costs (EBITDA and EBIT effect: € -3.0 million)
(3) Excluding IPO costs (EBITDA and EBIT effect: € -8.8 million)

In addition to its successful operating business, the IONOS Group worked hard on preparations for a targeted IPO and made significant progress in its fiscal year 2022.

In an "Intention to Float" (ITF) document published on January 17, 2023 together with its shareholders United Internet (75.1%) and WP XII Venture Holdings II SCSp (24.9%), an affiliate of Warburg Pincus (together "Warburg Pincus"), IONOS Group SE officially announced its plans for an IPO of IONOS. Depending on the market environment, the shares were to be listed on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange in the first quarter of 2023.

In an ad-hoc announcement on January 27, 2023, United Internet and Warburg Pincus announced that they had set the framework for the planned IPO of IONOS Group SE and the admission for trading of its shares on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange. The shares of IONOS Group SE were to be offered in a price range of € 18.50 to € 22.50. United Internet and Warburg Pincus both offered 15% of their shares (i.e., a total of 21,000,000 registered shares with no par value), corresponding to 15,771,000 registered shares with no par value from the holdings of United Internet and 5,229,000 registered shares with no par value from the holdings of Warburg Pincus. Up to 3,150,000 additional registered shares with no par value from the holdings of United Internet and Warburg Pincus were available to be offered to cover potential over-allotments (greenshoe).

In an ad-hoc announcement on February 7, 2023, United Internet and Warburg Pincus announced that they had set the final offer price for the shares of IONOS Group SE at € 18.50 per share.

The shares of IONOS Group SE have been listed on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange under the ISIN: DE000A3E00M1, WKN: A3E00M, ticker symbol: IOS since February 8, 2023. Following the IPO of IONOS Group SE, United Internet holds 63.8% and Warburg Pincus 21.2% of shares. A further 15.0% are in free float.

Further details on the IONOS IPO are provided in chapter 3 "Subsequent events".

# Group investments

## Significant changes in investments

**Investment via Kublai in capital increase of Tele Columbus**
As the former anchor investor in Tele Columbus AG, United Internet AG announced on December 21, 2020 that, together with Morgan Stanley Infrastructure Partners, it would provide sustained support for the implementation of Tele Columbus's Fiber Champion strategy.

In a first step, Kublai GmbH (a bidding company backed by Morgan Stanley) submitted a voluntary public takeover offer for Tele Columbus shares. After the successful completion of the takeover bid, United Internet contributed its Tele Columbus shares to Kublai in April 2021 and raised its stake in Kublai to 40%. The remaining 60% of shares in Kublai are held by Morgan Stanley Infrastructure Partners.

In late 2022, Kublai participated in the capital increase by way of a rights offering of Tele Columbus and acquired 22,940,652 new shares for direct subscription at a price of € 3.25 per share. In accordance with the shareholdings in Kublai, around € 30 million of the total purchase price of around € 75 million was attributable to United Internet AG. The additional funds will be used to implement the Fiber Champion strategy and to strengthen the equity footing of Tele Columbus AG.

Following the capital increase, Kublai currently holds 95.39% of Tele Columbus shares.

In addition to Kublai GmbH and its other (fully consolidated) core operating companies, United Internet held the following other minority shareholdings as of December 31, 2022, which are included in its result from associated companies.

## Minority holdings in partner companies

In July 2013, United Internet acquired a stake in **Open-Xchange AG** (main activity: e-mail and collaboration solutions). United Internet has already been working successfully with the company for many years in its Applications business. As of December 31, 2022, United Internet's share of voting rights amounted to 25.39%. United Internet expects Open-Xchange to post increased revenues and a positive EBITDA for the fiscal year 2022.

In April 2014, United Internet acquired a stake in **uberall GmbH** (main activity: online listings). In addition, uberall and IONOS agreed a long-term cooperation contract for the use of uberall solutions. As of December 31, 2022, the share of voting rights held by United Internet amounted to 25.10%. For 2022, United Internet anticipates increased sales of uberall. Due to the expansion of business in the USA, the company's EBITDA is likely to remain negative.

In April 2017, United Internet acquired a stake in **rankingCoach International GmbH** (main activity: online marketing solutions). In addition to the equity stake, rankingCoach and IONOS signed a long-term cooperation agreement for IONOS SE to use the online marketing solutions of rankingCoach as part of its hosting and cloud products marketed in Europe and North America. As of December 31, 2022, the share of voting rights amounted to 31.52%. United Internet expects rankingCoach to achieve significant sales growth in 2022 with slightly positive EBITDA.

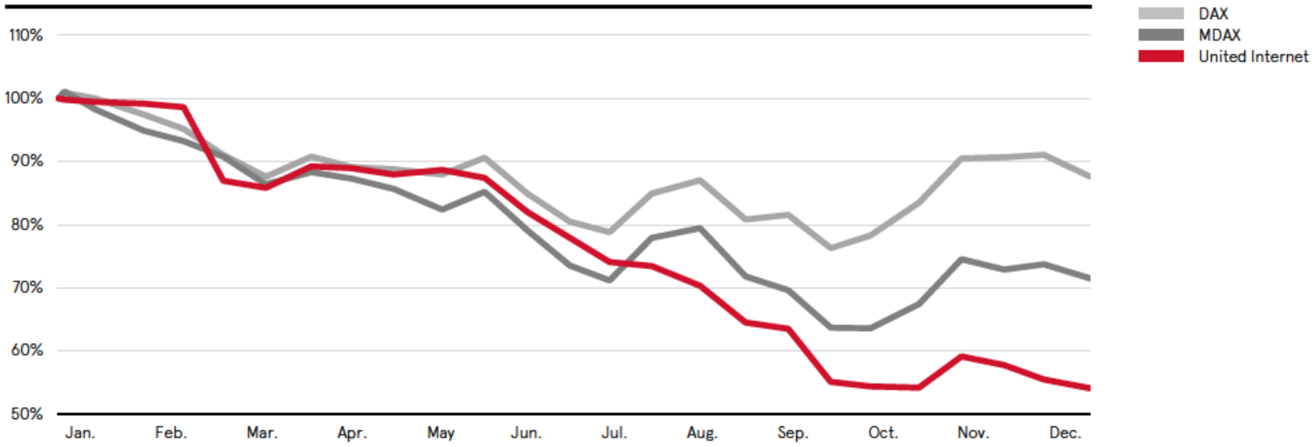
Following the contribution of affilinet GmbH to AWIN in October 2017, United Internet also holds a stake in **AWIN AG** (main activity: affiliate marketing). Several United Internet subsidiaries are currently working together with AWIN and using the company's affiliate network as part of their marketing mix. As of December 31, 2022, United Internet's share of voting rights amounted to 20.00%. United Internet expects further strong sales growth for AWIN in its fiscal year 2022 and a strongly positive EBITDA result.

# Share and dividend

## Share

In the fiscal year 2022, the United Internet share price fell strongly by 45.9% to € 18.89 as of December 31, 2022 (December 31, 2021: € 34.94). The share thus performed worse than its comparative indices, which also fell year on year (DAX -12.3%; MDAX -28.5%).

**Share performance 2022, indexed**




There was a corresponding decline in the **market capitalization** of United Internet AG from around € 6.78 billion in the previous year to around € 3.66 billion as of December 31, 2022.

In the fiscal year 2022, average daily trading via the XETRA electronic computer trading system amounted to around 220,000 shares (prior year: around 230,000) with an average value of € 5.8 million (prior year: € 8.1 million).

**Multi-period overview: share performance**
**(as of: December 31, 2022; in €; all stock exchange figures based on Xetra trading)**

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Closing price | 38.20 | 29.28 | 34.43 | 34.94 | 18.89 |
| Performance | -33.4% | -23.4% | + 17.6% | + 1.5% | -45.9% |
| Year-high | 59.80 | 40.42 | 43.88 | 39.34 | 35.45 |
| Year-low | 34.14 | 24.21 | 20.76 | 31.63 | 18.14 |
| Average daily turnover | 19,261,114 | 16,415,087 | 13,355,218 | 8,149,290 | 5,777,474 |
| Average daily turnover (units) | 404,956 | 522,809 | 414,786 | 233,717 | 221,596 |
| Number of shares (units) | 205 million | 205 million | 194 million | 194 million | 194 million |
| Market value | 7.83 billion | 6.00 billion | 6.68 billion | 6.78 billion | 3.66 billion |
| EPS[1] | 0.94 | 2.13 | 1.55 | 2.23 | 1.97 |
| Adjusted EPS[2] | 1.96 | 1.88 | 1.87 | 2.11 | 2.00 |

(1) EPS from continued operations
(2) EPS from continued operations and without special items

**Share data**

| | |
|---|---|
| Share type | Registered common stock |
| Notional share of capital stock | € 1.00 |
| German Securities Identification Number (WKN) | 508903 |
| International Securities Identification Number (ISIN) | DE0005089031 |
| Ticker symbol Xetra | UTDI |
| Reuters ticker symbol | UTDI.DE |
| Bloomberg ticker symbol | UTDI.GR |
| Segment | Prime Standard |
| Index | MDAX, TecDAX |
| Sector | Software |

**Shareholder structure**
**(as of: March 16, 2023, after capital reduction and share buyback)**

| Shareholder | Shareholding |
|---|---|
| Ralph Dommermuth<br>- Ralph Dommermuth GmbH & Co. KG Beteiligungsgesellschaft (47.16%)<br>- RD Holding GmbH & Co. KG (1.04%)<br>- Ralph Dommermuth GmbH (0.73%) | 48.94% |
| United Internet (treasury stock) | 9.99% |
| BlackRock | 3.44% |
| Wellington | 3.03% |
| Free float | 34.60% |

Presentation of the total positons shown above based on the most recent notification of voting rights in accordance with sections 33 ff. of the German Securities Trading Act. Accordingly, only voting rights notifications that have reached at least the first notification threshold of 3% are taken into account. In addition, any directors' dealings announcements available to the Company have been taken into account accordingly.

The treasury shares held by United Internet do not carry voting or dividend rights. Due to the non-voting nature of treasury shares, the proportion of shares with voting rights held by companies controlled by Mr. Dommermuth in relation to the total number of voting rights of United Internet AG amounts to 54.37%, the proportion of shares with voting rights held by Blackrock to 3.82%, the proportion of shares with voting rights held by Wellington to 3.34%, and the proportion of shares with voting rights in free float to 38.47%.

## Dividend

United Internet’s **dividend policy** aims to pay a dividend to shareholders of approx. 20-40% of adjusted consolidated net income after minority interests (adjusted consolidated net income attributable to the “shareholders of United Internet AG” – according to the consolidated statement of comprehensive income), provided that funds are not needed for further Company development.

At the (virtual) Annual Shareholders' Meeting of United Internet AG held on May 19, 2022, the proposal of the Management Board and Supervisory Board to pay a **dividend** of € 0.50 per share (prior year: € 0.50) for the fiscal year 2021, was approved with a majority of 99.97% of votes cast. As a consequence, a total of € 93.4 million (prior year: € 93.6 million) was distributed on May 24, 2022. The **payout ratio** was thus 23.7% of the adjusted consolidated net income after minority interests for 2021 (€ 394.5 million adjusted for IONOS IPO costs) and – in view of the investments due to be made in the Company’s own mobile communications network – therefore still within the range targeted by the dividend policy.

For the fiscal year 2022, the Management Board of United Internet AG will propose to the Supervisory Board a dividend of € 0.50 per share (prior year: € 0.50). The Management Board and Supervisory Board will discuss this **dividend proposal** at the Supervisory Board meeting on March 29, 2023 (and thus after the preparation deadline for this Management Report). The Annual Shareholders' Meeting of United Internet AG on May 17, 2023 will then vote on whether to adopt the joint proposal of the Management Board and Supervisory Board.

On the basis of around 172.8 million shares with dividend entitlement (as of March 2023 following the cancellation of 2 million treasury shares and the purchase of around 13.9 million shares in a public share buyback offer), the total **dividend payment** for fiscal year 2022 would amount to € 86.4 million. The **dividend payout ratio** would therefore be 23.1% of adjusted consolidated net income after minority interests for 2022 (€ 374.1 million) and thus lie – in view of the investments due to be made in the Company's own mobile communications network – within the range of the dividend policy. Based on the closing price of the United Internet share on December 31, 2022, the **dividend yield** would be 2.6%.

**Multi-period overview: dividend development**

| | For 2018 | For 2019 | For 2020 | For 2021 | For 2022(1) |
|---|---|---|---|---|---|
| Dividend per share (in €) | 0.05 | 0.50 | 0.50 | 0.50 | 0.50 |
| Dividend payment (in € million) | 10.0 | 93.9 | 93.6 | 93.4 | 86.4 |
| Payout ratio | 5.3% | 22.2% | 32.2% | 22.4% | 23.5% |
| Adjusted payout ratio(2) | 2.5% | 23.6% | 26.7% | 23.7% | 23.1% |
| Dividend yield(3) | 0.1% | 1.7% | 1.5% | 1.4% | 2.6% |

(1) Subject to approval of Supervisory Board and Annual Shareholders' Meeting 2023
(2) Without special items
(3) As of: December 31

## Annual Shareholders' Meeting 2022

The (virtual) Annual Shareholders' Meeting of United Internet AG was held in Frankfurt am Main on May 19, 2022. A total of 80.24% of capital stock (or 83.37% of capital stock less treasury shares) was represented. The shareholders adopted all resolutions on the agenda requiring voting with large majorities.

## Capital stock and treasury shares

As at the balance sheet date of December 31, 2022, United Internet AG continued to hold 7,284,109 **treasury shares.** This corresponds to approx. 3.75% of the capital stock of 194,000,000 shares.

On February 14, 2023, the Management Board of United Internet AG decided, with the approval of the Supervisory Board and on the basis of the authorization granted by the Annual Shareholders' Meeting of May 20, 2020 regarding the acquisition and use of treasury shares, to initially cancel 2,000,000 treasury shares and to reduce the capital stock of United Internet AG by € 2,000,000 from € 194,000,000 to € 192,000,000. The number of shares issued decreased accordingly by 2,000,000 shares, from 194,000,000 shares to 192,000,000 shares. The pro-rata amount of the capital stock that the issued shares represent remains unchanged at € 1 per share. The cancellation of the treasury shares serves to increase the proportionate participation of United Internet shareholders. Following the cancellation of the aforementioned two million shares, United Internet AG initially held 5,284,109 treasury shares. This corresponded to approx. 2.75% of the Company's capital stock.

Furthermore, the Management Board of United Internet AG also decided on February 14, 2023, with the approval of the Supervisory Board, to make a public share buyback offer to the shareholders of United

Internet AG for a total of up to 13,900,000 shares at a price of € 21.00 per share. The total volume of the share buyback offer therefore amounted to up to € 291.9 million. With the public share buyback offer, United Internet AG made use of the authorization granted by the Annual Shareholders' Meeting of the Company on May 20, 2020, under which up to 10% of the Company's capital stock could be bought back by August 31, 2023. The shares bought back may be used for all of the purposes permitted under the authorization granted by the Annual Shareholders' Meeting of May 20, 2020. The shares may also be canceled.

In the course of the public share buyback offer, a total of 27,553,147 shares were tendered to the Company by the end of the offer period. The offer was based on the buyback of up to 13.9 million shares in total. As the total number of shares for which the offer was accepted exceeded this maximum amount, the declarations of acceptance were considered on a pro rata basis, i.e., corresponding to the ratio of the maximum number of United Internet shares to be purchased pursuant to this offer, i.e., 13.9 million United Internet shares, to the aggregate number of United Internet shares tendered by United Internet shareholders for buyback.

Upon completion of the capital reduction resolved by the Management Board on February 14, 2023, with the approval of the Supervisory Board, by means of canceling 2,000,000 treasury shares and the buyback of 13,899,596 shares (without fractional amounts) as part of the public share buyback offer to the shareholders of United Internet AG, United Internet now holds 19,183,705 treasury shares, corresponding to 9.99% of the current capital stock of 192 million shares. In view of the offer price of € 21.00 per United Internet share, the purchase price for the buyback of 13,899,596 shares in total amounted to € 291.9 million.

## Investor Relations

Continuous and transparent corporate communication with all capital market participants is important for United Internet. The Company aims to provide all target groups with timely information without discrimination. To this end, the Management Board and the Investor Relations department continued their regular discussions with institutional and private investors in the fiscal year 2022.

The capital market was informed via the quarterly statements, half-year financial report and annual report, press and analyst conferences, as well as via various webcasts. Due to pandemic-related restrictions still in place in the early part of 2022, some events were held virtually (including the Annual Shareholders' Meeting), whereas later in the year the focus returned to face-to-face meetings. The Company's management and Investor Relations department explained the Company's strategy and financial results in numerous one-on-one discussions at the Company's offices in Montabaur, as well as at roadshows with mainly European and North American investors.

Apart from one-on-one meetings, shareholders and potential future investors can also receive the latest news around the clock via the Company's extensive and bilingual website (www.united-internet.de). In addition to the publication dates of financial reports, the dates and venues of investor conferences and roadshows are made publicly available at https://www.united-internet.de/investor-relations/finanzkalender.html. Online versions of the Annual Report and Sustainability Report are also provided on the corporate website.

# Personnel report

As a telecommunications and internet company, United Internet is subject to the defining characteristics of the industry: rapid change, short innovation cycles, and fierce competition. United Internet AG has risen to these challenges with great success over many years now. One of the key factors for the success and growth of the United Internet Group are its dedicated and highly competent employees and executives with their entrepreneurial and autonomous approach to work. The Company therefore attaches great importance to a sustainable and balanced strategy across all aspects of its HR activities: from employee recruitment, to targeted entry-level and vocational training formats, tailored skills training programs, support with individual career paths, through to sustainable management development programs, and the long-term retention of executives, high potentials and top performers.

United Internet AG was once again recognized as a top employer in 2022. Based on an independent study of the "Top Employers Institute", United Internet received the "TOP Employers Germany" award – as in the preceding years. Certification is only awarded to organizations which offer staff attractive working conditions. Assessment is based on career opportunities, employer benefits, and working conditions, as well as training and development opportunities.

## Headcount and personnel expenses

In the highly competitive market for skilled workers in the ICT sector, United Internet once again succeeded in recruiting top staff for its key positions and thus meeting the needs of its growing business. In addition to targeted employer branding, partnerships with education and training providers, and the positive impact of the Company's product brands, our successful recruitment efforts center around a candidate-friendly, highly competitive acquisition and selection process.

In the fiscal year 2022, the number of employees increased year on year by 5.0%, or 499 employees, to 10,474 (prior year: 9,975). This increase was mainly due to the Business Applications segment as a result of the strong increase in headcount for the segment's international business.

Headcount in Germany rose by 4.3%, or 351 employees, to 8,550 as of December 31, 2022 (prior year: 8,199). The number of employees at the Group's non-German subsidiaries grew by 8.3%, or 148 employees, to 1,924 (prior year: 1,776).

**Multi-period overview: headcount development by location(1); year-on-year change**

| | 2018 | 2019 | 2020 | 2021 | 2022 | Change |
|---|---|---|---|---|---|---|
| Employees, total | 9,093 | 9,374 | 9,638 | 9,975 | 10,474 | + 5.0% |
| thereof in Germany | 7,567 | 7,761 | 7,929 | 8,199 | 8,550 | + 4.3% |
| thereof abroad | 1,526 | 1,613 | 1,709 | 1,776 | 1,924 | + 8.3% |

(1) Active employees as December 31 of the respective fiscal year

From the segment perspective, there were 3,163 employees in the Consumer Access segment (prior year: 3,167), 1,336 in the Business Access segment (prior year: 1,238), 1,036 in the Consumer Applications segment (prior year: 1,004), and 4,247 in the Business Applications segment (prior year: 3,998). A further 692 people were employed at the Group's headquarters (Corporate/HQ) (prior year: 568).

**Multi-period overview: headcount development by segment[1] ; year-on-year change**

| | 2018 | 2019 | 2020 | 2021 | 2022 | Change |
|---|---|---|---|---|---|---|
| Employees, total | 9,093 | 9,374 | 9,638 | 9,975 | 10,474 | + 5.0% |
| thereof Consumer Access | 3,150 | 3,163 | 3,191 | 3,167 | 3,163 | - 0.1% |
| thereof Business Access | 1,095 | 1,184 | 1,188 | 1,238 | 1,336 | + 7.9% |
| thereof Consumer Applications | 947 | 1,007 | 1,005 | 1,004 | 1,036 | + 3.2% |
| thereof Business Applications | 3,355 | 3,416 | 3,631 | 3,998 | 4,247 | + 6.2% |
| thereof Corporate/HQ | 546 | 604 | 623 | 568 | 692 | + 21.8% |

(1) Active employees as December 31 of the respective fiscal year

**Personnel expenses** rose by 4.7% to € 675.5 million in the fiscal year 2022 (prior year: € 645.4 million). The **personnel expense ratio** was thus unchanged at 11.4%.

**Multi-period overview: development of personnel expenses; year-on-year change**

| in € million | 2018 | 2019 | 2020 | 2021 | 2022 | Change |
|---|---|---|---|---|---|---|
| Personnel expenses | 538.8 | 552.8 | 592.3 | 645.4 | 675.5 | + 4.7% |
| Personnel expense ratio | 10.5% | 10.6% | 11.0% | 11.4% | 11.4% | |

**Sales per employee**, based on annual average headcount, amounted to approx. € 579k in fiscal year 2022 (prior year: approx. € 576k).

## Diversity

Respect for diversity is a core aspect of United Internet's corporate culture. The reason for this is simple: only a workforce that mirrors the many different facets of society offers the best possible conditions for creativity and productivity, and makes employees – and the organization itself – unique. This unique diversity creates an incomparable wealth of potential ideas and innovations, increasing the Company's competitiveness and providing opportunities for all.

All United Internet employees are to be treated with respect and should receive the same opportunities, regardless of their nationality, ethnic origin, religion, ideological beliefs, gender and gender identity, age, disability, or sexual orientation and identity. Each employee should be able to find the area of activity and function in which they can make the most of their individual potential and talents.

**Multi-period overview: employees by gender[1]**

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Women | 32% | 32% | 32% | 33% | 32% |
| Men | 68% | 68% | 68% | 67% | 68% |

(1) Active employees as December 31 of the respective fiscal year

The average age of the United Internet Group's employees at the end of fiscal year 2022 was around 39 (prior year: 40).

**Multi-period overview: employee age profile[1]**

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| < 30 | 26% | 23% | 23% | 22% | 23% |
| 30 – 39 | 38% | 34% | 33% | 33% | 31% |
| 40 – 49 | 25% | 27% | 27% | 27% | 27% |
| ≥ 50 | 11% | 16% | 17% | 18% | 19% |

(1) Active employees as December 31 of the respective fiscal year

Employees of United Internet AG work in an international environment at around 40 sites around the world.

**Multi-period overview: employees by country[1]**

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Employees, total | 9,093 | 9,374 | 9,638 | 9,975 | 10,474 |
| thereof Germany | 7,567 | 7,761 | 7,929 | 8,199 | 8,550 |
| thereof France | 3 | 3 | 3 | 4 | 7 |
| thereof UK | 216 | 233 | 251 | 251 | 246 |
| thereof Austria | 37 | 43 | 44 | 65 | 67 |
| thereof Philippines | 351 | 360 | 395 | 392 | 468 |
| thereof Poland | 270 | 309 | 299 | 333 | 352 |
| thereof Romania | 176 | 195 | 217 | 229 | 242 |
| thereof Spain | 331 | 330 | 340 | 381 | 422 |
| thereof USA | 142 | 140 | 160 | 121 | 120 |

(1) Active employees as December 31 of the respective fiscal year

For further information on topics such as "HR Strategy and HR Organization", "Training and Education", "Diversity and Equal Opportunities", and "Occupational Health and Safety", please refer to the chapter "United Internet as an Employer" in the Sustainability Report 2022 of United Internet AG, which will be published in late March 2023 (at https://www.united-internet.de/en/investor-relations/publications/reports.html).

# Liquidity and finance

The Group's financial strategy is primarily geared to the strategic business plans of its operating business units. In order to provide sufficient flexibility for further growth, United Internet therefore constantly monitors trends in funding opportunities arising on the financial markets. Various options for funding and potential for optimizing existing financial instruments are regularly reviewed. The main focus is on ensuring sufficient liquidity and the financial independence of the Group at all times. In addition to its own financial strength, the Group maintains sufficient liquidity reserves with core banks. The flexible use of these liquidity reserves enables efficient management of Group liquidity, optimal debt management to reduce interest costs, and the avoidance of negative interest on deposits.

A euro cash pooling agreement (zero balancing) has been in place between United Internet AG and certain subsidiaries since July 2012. Under the agreement, credit and debit balances of the participating Group subsidiaries are pooled and netted via several cascades in a central bank account of United Internet AG and available each banking day.

At the end of the reporting period on December 31, 2022, the Group's **bank liabilities** amounted to € 2,155.5 million (prior year: € 1,822.7 million) and mainly comprise promissory note loans, syndicated loans, and bilateral credit agreements / credit facilities.

## Promissory note loans

United Internet AG successfully placed three promissory note loans ("Schuldscheindarlehen") in its fiscal years 2014, 2017, and 2021. At the end of the reporting period on December 31, 2021, total liabilities from the above promissory note loans amounted to € 1,297.5 million.

In the fiscal year 2022, one tranche of the promissory note loan 2017 amounting to € 100.0 million and the last remaining tranche of the promissory note loan 2014 amounting to € 97.5 million were redeemed on schedule.

At the end of the reporting period on December 31, 2022, total liabilities from the promissory note loans 2017 and 2021 with maximum terms until July 2027 therefore amounted to € 1,100.0 million.

## Syndicated loan facilities & syndicated loans

On December 21, 2018, a banking syndicate granted United Internet AG a revolving syndicated loan facility totaling € 810 million until January 2025. In the fiscal year 2020, the Company made use of a contractually agreed prolongation option and extended the term of the revolving syndicated loan facility for the period from January 2025 to January 2026. A credit facility of € 690 million was agreed for this prolongation period.

As of the balance sheet date on December 31, 2022, € 550 million of the revolving syndicated loan facility had been drawn (prior year: € 250 million). As a result, funds of € 260 million (prior year: € 560 million) were still available to be drawn from the credit facility as at the balance sheet date.

## Bilateral credit agreements / bilateral credit facilities

The Company also has bilateral credit agreements with several banks totaling € 200 million (prior year: € 170 million). The terms expire at the latest on August 11, 2023. As of the balance sheet date on December 31, 2022, these bilateral credit agreements were used in full (as in the previous year).

In addition, various bilateral credit facilities amounting to € 400 million (prior year: € 375 million) are available to the Company. These have been granted in part until further notice and in part have terms until July 2, 2024. Drawings of € 300 million (prior year: € 100 million) had been made from these credit facilities as at the end of the reporting period on December 31, 2022.

United Internet therefore had **free credit lines** from syndicated loan facilities and bilateral credit agreements totaling € 360 million (prior year: € 835 million) as at the end of the reporting period on December 31, 2022.

In addition to the above mentioned credit lines, the Group has guaranty credit facilities of € 105.0 million (prior year: € 105.0 million) as at the end of the reporting period, which in some cases can also be used by other Group companies. The guaranty credit facilities are available in particular for the provision of operational bank guarantees.

Further disclosures on the various financial instruments, drawings, interest rates, and maturities are provided under note 31 of the Notes to the Consolidated Financial Statements.

As of the reporting date, there are purchase obligations for property, plant and equipment (especially for network infrastructure) totaling € 370.8 million (prior year: € 150.8 million). In addition, there are purchase commitments for intangible assets (especially software) totaling € 143.9 million (prior year: € 1.2 million).

For further details on significant investment obligations, please refer to notes 26 and 27 of the Notes to the Consolidated Financial Statements.

## 2.3 Position of the Group

There were **no significant acquisition or divestment effects** on consolidated and segment sales and EBITDA in the fiscal year 2022. There were also only **minor positive currency effects** at Group and segment level (mainly Business Applications segment) amounting to € 31.8 million for sales and € 5.0 million for EBITDA. The same applies to the Group's asset position, for which there were no significant effects from currency fluctuations.

### Group's earnings position

In the fiscal year 2022, the total number of **fee-based customer contracts** in the United Internet Group grew by 730,000 to 27.46 million contracts. At the same time, ad-financed free accounts rose by 40,000 to 40.31 million.

**Consolidated sales** increased by 4.8% in the fiscal year 2022, from € 5,646.2 million in the previous year to € 5,915.1 million. Due in part to positive currency effects of € 31.8 million, **sales outside Germany** improved by 21.7% from € 513.8 million to € 625.5 million.

The **cost of sales** rose from € 3,684.9 million to € 3,906.3 million during the reporting period. As a result, the cost of sales ratio increased from 65.3% (of sales) in the previous year to 66.0% (of sales). This deterioration was due in particular to a (non-period) positive effect of € +39.4 million in the previous year attributable to the second half of 2020. There was a corresponding decline in the **gross margin** from 34.7% to 34.0% and consequently the increase in **gross profit** of 2.4% from € 1,961.2 million to € 2,008.7 million fell short of sales growth (4.8%).

Due in part to costs for the announced additional marketing activities of IONOS to raise brand awareness in its most important European markets, **sales and marketing expenses** increased faster than sales, from € 835.7 million (14.8% of sales) in the previous year to € 907.2 million (15.3% of sales).

By contrast, there was a disproportionately slower increase in **administrative expenses** from € 243.0 million (4.3% of sales) to € 248.5 million (4.2% of sales).

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

| in € million | 2018 (IFRS 15) | 2019 (IFRS 16) | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Cost of sales | 3,350.1 | 3,427.0 | 3,769.3 | 3,684.9(1) | 3,906.3 |
| Cost of sales ratio | 65.7% | 66.0% | 70.2% | 65.3% | 66.0% |
| Gross margin | 34.3% | 34.0% | 29.8% | 34.7% | 34.0% |
| Selling expenses | 678.2 | 741.8 | 767.9 | 835.7 | 907.2 |
| Selling expenses ratio | 13.3% | 14.3% | 14.3% | 14.8% | 15.3% |
| Administrative expenses | 218.9 | 205.9 | 206.0 | 243.0 | 248.5 |
| Administrative expenses ratio | 4.3% | 4.0% | 3.8% | 4.3% | 4.2% |

(1) Including the non-period positive effect on earnings attributable to the second half of 2020 (EBITDA and EBIT effect: € +39.4 million)

**Other operating expenses** increased from € -21.2 million to € -46.5 million and **other operating income** from € 54.8 million in the previous year to € 92.3 million. Due to an increase in payment defaults, **impairment losses on receivables and contract assets** rose from € -86.3 million to € -117.4 million.

Key earnings figures were influenced by various **special items** in the fiscal years 2022 and 2021, which in total had a net negative effect in 2022 and a positive effect in 2021.

**Special items 2022**

- The special item **"IPO costs IONOS in 2022"** results from one-off costs in connection with the planned IPO of Group subsidiary IONOS Group SE and had a **negative** impact on EBITDA, EBIT, EBT, net income, and EPS in the fiscal year 2022.

- The special item **"non-cash valuation effect from derivatives in 2022"** results from quarterly revaluations of derivatives and had a net **negative** impact on EBITDA, EBIT, EBT, net income, and EPS in the fiscal year 2022.

**Special items 2021**

- The special item **"non-period effect from lower MBA MVNO prices in 2021"** results from retroactively more favorable advance service prices for mobile communications in the second half of 2020 in connection with the national roaming agreement with Telefónica concluded on May 21, 2021 and had a non-period **positive** impact on EBITDA, EBIT, EBT, net income, and EPS for the first time in the fiscal year 2021.

- The special item **"non-cash valuation effect from derivatives in 2021"** results from quarterly revaluations of derivatives and had a **positive** impact on EBITDA, EBIT, EBT, net income, and EPS in the fiscal year 2021.

- The special item **"IPO costs IONOS in 2021"** results from one-off costs in connection with the planned IPO of Group subsidiary IONOS Group SE and had a **negative** impact on EBITDA, EBIT, EBT, net income, and EPS in the fiscal year 2021.

**Reconciliation of EBITDA, EBIT, EBT, net income, and EPS with figures adjusted for special items**

| in € million; EPS in € | Fiscal year 2022 | Fiscal year 2021 |
| --- | --- | --- |
| EBITDA | 1,262.5 | 1,303.7 |
| IPO costs IONOS in 2022 | 8.8 | |
| Non-cash valuation effect from derivatives in 2022 | 0.5 | |
| Non-period effect from lower MBA MVNO prices in 2021 | | -39.4 |
| Non-cash valuation effect from derivatives in 2021 | | -4.9 |
| IPO costs IONOS in 2021 | | 3.0 |
| **EBITDA adjusted for special items (operating)** | **1,271.8** | **1,262.4** |
| EBIT | 781.4 | 829.9 |
| IPO costs IONOS in 2022 | 8.8 | |
| Non-cash valuation effect from derivatives in 2022 | 0.5 | |
| Non-period effect from lower MBA MVNO prices in 2021 | | -39.4 |
| Non-cash valuation effect from derivatives in 2021 | | -4.9 |
| IPO costs IONOS in 2021 | | 3.0 |
| **EBIT adjusted for special items (operating)** | **790.7** | **788.6** |
| EBT | 711.5 | 773.3 |
| IPO costs IONOS in 2022 | 8.8 | |
| Non-cash valuation effect from derivatives in 2022 | 0.5 | |
| Non-period effect from lower MBA MVNO prices in 2021 | | -39.4 |
| Non-cash valuation effect from derivatives in 2021 | | -4.9 |
| IPO costs IONOS in 2021 | | 3.0 |
| **EBT adjusted for special items (operating)** | **720.8** | **732.0** |
| Net income | 464.7 | 523.2 |
| IPO costs IONOS in 2022 | 8.7 | |
| Non-cash valuation effect from derivatives in 2022 | 0.4 | |
| Non-period effect from lower MBA MVNO prices in 2021 | | -27.0 |
| Non-cash valuation effect from derivatives in 2021 | | -3.4 |
| IPO costs IONOS in 2021 | | 2.9 |
| **Net income adjusted for special items (operating)** | **473.8** | **495.7** |
| Net income "Shareholders United Internet" | 367.2 | 416.5 |
| IPO costs IONOS in 2022 | 6.5 | |
| Non-cash valuation effect from derivatives in 2022 | 0.4 | |
| Non-period effect from lower MBA MVNO prices in 2021 | | -20.7 |
| Non-cash valuation effect from derivatives in 2021 | | -3.4 |
| IPO costs IONOS in 2021 | | 2.1 |
| **Net income "Shareholders United Internet" adjusted for special items (operating)** | **374.1** | **394.5** |
| EPS | 1.97 | 2.23 |
| IPO costs IONOS in 2022 | 0.03 | |
| Non-cash valuation effect from derivatives in 2022 | 0.00 | |
| Non-period effect from lower MBA MVNO prices in 2021 | | -0.11 |
| Non-cash valuation effect from derivatives in 2021 | | -0.02 |
| IPO costs IONOS in 2021 | | 0.01 |
| **EPS adjusted for special items (operating)** | **2.00** | **2.11** |

Without consideration of the above mentioned opposing special items, the key performance measures EBITDA, EBIT, EBT, net income, and EPS for the fiscal year 2022 developed as follows:

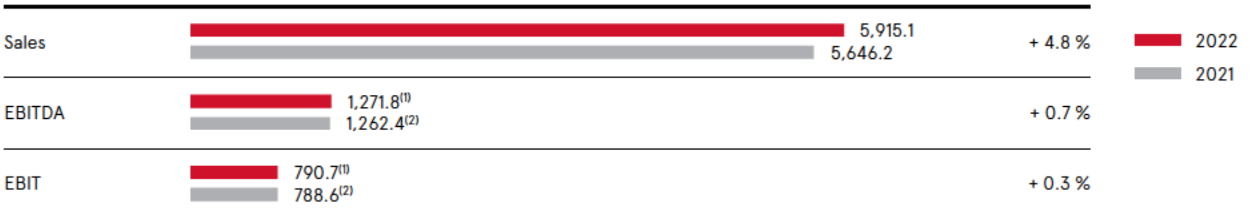
**Consolidated operating EBITDA** rose by 0.7% from € 1,262.4 million in the previous year to € 1,271.8 million. In addition to **higher electricity costs** (€ -22.4 million), this at first glance only moderate growth was due to **expenses for the construction of 1&1's mobile communications network** (€ -51.7 million; prior year: € -37.9 million), which were mainly incurred (€ -25.6 million) in the fourth quarter, and **costs for the announced additional marketing activities** to raise brand awareness in the most important European markets of IONOS (€ -32.4 million), which were also mainly incurred (€ -19.8 million) in the fourth quarter.

**Consolidated operating EBIT** was equally affected by these costs and remained virtually unchanged at € 790.7 million (prior year: € 788.6 million).

There was a corresponding fall in the **operating EBITDA margin** and the **operating EBIT margin** from 22.4% to 21.5% and from 14.0% to 13.4%, respectively.

The number of Group **employees** rose by 5.0% to 10,474 (prior year: 9,975).

**Key sales and earnings figures of the Group (in € million)**




(1) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € -0.5 million) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -8.8 million)
(2) Excluding the non-period positive effect on earnings attributable to the second half of 2020 (EBITDA and EBIT effect: € +39.4 million), excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +4.9 million) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -3.0 million)

**Quarterly development; change over prior-year quarter**

| in € million | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q4 2021 | Change |
|---|---|---|---|---|---|---|
| Sales | 1,443.7 | 1,457.4 | 1,483.2 | 1,530.8 | 1,478.3 | + 3.6% |
| EBITDA | 330.1(1) | 327.4(1) | 329.0(1) | 285.3(1) | 310.3(2) | - 8.1% |
| EBIT | 210.3(1) | 207.0(1) | 207.9(1) | 165.5(1) | 187.1(2) | - 11.5% |

(1) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +0.8 million in Q1 2022; € +3.8 million in Q2 2022; € +7.6 million in Q3 2022; € -12.7 million in Q4 2022) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -0.9 million in Q1 2022; € -1.5 million in Q2 2022; € -0.8 million in Q3 2022; € -5.6 million in Q4 2022)
(2) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +1.9 million in Q4 2021) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -3.0 million in Q4 2021)

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

| in € million | 2018 (IFRS 15) | 2019 (IFRS 16) | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Sales | 5,102.9 | 5,194.1 | 5,367.2 | 5,646.2 | 5,915.1 |
| EBITDA | 1,201.3 | 1,244.2(1) | 1,218.2(2) | 1,262.4(3) | 1,271.8(4) |
| EBITDA margin | 23.5% | 24.0% | 22.7% | 22.4% | 21.5% |
| EBIT | 811.0 | 770.2(1) | 744.2(2) | 788.6(3) | 790.7(4) |
| EBIT margin | 15.9% | 14.8% | 13.9% | 14.0% | 13.4% |

(1) Excluding extraordinary income from the sale of virtual minds shares (EBITDA and EBIT effect: € +21.5 million) and excluding trademark writeups Strato (EBIT effect: € +19.4 million)

(2) Including the non-period positive effect on earnings in 2021 attributable to the second half of 2020 (EBITDA and EBIT effect: € +39.4 million) and excluding write-off of VDSL contingents that are still available (EBITDA and EBIT effect: € -129.9 million)

(3) Excluding the non-period positive effect on earnings attributable to the second half of 2020 (EBITDA and EBIT effect: € +39.4 million), excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +4.9 million) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -3.0 million)

(4) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € -0.5 million) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -8.8 million)

In contrast to operating EBITDA and operating EBIT, **operating earnings before taxes (EBT)** of € 720.8 million were 1.5% down on the previous year (€ 732.0 million). Likewise, **operating consolidated net income** and **operating consolidated net income attributable to shareholders of United Internet AG** also fell from € 495.7 million to € 473.88 million and from € 394.5 million to € 374.1 million, respectively.

This decline in the aforementioned key operating figures was mainly due to a year-on-year decrease in the financial result, which was impacted in part by the **subsequent measurement of financial derivatives** (EBT effect: € -7.4 million; prior year: € -0.5 million / net income effect: € -5.2 million; prior year: € -0.3 million / net income of shareholders effect: € -4.8 million; prior year: € +3.1 million / EPS effect: € -0.03; prior year: € +0.02), as well as – with regard to the result from associated companies – the prorated **negative result of Kublai GmbH**, which was only partially included in the comparative figures for 2021 (eight months as opposed to twelve months in 2022) as the takeover of Tele Columbus AG was only completed during the course of the previous year (EBT effect: € -35.1 million; prior year: € -25.0 million / net income effect: € -35.1 million; prior year: € -25.0 million / net income of shareholders effect:€ -35.1 million; prior year: € -25.0 million / EPS effect: € -0.19; prior year: € -0.13).

Against this backdrop, **operating earnings per share (EPS)** of € 2.00 were below the prior-year figure (€ 2.11) and **operating EPS before PPA amortization** (purchase price allocation as part of a company acquisition) of € 2.38 was down on the previous year (€ 2.52). The PPA effects amounted to € -0.38 in 2022, compared to € -0.41 in the previous year.

## Group’s financial position

Despite the decline in net income to € 464.7 million (compared to € 523.2 million in the previous year), **operative cash flow** rose slightly from € 987.8 million in the previous year to € 991.8 million in the fiscal year 2022.

At € 597.5 million, however, **cash flow from operating activities** in the fiscal year 2022 was well below the prior-year figure (€ 887.6 million). In addition to phasing effects, this was mainly attributable to higher sales tax payments (€ -115.3 million) due to changes in sales tax legislation in 2021.

**Cash flow from investing activities** displayed a net outflow of € 703.5 million in the reporting period (prior year: € 527.3 million). This resulted mainly from greatly increased capital expenditures of € 681.4 million (prior year: € 289.8 million) due to the rollout of the 5G mobile network and expansion of the fiber-optic network, as well as payments to acquire shares in associated companies, especially for the capital increase of Tele Columbus AG, amounting to € 30.7 million (prior year: € 226.3 million, especially for the stake in Kublai GmbH). Cash flow from investing activities in the previous year was also dominated by payments of € 20.6 million to acquire shares in affiliates (especially for the acquisition of we22 GmbH (formerly: we22 AG)).

United Internet’s **free cash flow** is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant, and equipment. In the fiscal year 2022, free cash flow decreased from € 495.2 million in the previous year to € -205.5 million. After deducting the cash flow item "Redemption of lease liabilities" – disclosed in cash flow from financing activities since the initial application of the accounting standard IFRS 16 – free cash flow fell from € 600.8 million to € -79.4 million.

In addition to the already lower net income (€ -58.3 million), this decline in free cash flow was due in particular to the strong rise in capital expenditures (€ -391.6 million), the increased redemption of lease liabilities (€ -20.4 million), the strong reduction of trade accounts payable (phasing effects of € -97.2 million from Q4 2021), and higher sales tax payments (€ -115.3 million) due to changes in sales tax legislation.

**Cash flow from financing activities** in the fiscal year 2022 was dominated by the net assumption of loans totaling € 332.8 million (prior year: € 353.0 million), the redemption of spectrum liabilities of € 61.3 million (prior year: € 61.3 million), the redemption of lease liabilities of € 126.0 million (prior year: € 105.6 million), the dividend payment of € 93.4 million (prior year: € 93.6 million), as well as the payment of € 18.2 million to minority shareholders, especially for the increased shareholding (to 100%) in InterNetX Holding GmbH (prior year: € 456.8 million, especially for the increased shareholding in IONOS Group SE (formerly: IONOS TopCo SE) and in 1&1 AG).

**Cash and cash equivalents** amounted to € 40.5 million as of December 31, 2022 – due to closing-date effects – compared to € 110.1 million on the same date in the previous year.

**Development of key cash flow figures**

| in € million | 2022 | 2021 | Change |
|---|---|---|---|
| Operative cash flow | 991.8 | 987.8 | + 4.0 |
| Cash flow from operating activities | 597.5 | 887.6 | - 290.1 |
| Cash flow from investing activities | -703.5 | -527.3 | - 176.2 |
| Free cash flow[1] | -205.5[2] | 495.2[2] | - 700.7 |
| Cash flow from financing activities | 35.1 | -386.1 | + 421.2 |
| Cash and cash equivalents on December 31 | 40.5 | 110.1 | - 69.6 |

(1) Free cash flow is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant and equipment
(2) 2022 including the repayment portion of lease liabilities (€ 126.0 million), which have been reported under cash flow from financing activities since the fiscal year 2019 (IFRS 16)
(3) 2021 including the repayment portion of lease liabilities (€ 105.6 million), which have been reported under cash flow from financing activities since the fiscal year 2019 (IFRS 16)

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

| in € million | 2018 (IFRS 15) | 2019 (IFRS 16) | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Operative cash flow | 889.5 | 935.0 | 954.1 | 987.8 | 991.8 |
| Cash flow from operating activities | 482.3 | 828.9 | 925.7 | 887.6 | 597.5 |
| Cash flow from investing activities | -350.9 | 87.2 | -361.1 | -527.3 | -703.5 |
| Free cash flow[1] | 254.6[2] | 496.0[3] | 376.6[4] | 495.2[4] | -205.5[4] |
| Cash flow from financing activities | -312.6 | -857.6 | -549.1 | -386.1 | 35.1 |
| Cash and cash equivalents on December 31 | 58.1 | 117.6 | 131.3 | 110.1 | 40.5 |

(1) Free cash flow is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant and equipment
(2) 2018 without tax payment from fiscal year 2016 (€ 34.7 million)
(3) 2019 without capital gains tax payment (€ 56.2 million) and without tax payments from fiscal year 2017 and previous years (€ 27.2 million) and including the repayment portion of lease liabilities, which have been reported under cash flow from financing activities since the fiscal year 2019 (IFRS 16)
(4) 2020, 2021 and 2022 including the repayment portion of lease liabilities, which have been reported under cash flow from financing activities since the fiscal year 2019 (IFRS 16)

For further details on guarantees, leases, and other financial obligations, please refer to chapter 2.2 "Business development", "Liquidity and finance", as well as note 45 of the Notes to the Consolidated Financial Statements.

## Group’s asset position

The **balance sheet total** increased from € 9.669 billion as of December 31, 2021 to € 10.332 billion on December 31, 2022.

**Development of current assets**

| in € million | Dec. 31, 2022 | Dec. 31, 2021 | Change |
|---|---|---|---|
| Cash and cash equivalents | 40.5 | 110.1 | - 69.6 |
| Trade accounts receivable | 418.8 | 380.5 | + 38.4 |
| Contract assets | 648.4 | 619.7 | + 28.7 |
| Inventories | 120.6 | 96.5 | + 24.1 |
| Prepaid expenses | 282.1 | 214.0 | + 68.1 |
| Other financial assets | 106.6 | 119.0 | - 12.4 |
| Income tax claims | 34.7 | 46.4 | - 11.6 |
| Other non-financial assets | 19.7 | 8.1 | + 11.6 |
| **Total current assets** | **1,671.4** | **1,594.2** | **+ 77.2** |

**Current assets** rose from € 1,594.2 million on December 31, 2021 to € 1,671.4 million as of December 31, 2022. However, **cash and cash equivalents** disclosed under current assets decreased from € 110.1 million to € 40.5 million due to closing-date effects. By contrast, **trade accounts receivable** rose from € 380.5 million to € 418.8 million due to closing-date effects and the expansion of business. As a result of customer growth, the item current **contract assets** rose from € 619.7 million to € 648.4 million and includes current claims against customers due to accelerated revenue recognition from the application of IFRS 15. In order to avoid supply bottlenecks, **inventories** were raised from € 96.5 million to € 120.6 million. Due to prepayments made to advance service providers and closing-date effects, **current prepaid expenses** increased from € 214.0 million to € 282.1 million and mainly comprise the short-term portion of expenses relating to contract acquisition and contract fulfillment according to IFRS 15. The items current **other financial assets**, **income tax claims**, and **other non-financial assets** were largely unchanged.

**Development of non-current assets**

| in € million | Dec. 31, 2022 | Dec. 31, 2021 | Change |
|---|---|---|---|
| Shares in associated companies | 429.3 | 431.6 | - 2.3 |
| Other financial assets | 10.7 | 11.6 | - 0.9 |
| Property, plant and equipment | 1,851.0 | 1,379.6 | + 471.4 |
| Intangible assets | 2,029.3 | 2,059.4 | - 30.2 |
| Goodwill | 3,623.4 | 3,627.8 | - 4.4 |
| Trade accounts receivable | 41.4 | 47.3 | - 5.9 |
| Contract assets | 216.7 | 206.0 | + 10.8 |
| Prepaid expenses | 429.0 | 287.7 | + 141.2 |
| Deferred tax assets | 56.3 | 23.8 | + 32.5 |
| **Total non-current assets** | **8,687.1** | **8,074.9** | **+ 612.2** |

**Non-current assets** rose from € 8,074.9 million as of December 31, 2021 to € 8,687.1 million on December 31, 2022. Capital expenditures in 2022 (especially for the 5G network rollout and expansion of the fiber-optic network in the Consumer Access and Business Access segments) led to a strong increase in **property, plant and equipment** from € 1,379.6 million to € 1,851.0 million, while **intangible assets** declined from € 2,059.4 million to € 2,029.3 million mainly as a result of amortization. Due to prepayments made to advance service providers and closing-date effects, non-current **prepaid expenses** rose strongly from € 287.7 million to € 429.0 million. **Deferred tax assets** rose from € 23.8

million to € 56.3 million. The items **shares in associated companies**, non-current **other financial assets**, **goodwill**, non-current **trade accounts receivable**, and non-current **contract assets** were all largely unchanged.

**Development of current liabilities**

| in € million | Dec. 31, 2022 | Dec. 31, 2021 | Change |
|---|---|---|---|
| Trade accounts payable | 561.5 | 583.4 | - 21.9 |
| Liabilities due to banks | 656.7 | 325.4 | + 331.3 |
| Income tax liabilities | 52.7 | 58.4 | - 5.7 |
| Contract liabilities | 157.1 | 157.9 | - 0.8 |
| Other accrued liabilities | 5.1 | 16.2 | - 11.2 |
| Other financial liabilities | 333.6 | 329.2 | + 4.4 |
| Other non-financial liabilities | 69.0 | 135.7 | - 66.8 |
| **Total current liabilities** | **1,835.6** | **1,606.2** | **+ 229.4** |

**Current liabilities** increased from € 1,606.2 million as of December 31, 2021 to € 1,835.6 million on December 31, 2022. Due to closing-date effects, current **trade accounts payable** decreased from € 583.4 million to € 561.5 million. There was an increase in current **liabilities due to banks** from € 325.4 million to € 656.7 million, largely as a result of reclassifications from non-current liabilities (in accordance with their maturity) as well as the use of new and existing short-term credit facilities. Current **other non-financial liabilities** decreased from € 135.7 million to € 69.0 million and mainly include liabilities due to tax authorities as of the respective balance sheet date. The items **income tax liabilities**, current **contract liabilities**, which mainly include payments received from customer contracts for which the performance has not yet been completely rendered, as well as current **other accrued liabilities**, and current **other financial liabilities** were all virtually unchanged.

**Development of non-current liabilities**

| in € million | Dec. 31, 2022 | Dec. 31, 2021 | Change |
|---|---|---|---|
| Liabilities due to banks | 1,498.8 | 1,497.4 | + 1.5 |
| Deferred tax liabilities | 309.7 | 290.5 | + 19.2 |
| Trade accounts payable | 4.3 | 2.5 | + 1.8 |
| Contract liabilities | 31.3 | 32.2 | - 0.9 |
| Other accrued liabilities | 67.1 | 66.0 | + 1.0 |
| Other financial liabilities | 1,313.3 | 1,251.2 | + 62.1 |
| **Total non-current liabilities** | **3,224.5** | **3,139.7** | **+ 84.8** |

**Non-current liabilities** increased from € 3,139.7 million as of December 31, 2021 to € 3,224.5 million on December 31, 2022. This was due in particular to the rise in **other financial liabilities** from € 1,251.2 million to € 1,313.3 million. Non-current **liabilities due to banks** were largely unchanged at € 1,498.8 million – whereby reclassifications to current liabilities (in accordance with their maturity) were offset by the use of existing long-term credit facilities. The items **deferred tax liabilities**, non-current **trade accounts payable**, non-current **contract liabilities** (which mainly include payments received from customer contracts for which the performance has not yet been completely rendered), as well as non-current **other accrued liabilities** were also largely unchanged.

**Development of equity**

| in € million | Dec. 31, 2022 | Dec. 31, 2021 | Change |
|---|---|---|---|
| Capital stock | 194.0 | 194.0 | 0.0 |
| Capital reserves | 1,966.2 | 1,954.7 | + 11.5 |
| Accumulated profit | 2,835.8 | 2,562.6 | + 273.3 |
| Treasury shares | -231.5 | -231.5 | - 0.0 |
| Revaluation reserves | 1.3 | 0.6 | + 0.7 |
| Currency translation adjustment | -15.7 | -12.9 | - 2.8 |
| **Equity attributable to shareholders of the parent company** | **4,750.1** | **4,467.4** | **+ 282.7** |
| Non-controlling interests | 548.3 | 455.7 | + 92.6 |
| **Total equity** | **5,298.4** | **4,923.2** | **+ 375.2** |

Mainly as a result of the further increase in the Group's accumulated profit, consolidated **equity capital** rose from € 4,923.2 million as of December 31, 2021 to € 5,298.4 million on December 31, 2022. In the fiscal year 2022, the Group's **accumulated profit** rose from € 2,562.6 million to € 2,835.8 million and contains the past profits of the consolidated companies, insofar as they were not distributed. The consolidated **equity ratio** rose from 50.9% to 51.2%.

**Net bank liabilities** (i.e., the balance of bank liabilities and cash and cash equivalents) increased from € 1,712.6 million as of December 31, 2021 to € 2,115.0 million on December 31, 2022.

**Multi-period overview: development of relative indebtedness**

| | Dec. 31, 2018 (IFRS 15) | Dec. 31, 2019 (IFRS 16) | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 |
|---|---|---|---|---|---|
| Net bank liabilities[1] / EBITDA | 1.57 | 1.28 | 1.27 | 1.31 | 1.68 |

(1) Net bank liabilities = balance of bank liabilities and cash and cash equivalents

Further details on the objectives and methods of the Group's financial risk management are provided under note 43 of the Notes to the Consolidated Financial Statements.

**Multi-period overview: development of key balance sheet items**

| in € million | Dec. 31, 2018 (IFRS 15) | Dec. 31, 2019 (IFRS 16) | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 |
|---|---|---|---|---|---|
| Total assets | 8,173.8 | 9,128.8 | 9,230.8 | 9,669.1 | 10,358.5 |
| Cash and cash equivalents | 58.1 | 117.6 | 131.3 | 110.1 | 40.5 |
| Shares in associated companies | 206.9 | 196.0 | 89.6[1] | 431.6[1] | 429.3 |
| Other financial assets | 348.1 | 90.4[2] | 9.9[2] | 11.6 | 10.7 |
| Property, plant and equipment | 818.0 | 1,160.6[3] | 1,271.6 | 1,379.6 | 1,851.0 |
| Intangible assets | 1,244.6 | 2,167.4[4] | 2,197.8 | 2,059.4 | 2,029.3 |
| Goodwill | 3,612.6 | 3,616.5 | 3,609.4 | 3,627.8 | 3,623.4 |
| Liabilities due to banks | 1,939.1 | 1,738.4 | 1,466.1 | 1,822.7 | 2,155.5 |
| Capital stock | 205.0 | 205.0 | 194.0[5] | 194.0 | 194.0 |
| Equity | 4,521.5 | 4,614.7 | 4,911.2 | 4,923.2 | 5,298.4 |
| Equity ratio | 55.3% | 50.6% | 53.2% | 50.9% | 51.2% |

(1) Decrease due to reclassification Tele Columbus (2019); increase due to stake in Kublai (2021)
(2) Decrease due to sale of Rocket Internet shares (2019); decrease due to sale of Afilias shares (2020)
(3) Increase due to initial application of IFRS 16 (2019)
(4) Increase due to initial recognition of acquired 5G frequencies (2019)
(5) Decrease due to withdrawal of treasury shares (2020)

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

As a result of the war in Ukraine and the high inflation rate, the International Monetary Fund (IMF) downgraded its forecast for 2022 on several occasions during the year. In its latest economic outlook, the IMF reported growth of 3.4% for the global economy in 2022, based on preliminary calculations. Growth was thus significantly below the prior-year level (6.2%) and also 1.0 percentage points lower than the IMF's original outlook in January 2022 (4.4%).

The IMF's calculations for Germany are in line with the preliminary figures of the country's Federal Statistics Office (Destatis), which forecast a 1.9% increase in (price-adjusted) gross domestic product (GDP) for 2022. This is 0.7 percentage points less than in 2021 (2.6%). According to estimates of the Federal Statistics Office, the macroeconomic situation in Germany in 2022 was dominated by the consequences of the war in Ukraine and, in particular, by extreme energy price increases. In addition, there were intensified material and supply bottlenecks, huge price increases, for example for food, as well as a shortage of skilled workers and the ongoing coronavirus pandemic – although this eased over the course of the year.

Thanks to its stable and largely non-cyclical business model, United Internet made good progress again in the fiscal year 2022 – despite the aforementioned adverse macroeconomic conditions. The Company was able to achieve the sales and earnings targets it set itself, continuing its successful development with an increase in fee-based customer contracts of 730,000 to 27.46 million and sales growth of 4.8% to € 5.915 billion. At the same time, there was a further improvement in operating EBITDA – despite heavy investment in future topics – with an increase of 0.7% to around € 1.272 billion. In addition to significantly higher electricity costs (€ -22.4 million), this at first glance only moderate EBITDA growth was mainly due to expenses for the construction of 1&1's mobile communications network (€ -51.7 million; prior year: € -37.9 million) and costs for the announced additional marketing activities of IONOS to raise brand awareness in the most important European markets (€ -32.4 million).

This positive performance once again highlights the benefits of United Internet's business model based predominantly on electronic subscriptions with fixed monthly payments and contractually fixed terms. This ensures stable and predictable revenues and cash flows, offers protection against cyclical influences and provides the financial scope to win new customers, expand existing customer relationships, and grasp opportunities in new business fields and new markets – organically or via investments and acquisitions.

In the fiscal year 2022, the Company once again invested heavily in gaining and expanding customer relationships, as well as in developing new products – thus laying the basis for future growth.

As of the reporting date for the Annual Financial Statements 2022, and at the time of preparing this Management Report, the Management Board believes that the United Internet Group as a whole is well placed for its further development. It regards the financial position and performance – subject to possible special items – as positive and is optimistic about the Group's future prospects.

# 2.4 Position of the Company

## Earnings of United Internet AG

As a pure holding company, the earnings position of United Internet AG is usually dominated by its investment and financial result. In the fiscal year 2022, **sales** of the parent company amounted to € 0.7 million (prior year: € 0.5 million) and result mainly from services rendered to the Group's subsidiaries.

**Other operating income** amounted to € 4.2 million (prior year: € 12.6 million) and mainly results from internal charges to Group companies and the release of accruals.

**Other operating expenses** amounted to € 20.2 million (prior year: € 12.4 million) and include expenses relating to internal charges for services rendered to Group companies, as well as legal, auditing, and consulting fees.

**Income from profit transfer agreements** of € 90.6 million (prior year: € 317.5 million) resulted from profit transfers of 1&1 Mail & Media Applications SE amounting to € 87.1 million (prior year: € 314.7 million, incl. special items of € 217.1 million), United Internet Corporate Services GmbH amounting to € 3.4 million (prior year: € 2.7 million), and United Internet Service SE amounting to € 0.1 million (prior year: € 0.2 million).

**Income from investments** amounted to € 13.8 million (prior year: € 6.7 million) and mainly comprises the dividends of 1&1 AG for 2021 as well as the dividend for the fiscal year 2022 due to same-period profit recognition.

**Expenses for loss assumptions** of € 6.2 million (prior year: € 0.6 million) relate to the compensation expense of United Internet Investments Holding SE, United Internet Management Holding SE, and United Internet Corporate Holding SE.

The parent company's **result before taxes** amounted to € 170.4 million (prior year: € 403.5 million, incl. special items of € 217.1 million from the profit transfer agreement with 1&1 Mail & Media Applications SE).

**Income taxes** amounted to € 49.7 million (prior year: € 54.1 million).

**Net income** in the separate financial statements of United Internet AG for the fiscal year 2022 amounted to € 120.7 million (prior year: € 349.4 million incl. special items).

## Assets and financial position of United Internet AG

The parent company's **balance sheet total** rose from € 6,445.3 million as of December 31, 2021 to € 6,563.9 million on December 31, 2022.

**Non-current assets** of the parent company amounting to € 5,816.9 million (prior year: € 5,636.9 million) were dominated by **financial assets**. **Shares in affiliated companies** were unchanged at € 4,221.9 million. **Loans to affiliated companies** rose to € 1,595.0 million (prior year: € 1,415.0 million) due to the granting of loans within the Group.

**Current assets** of the parent company amounting to € 746.9 million (prior year: € 808.4 million) comprise receivables due from affiliated companies and other assets. The **receivables due from**

**affiliated companies** decreased slightly to € 724.8 million (prior year: € 725.9 million). These mainly comprise receivables within the United Internet Group's internal cash management system as well as from profit transfer agreements and services received within the United Internet Group. **Other assets** amounting to € 19.3 million (prior year: € 33.8 million) consist mainly of receivables due from the tax office relating to audits of previous years.

**Shareholders' equity** of the parent company amounted to € 3,621.7 million as of December 31, 2022 (prior year: € 3,594.3 million). The increase in equity during the reporting period is due to net income of € 120.7 million, with an opposing effect from the dividend payout of € 93.4 million. The equity ratio fell from 55.8% in the previous year to 55.2% as of December 31, 2022.

The parent company's **accruals** of € 8.1 million (prior year: € 9.7 million) mainly comprise **accrued taxes** amounting to € 3.8 million (prior year: € 1.6 million), as well as **other accrued liabilities** for employee stock ownership plans, legal, auditing and consulting fees, bonuses, and other items totaling € 4.3 million (prior year: € 8.1 million).

The **liabilities of the parent company** are shaped in particular by liabilities to banks and liabilities due to affiliated companies. **Liabilities to banks** increased to € 2,157.2 million in the fiscal year 2022 (prior year: € 1,825.4 million). Bank liabilities comprise two promissory note loans totaling € 1,100 million, syndicated loans totaling € 550 million, drawings from bilateral credit agreements of € 200 million, drawings from bilateral credit facilities of € 300 million, and interest of € 7 million. **Liabilities to affiliated companies** fell to € 757.7 million (prior year: € 998.9 million) and mainly comprise liabilities from balances within the United Internet Group's cash pooling system (€ 748.7 million), from profit transfer agreements (€ 6.2 million), and from service arrangements (€ 2.7 million). **Other liabilities** of € 3.4 million (prior year: € 4.6 million) are mainly sales tax liabilities.

**Cash flow** of the parent company's financial statements is dominated by cash flows from the profit transfer agreements, as well as the dividends of investments.

## Management Board's overall assessment of the current business situation of the parent company

Due to its role as the Group's holding company, the economic position of United Internet AG at parent company level is mainly influenced by its investment and financial result. The above statements on the Group's economic position therefore also apply qualitatively for United Internet AG itself.

## 2.5 Corporate responsibility

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.

United Internet AG fulfills its disclosure obligations pursuant to the German CSR Directive Implementation Act (CSR-Richtlinie-Umsetzungsgesetz – CSR-RUG) (sections 315b and 315c in conjunction with section 289c of the German Commercial Code ("Handelsgesetzbuch" – HGB)) and publishes a combined non-financial statement as part of a separate sustainability report. In the Sustainability Report, the Company also complies with its reporting obligation under the EU Taxonomy Regulation 2020/852 of the European Parliament and discloses its proportion of sustainable business activities accordingly.

The Company's Sustainability Report 2022 will be published in late March 2023 (at https://www.united-internet.de/en/investor-relations/publications/reports.html) and thus fulfills the disclosure requirements of the CSR-RUG and the transparency requirements of stakeholders.

The non-financial statement published within the sustainability report contains the statutory disclosures for the aspects "environmental matters" (chapter: Environmental Responsibility), "employee-related matters" and "social matters" (chapter: Social Responsibility), and "respect for human rights" and "anti-corruption and bribery matters" (chapter: Corporate Responsibility). This list of the minimum aspects required by the CSR-RUG has been supplemented by the chapter "Digital Responsibility", which is a material aspect for United Internet and also particularly relevant for the sector.

In addition to the CSR-RUG, reporting is based on the internationally recognized Sustainability Reporting Standards published by the Global Reporting Initiative (GRI). In accordance with the new structure of the standard, the Sustainability Report corresponds to the option: "With reference to the GRI Standards". Both the CSR-RUG and the GRI Standards expect information to be presented on how the material topics and their impacts are managed, and in particular the associated goals and measures, and the procedures used for risk identification and mitigation. In addition, the European Commission's Guidelines on non-financial reporting are applied, which build on Directive 2014/95/EU on disclosure of non-financial and diversity information by certain large undertakings and groups – the European Directive underlying the CSR-RUG.

When defining the content of the non-financial statement, the materiality principle was applied. For the definition of the material topics, the new requirements of the GRI Standards were applied, together with the European reporting guideline (Corporate Sustainability Reporting Directive - CSRD). The principle of so-called dual materiality was applied and both external and internal company perspectives were taken into account.

The Company's Supervisory Board is responsible for examining the content of sustainability reporting. The Supervisory Board is supported in this by a "limited assurance" review of the non-financial statement by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft.

# 3. SUBSEQUENT EVENTS

## IPO of Group subsidiary IONOS Group SE

In an "Intention to Float" (ITF) document published on **January 17, 2023**, together with its shareholders United Internet (75.1%) and WP XII Venture Holdings II SCSp (24.9%), an affiliate of Warburg Pincus (together "Warburg Pincus"), IONOS Group SE officially announced its plans for an IPO of IONOS. Depending on the market environment, the shares were to be listed on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange in the first quarter of 2023.

In an ad-hoc announcement on **January 27, 2023**, United Internet and Warburg Pincus announced that they had set the framework for the planned IPO of IONOS Group SE and the admission for trading of its shares on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange. The shares of IONOS Group SE were to be offered in a price range of € 18.50 to € 22.50. United Internet and Warburg Pincus both offered 15% of their shares (i.e., a total of 21,000,000 registered no-par shares), corresponding to 15,771,000 registered no-par shares from the holdings of United Internet and 5,229,000 registered no-par shares from the holdings of Warburg Pincus. Up to 3,150,000 additional registered no-par shares from the holdings of United Internet and Warburg Pincus were available to be offered to cover potential over-allotments (greenshoe).

In an ad-hoc announcement on **February 7, 2023**, United Internet and Warburg Pincus announced that they had set the final offer price for the shares of IONOS Group SE at € 18.50 per share.

The shares of IONOS Group SE have been listed on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange under the ISIN: DE000A3E00M1, WKN: A3E00M, ticker symbol: IOS since **February 8, 2023**. Following the IPO of IONOS Group SE, United Internet holds 63.8% and Warburg Pincus 21.2% of shares. A further 15.0% are in free float. United Internet received gross proceeds from the sale of shares of around € 292 million, whereas the total placement volume amounted to around € 389 million.

## Capital reduction via cancellation of treasury shares and share buyback offer

On **February 14, 2023**, the Management Board of United Internet AG decided, with the approval of the Supervisory Board and on the basis of the authorization granted by the Annual Shareholders' Meeting of May 20, 2020 regarding the acquisition and use of treasury shares, to initially cancel 2 million treasury shares and to reduce the capital stock of United Internet AG by € 2 million from € 194 million to € 192 million. The number of shares issued decreased accordingly by 2 million shares, from 194 million shares to 192 million shares. The pro-rata amount of the capital stock that the issued shares represent remains unchanged at € 1 per share. The cancellation of the treasury shares serves to increase the proportionate participation of United Internet shareholders. Following the cancellation of the aforementioned two million shares, United Internet AG initially held 5,284,109 treasury shares. This corresponded to approx. 2.75% of the Company's capital stock.

Furthermore, the Management Board of United Internet AG also decided on February 14, 2023, with the approval of the Supervisory Board, to make a public share buyback offer to the shareholders of United Internet AG for a total of up to 13.9 million shares at a price of € 21.00 per share. The total volume of the share buyback offer therefore amounted to up to € 291.9 million. With the public share buyback offer, United Internet AG made use of the authorization granted by the Annual Shareholders' Meeting of the Company on May 20, 2020, under which up to 10% of the Company's capital stock could be bought back by August 31, 2023. The shares bought back may be used for all of the purposes permitted under the authorization granted by the Annual Shareholders' Meeting of May 20, 2020. The shares may also be canceled.

In the course of the public share buyback offer, a total of 27,553,147 shares were tendered to the Company by the end of the offer period. The offer was based on the buyback of up to 13.9 million shares in total. As the total number of shares for which the offer was accepted exceeded this maximum amount, the declarations of acceptance were considered on a pro rata basis, i.e., corresponding to the ratio of the maximum number of United Internet shares to be purchased pursuant to this offer, i.e., 13.9 million United Internet shares, to the aggregate number of United Internet shares tendered by United Internet shareholders for buyback.

Upon completion of the capital reduction resolved by the Management Board on February 14, 2023, with the approval of the Supervisory Board, by means of canceling 2 million treasury shares, and the buyback of 13,899,596 shares (without fractional amounts) as part of the public share buyback offer to the shareholders of United Internet AG, United Internet now holds 19,183,705 treasury shares, corresponding to 9.99% of the current capital stock of 192 million shares. In view of the offer price of € 21.00 per United Internet share, the purchase price for the buyback of 13,899,596 shares in total amounted to € 291.9 million.

## Complaint filed with Federal Cartel Office

On **February 24, 2023**, 1&1 filed a complaint with Germany’s Federal Cartel Office. The subject of the complaint is what 1&1 considers to be ongoing obstructions to the rollout of its 5G mobile network by Vodafone GmbH. From 1&1’s point of view, this is delaying the rollout of its own network, but is not having any significant financial impact.

Despite the current delay in the rollout of antenna locations, 1&1 is still pursuing its goal of achieving coverage of at least 50 percent of households before 2030. To this end, further partners have been acquired for the network rollout. The Company therefore expects to make up for the delays in the course of the rollout phase.

## Change in Management Board

On **March 10, 2023**, United Internet announced that Mr. Martin Mildner, Chief Financial Officer (CFO) of United Internet AG, was to leave United Internet AG at his own request on March 31, 2023. The Chairman of the Supervisory Board, Philipp von Bismarck, and CEO Ralph Dommermuth regret this decision.

Martin Mildner’s successor as CFO of United Internet AG as of April 1, 2023 will be Ralf Hartings, who has been active for the United Internet Group since 2021 as CFO of 1&1 Mail & Media SE and will step down from this position on March 31, 2023. Ralf Hartings has many years of experience working in the telecommunication sector, including 15 years of international experience for Vodafone and Verizon Wireless in the USA.

In addition to the main responsibilities of his position as CFO, Martin Mildner was also responsible for the shared services of United Internet AG. This responsibility will be transferred to Markus Huhn as of April 1, 2023, when he joins Ralph Dommermuth and Ralf Hartings as a further member of the Management Board. Markus Huhn has already been working for the United Internet Group for 28 years and has been a CFO since 2008. Mr. Huhn will continue to be CFO of 1&1 AG in addition to his new role.

There were no other significant events subsequent to the end of the reporting period on December 31, 2022 which had a material effect on the financial position and performance or the accounting and reporting of the parent company or the Group.

Information on the economic position of the Group and Company at the time of preparing this Management Report are provided in chapter 4.3 "Forecast report".

# 4. RISK, OPPORTUNITY AND FORECAST REPORT

The risk and opportunity policy of the United Internet Group is based on the objective of maintaining and sustainably enhancing the Company's values by utilizing opportunities while at the same time recognizing and managing risks from an early stage in their development. A risk and opportunity management system which is "lived" ensures that the United Internet Group ("United Internet") can exercise its business activities in a controlled company environment. The risk and opportunity management system regulates the responsible handling of those uncertainties which are always involved with economic activity.

## 4.1 Risk report

### Risk management

The concept, organization, and task of United Internet's risk management system are defined by the Management Board and Supervisory Board of United Internet AG, and documented in a risk management strategy and risk management manual which is valid for and available to all members of the Group. These requirements are regularly adapted to changing legal conditions and continuously developed. Corporate Risk Management coordinates the implementation and ongoing development of the risk management system and is responsible for the centrally managed risk management process on behalf of the Management Board. The risk management system covers only the Group's risks, while responsibility for the early and ongoing identification, evaluation, and management of opportunities lies directly with the Group Management Board and the operating management levels of the respective segments.

Corporate Risk Management is supported by the risk management teams of the respective segments (Company Risk Management). In order to support Company Risk Management, additional local risk managers have been installed in business fields of particular importance for the Company's business success (such as the areas "Technology & Development"). In order to facilitate the Group-wide exchange and comparison of risk information, regular Risk Manager Meetings are held between the various risk managers and also with the Company-wide, cross-functional managers.

The Corporate Audit department regularly examines the functioning and efficiency of the risk management system. As part of his statutory auditing obligations for the Annual Financial Statements and Consolidated Financial Statements, the external auditor also examines whether the risk early recognition system is generally suitable for the early identification of risks and developments which might endanger the Company so that suitable countermeasures can be swiftly introduced. The system complies with statutory requirements regarding risk early recognition systems, as well as with the version of the German Corporate Governance Code valid at the time of the last Declaration of Conformity of United Internet AG. Its design is based on the specifications of the international ISO standard ISO/IEC 31000:2018. In accordance with the regulations of the German Stock Corporation Act, the Supervisory Board also examines the efficacy of the risk management system.

## Methods and objectives of risk management

The risk management system comprises those measures which enable United Internet to identify, classify in terms of money and scenario, steer, and monitor from an early stage all possible risks for the attainment of its corporate objectives with the aid of assessments and early warning systems. The aim of the Group-wide and IT-supported risk management system is to provide maximum transparency for management regarding the actual risk situation, its changes, and the available options for action so that a conscious decision can be taken to accept or avoid such risks. Risks endangering the Company must be avoided as a matter of principle. There is always an established indirect connection to central Group-wide risk management via the regular reporting channels throughout the Group and a direct connection for all major divisions. This ensures the completeness of registered risks in the risk management system.

The current status of the main risks is communicated to the Management Board and Supervisory Board four times per year.

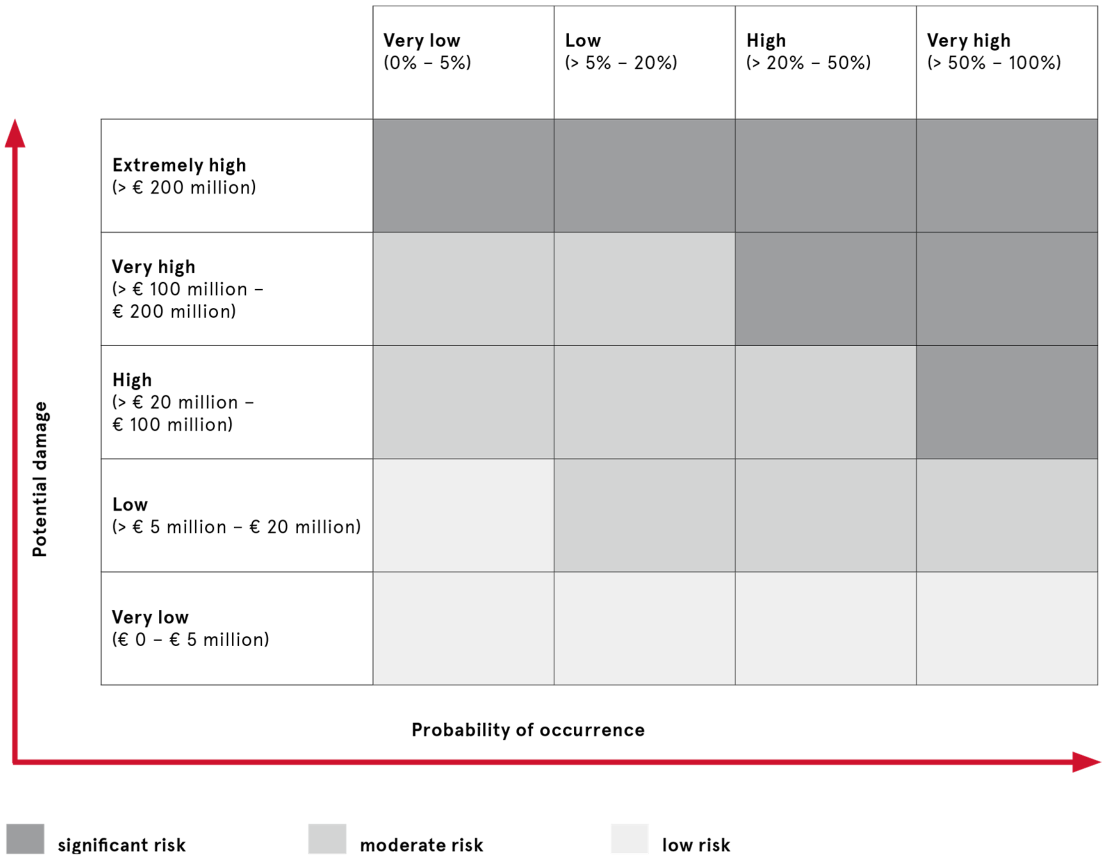
Identified significant risks with an immediate impact and changes in the risk situation trigger an ad-hoc reporting obligation. The respective risk is then communicated immediately to the CFO of United Internet AG, who in turn reports it to the Supervisory Board where necessary. In this way, significant risks can be addressed as quickly as possible.

Risks are assessed with their net impact, i.e., effects from mitigating measures are only considered in the risk assessment after implementation.

## Risks for the United Internet Group

The assessment of the overall risk situation is the result of a consolidated examination of all known material risks. Of the total risks identified for the Group, the following sections describe the main risk categories from the Company's point of view.

The starting point for assessing the materiality of risks is provided by the characteristics "probability of occurrence" and "potential damage". The potential damage comprises the potential loss of revenue, as well as potential external and internal expenses. Based on the combination of probability of occurrence and potential damage, the risks are assigned as follows to one of three risk categories: "significant", "moderate", and "low" risks.




Specific assessments of the Company's Management Board regarding the Group's risk situation, as well as the probability of occurrence, potential damage, and resulting categorization of the risks described below are provided at the end of this Risk Report.

## Strategy

**Shareholdings & investments**
The acquisition and holding of shares in other companies and the making of strategic investments represent a key success factor for United Internet AG. In addition to improved access to existing and new growth markets, as well as to new technologies and know-how, investments also serve to exploit synergy and growth potential. However, these opportunities involve risks. For example, there is a risk that the targeted potential cannot be exploited as forecast or that acquired shareholdings will not develop as expected (non-scheduled write-downs/impairments, disposal losses, absence of dividend, or reduction of hidden reserves).

All investments are therefore subject to a continuous monitoring process by the Investment Management and are supported promptly if required. This risk is largely without relevance for EBITDA as, in the event of an incident, predominantly non-cash-effective impairments are incurred. The value of investments is continuously monitored by management and the Controlling division.

**Business development & innovations**
A further important success factor for United Internet is the development of new and constantly improved products and services in order to enhance sales and earnings, attract new customers, and expand existing customer relationships. There is always a risk, however, that new developments might be launched too late on the market or not be accepted by the target group as expected.

United Internet counters such risks by constantly and closely observing market, product, and competition trends, as well as by undertaking product development which constantly responds to customer feedback.

As part of its efforts to diversify the business model or expand its value chain, United Internet occasionally enters new markets, or upstream and downstream markets. For example, the management board of 1&1 AG, a subsidiary of United Internet AG, decided with the approval of its supervisory board to establish and operate a high-performance 5G mobile network on the basis of the spectrum in the 2 GHz and 3.6 GHz bands it acquired in 2019. By establishing and operating its own network, the Company plans to further expand its value added in mobile communications, to tap new business fields, and to reduce its dependence on procuring wholesale services from other network operators.

1&1 has enlisted in particular the services of the Japanese technology group and acclaimed OpenRAN expert Rakuten as general contractor for the rollout of its mobile communications network. Together with Rakuten, 1&1 will build Europe's first fully virtualized mobile network based on the innovative OpenRAN technology. The use of OpenRAN technology will reduce 1&1's dependence on network equipment suppliers. Nevertheless, there are still risks that the network rollout will not progress at the expected speed. Supply problems for the necessary hardware or delays in the search for sites are potential risks.

In selecting partners for the rollout of its network, 1&1 placed great importance on minimizing such risks. The general contractor and partner for active network technology Rakuten, for example, was the world's first and only network equipment supplier to establish a mobile communications network on the basis of the new OpenRAN technology in Japan. As a result, 1&1 can benefit from the experience and learning curve Rakuten gained during this time. The partners for passive technology are established and leading companies in Europe for radio tower infrastructure, enabling 1&1 to benefit from their existing infrastructure.

Nevertheless, initial delays in the construction of antenna locations already occurred in 2022. These delays were due to supply problems of advance service providers. Delays in network rollout may mean that more advance services have to be procured externally than planned in the period up to completion of the mobile network rollout, which would have a negative impact on value added.

In order to counter this risk appropriately, 1&1 has entered into further partnerships for the acquisition of antenna locations and for its own construction of antenna locations.

**Cooperation & outsourcing**
Some operating divisions of United Internet work together with specialized cooperation and outsourcing partners in certain areas of the Company. The focus here is on objectives such as focusing on the actual core business, reducing costs, or leveraging the expertise of partners. These opportunities also involve risks in the form of dependencies on external service providers, as well as contractual and default risks.

In order to reduce these risks, detailed market analyses and due diligence reviews are carried out before major contracts are concluded with external service providers, and close and cooperative relationships are maintained with the cooperation and outsourcing partners after the contracts have been concluded.

**Organizational structure & decision-making**
The choice of the appropriate organizational structure is essential for the efficiency and success of the Company. In addition to the organizational structure, business success depends to a large extent on making the right decisions. The basis for such decisions can be negatively influenced by various factors, such as limited flexibility offered by existing business processes and structures, or misunderstandings caused by ambiguities in the definition of key figures. If efficiency is jeopardized by one or several factors, this represents a strategic risk for United Internet which should be avoided wherever it makes economic sense.

Due to the high degree of agility within the organization, United Internet considers itself to be generally well positioned in this respect and undertakes a number of measures to standardize and optimize processes, structures, and key figures.

United Internet is not aware of any significant risks in this field at present.

**Personnel development & retention**
Highly skilled and well trained employees form the basis for the economic success of United Internet. In addition to the successful recruitment of qualified personnel (see also the "personnel recruitment" risk), personnel development and the long-term retention of top performers within the Company are strategically important. If the Company fails to develop and retain executives and employees with specialist or technological knowledge, there is the danger that United Internet may not be able to effectively conduct its business and achieve its growth targets. The concentrated accumulation of strategic knowledge and skills (so-called head monopoly) can have a considerable impact on the performance of the Company if the corresponding employee is no longer available.

United Internet counteracts this risk by continuously nurturing employee and management skills. For example, it offers targeted measures for professional development, mentoring and coaching programs, as well as special offers for high potentials geared to talent development and retention and leadership skills.

For further information on topics such as "HR Strategy and HR Organization", "Training and Education", "Diversity and Equal Opportunities", as well as "Occupational Health and Safety", please refer to the chapter "United Internet as an Employer" in the Sustainability Report 2022 of United Internet AG, which will be published in late March 2023 (at https://www.united-internet.de/en/investor-relations/publications/reports.html).

## Market

### Sales market and competition

The markets in which United Internet operates are characterized by strong and sustained competition. Depending on the strategy of the parties involved in the market, different effects may occur which may lead also involve adjustments to the Company's own business models or pricing policy. The entry of new competitors might also jeopardize market shares, growth targets, or margins. In addition, United Internet itself occasionally enters new, additional markets with large competitors. Such an entrepreneurial decision is always associated with new risks.

United Internet attempts to minimize these risks by means of detailed planning based on internal experience and external market studies, as well as by constantly monitoring the market and the competition.

### Procurement market

A gap in the procurement or delivery of resources required for business operations may also lead to bottlenecks or outages at United Internet. This applies both to the purchase of hardware and the purchase of wholesale services. Increases in the price of purchased products and services represent a risk for the targeted margins. Planned positive effects from contractually fixed price adjustment rounds can become a risk for the achievement of the Company's periodic targets due to time delays.

United Internet counters these risks by cooperating with several long-term service providers and suppliers, contractual obligations, and – where it makes economic sense – by expanding its own value chain. Although significant and unforeseeable developments on the procurement market as a result of events such as the Ukraine war cannot be fully offset, they can be countered by taking preventive measures such as rapidly restocking inventories.

### Financial market

United Internet's activities are fundamentally exposed to risks on the financial market. In particular, these include risks from changes in interest rates and exchange rates.

- **Interest**
  The Company is exposed to interest risks as the major share of its borrowing bears variable interest rates with varying terms. As part of its liquidity planning, the Company constantly monitors the various investment possibilities and debt conditions. Any borrowing requirements are met by using suitable instruments to manage liquidity. Surplus cash is invested on the money market to achieve the best possible return. Due to developments on the global finance markets, i.e., adjustments to central bank interest rates around the world, there was a slight increase in the interest rate risk, but at the same time opportunities from more attractive investment options. Market interest rate changes might have an adverse effect on the interest result and are included in our calculation of sensitive factors affecting earnings. In order to present market risks, United Internet has developed a sensitivity analysis which shows the impact of hypothetical changes to relevant risk variables on pre-tax earnings. The reporting period effects are illustrated by applying these hypothetical changes in risk variables to the stock of financial instruments as of the balance sheet date.

- **Currency**
  The currency risk predominantly results from operations (if revenue and/or expenses are in a currency other than the Group's functional currency) and its net investments in foreign subsidiaries.

**Personnel recruitment market**
It is therefore essential that human resources are effectively controlled so that the Company can ensure its short- and long-term needs for staff and the requisite expertise. If United Internet is not able to attract managers and employees with specialist and technological knowledge, it would not be able to effectively conduct its business and achieve its growth targets.

As an attractive employer, the United Internet believes it is well placed to hire highly skilled specialists and managers with the potential to drive its business success in the future. This was confirmed in the past years by the Top Employers Institute, which awarded United Internet the accolade "Top Employer 2022".

For further information on topics such as "HR Strategy and HR Organization", "Training and Education", "Diversity and Equal Opportunities", as well as "Occupational Health and Safety", please refer to the chapter "United Internet as an Employer" in the Sustainability Report 2022 of United Internet AG, which will be published in late March 2023 (at https://www.united-internet.de/en/investor-relations/publications/reports.html).

## Provision of services

**Work processes**
In view of the ever-increasing complexity and interoperability of the products offered, there are steadily growing demands placed on the development of internal work processes. This also involves an ever-higher degree of coordination The particular challenge is to ensure quality standards especially in view of fast-changing market events – and on numerous differing domestic and foreign markets.

The Company counters these risks by continuously developing and enhancing its internal processes, pooling and retaining its experts and key personnel, and continuously optimizing its organizational structures.

**Information security**
United Internet generates its commercial success largely in the telecommunications market and within the environment of the internet. In order to provide products and services, the Company uses information and telecommunication technologies (data centers, transmission systems, connection nodes, etc.) in its business processes which are closely networked with the internet and whose availability may be endangered by threats from the internet.

In order to continue to deal with such risks quickly, the existing monitoring, building access, and alarm system, together with the necessary processes and documentation, is continuously optimized.

There is also the risk of hacker attacks with the aim of stealing or deleting customer data, or using services fraudulently. In the fiscal year 2022, an increasing professionalization of the attackers and their attack methods was observed once again. According to the German Federal Office for Information Security (BSI), the number of new detected malicious program variants increased by around 116.6 million in the period June 1, 2021 to May 31, 2022. According to the BSI, there were no apparent attack campaigns targeting Germany in connection with the war in Ukraine – unlike the situation for NATO as a whole.

United Internet counters this risk with the aid of virus scanners, firewalling concepts, self-initiated tests, and various technical monitoring mechanisms.

The threat potential of the internet is one of the largest threat groups for United Internet with regard to its effects, which are all monitored and reduced by numerous technical and organizational measures. Of particular relevance in this respect are the operation and continuous improvement of the security management system and the steady enhancement of system resilience.

**Capacity bottlenecks**
Due to temporary or permanent shortages of technical resources, e.g., due to the temporary overloading of systems or a lack of resources to operate data centers, existing capacities might be exceeded and consequently the planned provision of services could be jeopardized, threatening a corresponding loss of sales. Risks from the procurement of resources, such as products or services on the market, are not taken into account here.

In order to counter these risks, several internal stores are maintained which are continuously adapted to delivery times on the global market. In addition, the Company is in close contact with energy suppliers, for example, in order to coordinate emergency concepts regarding the data centers. In the case of outages, these can be compensated for at short notice by implementing the aforementioned measures.

**Projects**
The classic project objectives of quality, time, and budget are defined before or at the start of a project and are thus the subject of entrepreneurial planning. If potential risks already become apparent in the course of planning or project design or if negative deviations from these plans become apparent in the course of a project's implementation, these are recorded as risks. Moreover, projects may also involve risks that do not affect the project itself but arise after the project has been completed (e.g., security vulnerabilities in new software code).

Active project management ensures that risk-reducing measures are already implemented during the project. In addition to maintaining the current professional project management, the Company reduces the aforementioned risks by holding regular specialist project management training courses, in order to improve such aspects as security or data privacy requirements. Project objectives are also closely monitored by management and the Controlling division

**Technical plant operation**
United Internet's products and related business processes are based on a complex technical infrastructure and a number of success-critical software systems (servers, customer relationship databases, and statistics systems, etc.). Constantly adapting this infrastructure to changing customer needs leads to greater complexity and regular changes. In addition to major events, like the migration of databases, this may lead to various disruptions or defects. Should this affect our business systems or their databases, for example, daily account debiting may be delayed or no longer possible. Should this affect our performance systems, for example, United Internet may not be able to provide its customers with the promised service, on a temporary or longer-term basis.

The Company meets these risks by making targeted adjustments to the architecture, introducing quality assurance measures, and establishing spatially separated (geo-redundant) core functionalities.

For the operation of systems, there is a risk of targeted attacks from inside and outside the Company, e.g., from hackers or manipulation by staff with access rights, which may result in non-availability or a deterioration of services.

In order to counter this risk, the Company takes a wide variety of software- and hardware-based safety precautions to protect the infrastructure and its availability. By dividing responsibilities, the Company has made sure that activities or business transactions involving risks are not carried out by single employees but on the basis of the "double-check principle". Manual and technical access restrictions also ensure that employees may only operate within their particular area of responsibility. As an additional precautionary measure against data loss, all data are regularly backed up and stored in separate, i.e., geo-redundant, data centers.

## Compliance

**Data privacy**
It can never be fully ruled out that data privacy regulations may be contravened, e.g., by human error or technical weaknesses. In such cases, United Internet faces fines and the loss of customer confidence.

United Internet stores the data of its customers on servers according to international security standards at its own and at rented data centers. The handling of these data is subject to extensive legal regulations.

The Company is aware of this great responsibility and attaches a high degree of importance and care to data privacy. By using state-of-the-art technologies, continuously monitoring all data-privacy and other legal regulations, providing extensive staff training on data protection regulations, and involving data protection aspects and requirements as early as possible in product development, United Internet continuously invests in improving the standard of its data privacy.

The new rules of the EU General Data Protection Regulation (GDPR) came into force in May 2018. Due to increased sanctions for breaches of duty, data protection risks have increased. In addition to higher sanctions, GDPR also includes new regulations regarding consent declarations, as well as new obligations for reporting to authorities and those affected in the case of data loss. With the Telecommunications Telemedia Data Protection Act ("Telekommunikation-Telemedien-Datenschutz-Gesetz" - TTDSG), the data protection regulations of the Telecommunications Act ("Telekommunikationsgesetz" - TKG) and Telemedia Act ("Telemediengesetz" - TMG) have been transferred to a separate law as of December 1, 2021.

**Misconduct & irregularities**
Non-compliance or non-observance of social norms, trends, and peculiarities can lead to misconduct and wrong decisions and thus to a loss of revenue. As an internationally operating company, United Internet also faces the challenge of countering such negative factors through adequate management in the area of internal processes and procedures. Not every decision or business practice that is unobjectionable from a legal point of view is also acceptable in the respective cultural, ethical, or social context.

United Internet counters the risks arising from misconduct and breaches of rules with its "culture of togetherness", the provision of a Code of Conduct, country-specific management, and compliance as an integral part of corporate culture.

**Legislation & regulation**
Changes in existing legislation, the enactment of new laws, and changes in government regulation issues may have unexpected negative effects on the business models pursued by United Internet and their further development. The decisions of the Federal Network Agency and the Federal Cartel Office have an influence on network access and the pricing of internet access tariffs. Price increases of network providers from whom United Internet purchases pre-services for its own customers can have a negative impact on the profitability of tariffs. In the same way, there is also the possibility that a lack of regulation may lead to a deterioration of market circumstances for United Internet.

1&1's frequency acquisition in 2019 was tied to the fulfillment of certain regulatory requirements. Among other things, 1&1 was obliged to put 1,000 5G base stations into operation by the end of 2022, distributed proportionately across Germany's federal states. Due to delivery difficulties of the upstream providers commissioned by 1&1 to provide the antenna locations, 1&1 had fallen well short of this target by the end of 2022. Compliance with the frequency requirements is closely monitored by the Federal Network Agency. Non-compliance may result in a fine and, in the worst case, the revocation of frequency usage rights. As a result of the failure to meet the rollout target by the end of 2022, the Federal Network Agency is currently considering a corresponding sanction in the form of a fine. Moreover, there are requirements that the mobile communications network must cover 25 percent of households by 2025 and 50 percent by 2030. Failure to meet these targets could also result in fines or, in the worst case, the withdrawal of frequencies.

In the fiscal year 2022, "fair consumer contracts" came into force with a stronger focus on customer protection for electronic communications. Violations of these regulations may result in fines. As a result, the products and services offered by the United Internet Group were adapted with regard to the new legislation and requested features, such as a "contract  termination button", were added.

United Internet attempts to counter this tendency toward an increasing regulation risk by cooperating with various pre-service providers and by actively participating in the activities of industry associations.

**Litigation**
United Internet is currently involved in various legal disputes and arbitration proceedings arising from its normal business activities. The outcome is by definition uncertain and thus represents a risk. Insofar as the size of the obligation can be reliably estimated, accruals are formed for such risks from litigation, where permissible.

The United Internet Group is currently involved in various legal disputes and arbitration proceedings arising from its normal business activities. In 2019, an advance service provider filed claims against 1&1 in the low three-digit million range (for the purposes of internal classification, amounts of up to € 333 million are defined as being in the low three-digit million range, and the claims filed do not exceed this amount in total). 1&1 considers the claims of the respective counterparty to be unfounded and regards an outflow of resources as unlikely. The outcome is by definition uncertain and thus represents a risk. Insofar as the size of the obligation can be reliably estimated, accruals are formed for such risks from litigation.

**Tax risks**
As an internationally operating company, United Internet is subject to the tax laws applicable in the respective countries. Risks may arise from changes in tax laws and double taxation agreements, or case law, as well as from differences in the interpretation of existing regulations.

United Internet counters these risks by continuously expanding its existing tax management system.

## Finance

**Financing**
The main financial liabilities incurred by United Internet AG for the financing of its activities include bank loans, overdraft facilities, and other financial liabilities. United Internet AG holds various financial assets which result directly from its business activities. They consist mainly of shares in affiliated companies and investments, as well as receivables from affiliated companies. As of the balance sheet date, the Company almost exclusively held primary financial instruments.

The aim of financial risk management is to limit risks through ongoing operating and financial activities.

**Fraud & credit default**
In order to meet the requirements of dynamic customer growth and provide services as quickly as possible in the interests of its customers, United Internet has largely automated its order and provision processes – as have many other companies in such mass market businesses. The nature of such automated processes provides possibilities for attacks from fraudsters. Due to the strong appeal of the products and services offered, not only the number of customers is increasing but also the number of non-payers and fraudsters. Consequently, the amount of credit default has risen.

United Internet attempts to prevent such fraud attacks – or at least to recognize and end them at an early stage – by permanently expanding its fraud management capabilities, working closely with pre-service providers, and taking account of such risks in the design of its products.

**Liquidity**
The general liquidity risk of United Internet AG consists of the possibility that the Company may not be able to meet its financial obligations, such as the redemption of financial debts. The Company's objective is to continuously cover its financial needs and secure flexibility, for example by using overdraft facilities and loans.

Group-wide cash requirements and surpluses are managed centrally by the cash management system. By netting these cash requirements and surpluses within the Group, the amount of external bank transactions can be minimized. This is managed, e.g., by using cash pooling processes. The Company has established standardized processes and systems to manage its bank accounts and internal netting accounts, as well as for the execution of automated payment transactions. In addition to operating liquidity, United Internet AG also holds other liquidity reserves, which are available at short notice.

## Acts of God

External events such as natural disasters (earthquakes, floods, tsunamis, etc.), personnel crises (pandemics, strikes, etc.), infrastructure crises (power outages, road damage, etc.), or violent incidents (rampage, terrorist attacks, war, etc.) may affect United Internet's operations.

United Internet counters these risks as far as possible with a variety of measures. Examples include the establishment of building access restrictions, the operation of georedundant data centers, or hygiene precautions, location-independent workplaces, the use of modern communication media to avoid travel, and the elaboration of emergency concepts.

The latter has become more important as a result of the Ukraine war. The United Internet Group has taken this as an opportunity to revise its existing security measures and concepts and, if necessary, to adapt them to the higher threat levels.

## Additional disclosures on risks, financial instruments, and financial risk management

Further details on risks, financial instruments, and financial risk management are provided in note 43 "Objectives and methods of financial risk management" in the Notes to the Consolidated Financial Statements.

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

The assessment of the overall level of risk is based on a consolidated view of all significant risk fields and individual risks, also taking account of their interdependencies.

- From the current perspective, the main challenges are the risk fields "Legislation & regulation", "Litigation", "Information security", and "Technical plant operation".

- For the risk field "Technical plant operation", the risk assessment was changed from Moderate to Significant to take account of the increased risks, e.g., from hacker attacks.

- The risk assessment of the risk field "Cooperation & outsourcing" rose from Low to Moderate due to the general development of business.

- There was also an increase in the risk field "Misconduct & irregularities" from Low to Moderate. The reason for this increase is enhanced risk awareness, which has led to an increased identification of risks in this field.

- Otherwise, the risk classifications of the risk fields of United Internet AG as at December 31, 2022 were unchanged from December 31, 2021.

The continuous expansion of its risk management system enables the United Internet Group to limit risks to a minimum, where economically sensible, by implementing specific measures.

There was a slight year-on-year decrease in the overall risk. In the overall risk assessment, decreases in the expected damage extent of individual risks resulted in a lower overall risk. Increased risks in the areas of technical plant operation, cooperation & outsourcing, and misconduct & irregularities were more than offset by the decrease in individual risks in other risk categories. The main drivers are lower individual risks in the risk categories Acts of God (in particular the SARS-CoV-2 virus) as well as litigation and fraud & credit default.

In the assessment of the overall risk situation, the existing opportunities in the United Internet Group were not taken into consideration. There were no risks which directly jeopardized the continued existence of the United Internet Group in the fiscal year 2022, nor as of the preparation date for this Management Report, neither from individual risk positions nor from the overall risk situation.

**Probability of occurrence, potential damage, and the classification of risks from the Group's perspective and their relevance for the various segments/divisions:**

| | Main segment relevance | Probability of occurrence | Potential damage | Risk classification | Change over previous year |
|---|---|---|---|---|---|
| **Risks in the field of "Strategy"** | | | | | |
| Shareholdings & investments | Corporate | Low | Low | Moderate | → |
| Business development & innovations | Consumer Access | High | High | Moderate | → |
| Cooperation & outsourcing | Business Applications | Low | Low | Moderate | ↗ |
| Organizational structure & decision-making | Currently no significant risks | | | Low | → |
| Personnel development & retention | Business Applications | High | Low | Moderate | → |
| **Risks in the field of "Market"** | | | | | |
| Sales market & competition | Business Applications | Low | High | Moderate | → |
| Procurement market | Business Access | Low | High | Moderate | → |
| Financial market | Business Applications | Very high | Very low | Low | → |
| Personnel recruitment | Business Access<br>Business Applications | High | Very low | Low | → |
| **Risks in the field of "Service Provision"** | | | | | |
| Work processes | Business Applications | Low | Low | Moderate | → |
| Information security | Business Applications | Very low | Extremely high | Significant | → |
| Capacity bottlenecks | Business Applications | Low | Very low | Low | → |
| Projects | Consumer Access | Low | High | Moderate | → |
| Technical plant operation | Business Applications<br>Corporate | Very low | Extremely high | Significant | ↗ |
| **Risks in the field of "Compliance"** | | | | | |
| Data privacy | Consumer Applications | Low | High | Moderate | → |
| Misconduct & irregularities | Business Applications | Low | Low | Moderate | ↗ |
| Legislation & regulation | Consumer Access | Low | Extremely high | Significant | → |
| Litigation | Consumer Access | Low | Extremely high | Significant | → |
| Tax risks | Business Applications | High | Very low | Low | → |
| **Risks in the field of "Finance"** | | | | | |
| Financing | Business Applications | Very low | Low | Low | → |
| Fraud & credit default | Consumer Access<br>Business Applications | Very high | Low | Moderate | → |
| Liquidity | Business Applications | High | Very low | Low | → |
| **Risks in the field of "Acts of God"** | | | | | |
| Acts of God | Business Access<br>Business Applications | Very low | High | Moderate | → |

**Legend:** ↘ improved → unchanged ↗ worsened

# 4.2 Opportunity report

## Opportunity management

Opportunity management is based on strategic planning and the resulting measures for the development of products and their positioning for various target groups, markets, and countries during the product life cycle.

The Group Management Board, as well as the operative management level of the respective business segments, have the direct responsibility for the early and continuous identification, assessment, and steering of opportunities.

The management team of United Internet AG makes extensive use of detailed evaluations, models, and scenarios on current and future trends regarding sectors, technologies, products, markets/market potential, and competitors in the Group's fields of activity. The potential opportunities identified during these strategic analyses are then examined with regard to the critical success factors and existing external conditions and possibilities of United Internet AG in planning discussions between the Management Board, Supervisory Board, and operational managers before being implemented in the form of specific measures, targets, and milestones.

The progress and success of these measures is continuously monitored by operational management, as well as the managing directors and management board members of the respective companies.

## Opportunities for United Internet

United Internet's stable and largely non-cyclical business model ensures predictable revenues and cash flows, thus providing the financial flexibility to grasp opportunities in new business fields and markets – organically or via investments and acquisitions.

### Broad strategic positioning in growth markets

In view of its broad positioning in current growth markets, the Company's purely strategic growth opportunities are clearly apparent: universally accessible, permanently available, and increasingly powerful broadband connections are enabling new and more sophisticated cloud applications. From the current perspective, these internet-based programs for home users, freelancers, and small companies are likely to be United Internet's growth drivers over the coming years – both as stand-alone products in the Consumer Applications and Business Applications segments, as well as in combination with landline and mobile access products in our Consumer Access segment.

### Participation in market growth

Despite the uncertain macroeconomic conditions, United Internet – as well as many of the sector's leading analysts – expects further progress in those markets of importance to the Company. United Internet is one of the leading players in these markets. At home and abroad. With its highly competitive Access products, its growing portfolio of cloud applications, its strong and specialized brands, its high sales strength, and already established business relationships with millions of private and business customers (cross-selling and up-selling potential), United Internet is also well positioned to participate in the expected market growth of both its business divisions.

## Expansion of market positions

United Internet AG is now one of the leaders in many of its business fields. Based on its existing technological know-how, its high level of product and service quality, the widespread popularity of Group brands such as 1&1, GMX or WEB.DE, its business relationships with millions of private and business customers, and its high customer retention ratio, United Internet sees good opportunities to build on its current market shares.

## Entry into new business fields

One of United Internet's core competencies is to recognize customer wishes, trends, and thus new markets at an early stage. With its broadly based value chain (from product development and data center operation, to effective marketing, powerful sales organization, and active customer support), United Internet is often faster at placing innovations on the market and – thanks to the high level of cash generation in its existing business fields – capable of providing them with strong marketing support.

When new opportunities appear on the horizon, United Internet is well prepared and also capable of financing many years of cost-intensive preparation thanks to its strong cash generation in existing business fields.

In 2018, for example, United Internet established the European netID Foundation (EnID) together with the media group RTL Germany and ProSiebenSat.1. The initiative's goal is to establish a European alternative to US providers with the single sign-on product netID. The Foundation has developed an open standard that enables users to access all partner websites of the European netID Foundation using the same login data. The Foundation reviews all standards, partners, and providers of user accounts within the initiative. With the open login standard netID, the Foundation focuses on the data sovereignty of each individual user. With the aid of netID, users can organize their consent to the use of online services via a privacy center which guarantees transparency and compliance with data protection regulations. netID is available to GMX and WEB.DE customers, as well as to customers of other netID partners, with the same log-in data. New users can create a netID account free of charge by using a combination of e-mail address and password. As part of the development of NetID, the United Internet brands GMX and WEB.DE have greatly reduced their ad space on the respective portals and at the same time are driving the expansion of data-driven business models for better advertising monetization.

## Own landline infrastructure

Since its acquisition of 1&1 Versatel (2014), United Internet operates its own telecommunications network. With a length of over 55,000 km, it is one of Germany's largest fiber-optic networks. This network infrastructure gives United Internet the opportunity to extend its vertical integration and also gradually reduce its purchases of wholesale broadband services.

In addition, having its own network also offers United Internet the opportunity to systematically expand its B2B data and infrastructure business with SMEs and large corporations. The scale of this opportunity is underlined by the considerable pent-up demand for direct fiber-optic connections in Germany. According to the latest survey of the OECD (Organization for Economic Co-operation and Development) in December 2021, only 7.1% (end of 2020: 5.7%) of all broadband connections in Germany are fiber-optic connections. Germany still lags well behind in 34$^{th}$ place among the 38 OECD countries surveyed, and is also well below the OECD leaders Korea (86.6%), Japan (83.3%), and Spain (78.9%), as well as below the OECD average of 34.9% (end of 2020: 30.5%).

## Access to Telefónica mobile network

Following the merger with Drillisch (2017), United Internet – indirectly via 1&1 – is the only MBA MVNO in Germany with a long-term claim to a specific share (rising to 30%) of the used network capacity of Telefónica Germany, and thus has extensive access to one of Germany's largest mobile networks. As a result, United Internet has contractually assured, unrestricted access not only to LTE (4G), but also to all further future technologies such as 5G. This will not fundamentally change after the switch to national roaming. When the 1&1 mobile network goes live, all new 1&1 customers and all existing customers who have migrated to the 1&1 network will have access to 1&1's 5G network and, in areas that have not yet been rolled out, will automatically receive non-discriminatory access to Telefónica Germany's mobile network via national roaming. From January 1, 2026, restrictions on access to Telefónica's 4G national roaming network will apply in certain urban areas to be covered by 1&1's 5G network by then.

## Rollout of own mobile communications network

As part of the planned rollout of its powerful 5G mobile communications network – and following its successful bid for two frequency blocks of 2 x 5 MHz in the 2 GHz band and five frequency blocks of 10 MHz in the 3.6 GHz band during the 5G spectrum auction in 2019 – 1&1 concluded long-term agreements in the fiscal years 2021 and 2022 and now has all key prerequisites in place to drive forward the rollout of the 1&1 mobile network and thus extend its added value in this market – as in the landline market. Operations of the 1&1 mobile network were launched on December 28, 2022 with "1&1 5G at home" – a product that replaces the conventional DSL, cable internet, or fiber-optic house connections. Smartphone tariffs are set to follow in 2023, together with the scheduled provision of national roaming by Telefónica. National roaming is a standard procedure used in the rollout of new mobile networks that enables customers to surf and make calls without interruption in areas not yet covered during the construction phase of the new network. This is achieved by automatically using the roaming partner's antennas in these areas.

Despite the current delay in the rollout of antenna locations, 1&1 is still pursuing its goal of covering at least 50 percent of households before 2030. To this end, additional partners have been acquired for network expansion. The company therefore expects to make up for the delays in the course of the rollout phase. In addition, 1&1 has filed a complaint with the German Federal Cartel Office concerning a competitor's obstruction of the network rollout.

## High degree of vertical integration for applications

In its Applications segment, United Internet covers the entire value creation chain. Applications are developed at the Company's own "Internet Factories" or in cooperation with partner firms and operated on over 100,000 servers at the Company's 11 own data centers and 21 co-locations. This enables United Internet to maintain high quality standards and to respond quickly to customer needs and changing market situations in order to win new customers and retain existing ones.

## Internationalization

Cloud applications can be used anywhere in the world and work on the same principle in Frankfurt as they do in London, Rome, or New York. In the past, United Internet has already successfully adapted cloud products many times to various languages and country-specific features and gradually rolled them out in different nations.

Thanks to the high degree of exportability which these products offer, United Internet is already active in its Applications segment in numerous European countries (Germany, France, the UK, Italy, Spain, Portugal, the Netherlands, Austria, Poland, Hungary, Romania, Bulgaria, the Czech Republic, Slovakia and Sweden), as well as in North America (USA, Canada, and Mexico). Further countries and product rollouts will gradually follow.

### Acquisitions and investments

In addition to organic growth, United Internet also constantly examines the possibility of company acquisitions and strategic investments. Thanks to its high and plannable level of free cash flow, United Internet also has a strong source of internal funding and good access to debt financing markets in order to utilize opportunities in the form of acquisitions and investments.

United Internet has enhanced its market standing in Germany and abroad, for example, by making several acquisitions and strategic investments while gaining considerable expertise in the field of mergers and acquisitions (M&A) and company integration.

The most important M&A activities of the past include the acquisition of WEB.DE's portal business (in 2005), the acquisitions of Fasthosts (2006) and united-domains (2008), the acquisition of freenet's broadband business (2009), and the acquisitions of mail.com (2010), Arsys (2013), Versatel (2014; now 1&1 Versatel), home.pl (2015), STRATO (2017), ProfitBricks (2017; now IONOS Cloud), Drillisch (2017; now 1&1), World4You (2018), and we22 (2021). The most important strategic investments include the investments in Open-Xchange (2013), uberall (2014), Tele Columbus (2016), rankingCoach (2017), AWIN (2017; via the contribution of affilinet), and Stackable (2021).

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

In view of its broad positioning in current growth markets, the Company's growth opportunities are clearly apparent: universally accessible, permanently available, and increasingly powerful broadband connections are enabling new and more sophisticated cloud applications. From the current perspective, these internet-based programs for home users, freelancers, and small companies are likely to be United Internet's growth drivers over the coming years – both as stand-alone products in the Consumer Applications and Business Applications segments, as well as in combination with landline and mobile access products in the Consumer Access segment. Based predominantly on electronic subscriptions with fixed monthly amounts and contractually agreed terms, United Internet's business model ensures stable and plannable revenue and cash flows. Against this backdrop, the Company's Management Board is convinced that it will continue to be in a position to deal successfully with challenges and seize opportunities.

# 4.3 Forecast report

## Expectations for the economy

In its global economic outlook published on January 30, 2023, the International Monetary Fund (IMF) updated its forecasts for the development of the global economies in 2023 and 2024. The IMF expects the **global economy** to withstand the impact of the Russian war of aggression in Ukraine and persistently high inflation somewhat better than initially feared. Nevertheless, in its global economic outlook for 2023, the Fund forecasts global growth of just 2.9% (compared with 3.4% in 2022), but regards the prospects as "less gloomy" than in October 2022. It does not therefore expect the global economy to slide into recession in 2023 – an option that the economists had not ruled out in the fall. For 2024, the IMF forecasts global economic growth of 3.1%.

However, the IMF report also lists a number of risks that would result in a deterioration of the economic situation: a further intensification of the coronavirus situation in China, an escalation of the Russian war of aggression and a debt crisis due to tight central bank monetary policy.

The latest IMF forecasts for United Internet's target markets in North America (the USA, Canada, and Mexico) are as follows: the **US economy** is expected to grow by 1.4% in 2023 and 1.0% in 2024 (after 2.0% in 2022); in **Canada**, economic growth of 1.5% is anticipated for both 2023 and 2024 (after 3.5% in 2022); and the economy in **Mexico** is expected to grow by 1.7% in 2023 and 1.6% in 2024 (after 3.1% in 2022).

The IMF anticipates growth of 0.7% and 1.6% in the **eurozone** for 2023 and 2024 (after 3.5% in 2022).

Likewise, the IMF expects no more than minor economic growth in United Internet's main European markets (France, Spain, and Italy): the economists anticipate growth of 0.7% in 2023 and 1.6% in 2024 for **France** (after 2.6% in 2022); growth in **Spain** is expected to reach 1.1% and 2.4% in 2023 and 2024 (after 5.2% in 2022); and for **Italy**, the IMF forecasts growth of 0.6% and 0.9% in 2023 and 2024 (after 3.9% in 2022).

For the non-EU country the **UK**, the IMF expects a recession of-0.6% in 2023 and growth of 0.9% in 2024 (after 4.1% in 2022).

For United Internet's most important market, **Germany**, the IMF forecasts economic growth of 0.1% in 2023 and 1.4% in 2024 (after 1.9% in 2022). With expected growth of 0.1% and 1.4% for 2023 and 2024, the Fund is slightly below the German government's own forecast of 0.2% growth in price-adjusted GDP in 2023 and 1.8% in 2024, as published in its Annual Economic Report 2023 on January 25, 2023.

The German government is thus slightly more upbeat in its assessment of the economic situation than it was just a few months ago and now expects slight growth in 2023 rather than a recession. According to the German government, the main reason for this modest upgrade in its forecast is the resilience of the German economy, which has proved stable despite supply chain bottlenecks, sanctions against Russia, and the suspension of Russian gas supplies.

**Market forecast: GDP development of most important economies for United Internet**

| | 2024e | 2023e | 2022 |
|---|---|---|---|
| World | 3.1% | 2.9% | 3.4% |
| USA | 1.0% | 1.4% | 2.0% |
| Canada | 1.5% | 1.5% | 3.5% |
| Mexico | 1.6% | 1.7% | 3.1% |
| Eurozone | 1.6% | 0.7% | 3.5% |
| France | 1.6% | 0.7% | 2.6% |
| Spain | 2.4% | 1.1% | 5.2% |
| Italy | 0.9% | 0.6% | 3.9% |
| UK | 0.9% | -0.6% | 4.1% |
| Germany | 1.4% | 0.1% | 1.9% |

Source: International Monetary Fund, World Economic Outlook (Update), January 2023

# Sector/market expectations

Despite the challenges posed by war, supply bottlenecks, inflation and the shortage of skilled workers, the industry association Bitkom expects the **German ICT market** as a whole to grow by 3.8% (prior year: 4.0%) to € 203.4 billion in 2023 – thus passing the 200-billion-euro-mark for the first time.

As in the previous year, the **IT market** is expected to grow at an above-average rate in 2023 and will continue to increase its importance as the largest segment of the sector. According to Bitkom calculations, sales will grow by 6.3% (prior year: 6.6%) to € 126.4 billion in 2023. Driven in particular by its cloud business, software is likely to be the fastest-growing segment again with a strong increase of 9.3% (prior year: 9.4%) to € 38.8 billion. Sales of IT hardware are also expected to increase significantly by 5.3% (prior year: 5.4%) to € 39.7 billion. Stable growth of 4.7% (prior year: 5.5%) to € 47.8 billion is expected for the IT services business, which also includes IT consulting.

By contrast, the **consumer electronics** market will remain under pressure. According to a Bitkom forecast, sales are set to decline again in 2023 by an estimated -7.3% (prior year: -8.2%) to € 7.6 billion.

The most important ICT markets for United Internet's business model are the German telecommunications market (broadband connections and mobile internet) for its mostly subscription-financed Access division, and the global cloud computing and German online advertising markets for its subscription- and ad-financed Applications division.

## Telecommunications market in Germany

The industry association Bitkom expects that the moderate growth of the previous year will continue for the German telecommunications market. In 2023, the market as a whole is expected to grow by 0.9% (prior year: 1.3%) to € 69.5 billion. The strongest growth in this segment is expected to come from spending on telecommunications infrastructure, which is set to increase by 2.5% (prior year: 7.3%) to € 7.7 billion. Sales of end-user devices such as smartphones are likely to grow by 2.3% (prior year: 1.8%) to € 12.1 billion thanks to rising demand for high-quality devices in the premium segment and devices with 5G capabilities. By contrast, business with telecommunications services is stagnating, with sales of € 49.7 billion according to Bitkom calculations – corresponding to minimal growth of 0.1% (prior year: 0.3%). According to Bitkom estimates, sales of telecommunications services are unlikely to grow at present – despite higher bandwidths, more data volumes and rising usage – in view of the current fierce price competition.

**Market forecast: telecommunications market in Germany**

| in € billion | 2023e | 2022 | Change |
|---|---|---|---|
| Sales | 69.5 | 68.9 | + 0.9% |

Source: Bitkom, January 2023

## Global cloud computing market

Following the very strong growth of 2022 (18.8%), Gartner forecasts global growth for public cloud services of 20.7% from USD 490.33 billion to USD 591.79 billion in 2023.

**Market forecast: global cloud computing**

| in $ billion | 2023e | 2022 | Change |
|---|---|---|---|
| Global sales of public cloud services | 591.79 | 490.33 | + 20.7% |
| thereof Application Infrastructure Services (PaaS) | 136.41 | 110.68 | + 23.2% |
| thereof Application Services (SaaS) | 195.21 | 167.11 | + 16.8% |
| thereof Business Process Services (BPaaS) | 65.15 | 60.13 | + 8.3% |
| thereof Desktop as a Service (DaaS) | 3.10 | 2.54 | + 22.0% |
| thereof Management and Security Services | 41.68 | 34.14 | + 22.1% |
| thereof System Infrastructure Services (IaaS) | 150.25 | 115.74 | + 29.8% |

Source: Gartner, Public Cloud Services, Worldwide, 2020-2026, 3Q22 Update, October 2022

## Online advertising market in Germany

After a 12.0% increase in online advertising in 2022, PricewaterhouseCoopers expects further growth in 2023 with an increase in total market volume (mobile advertising and desktop advertising) of 8.2% to € 14.53 billion.

**Market forecast: total online advertising market in Germany (mobile advertising & desktop advertising) – acc. to PwC**

| in € billion | 2023e | 2022 | Change |
|---|---|---|---|
| Online advertising revenues | 14.53 | 13.43 | + 8.2% |

Source: PricewaterhouseCoopers, German Entertainment and Media Outlook 2022 – 2026, August 2022

# Expectations for the Company in 2023

## Forecast for the fiscal year 2023

- United Internet AG expects an increase in consolidated sales to approx. € 6.2 billion for its fiscal year 2023 (prior year: € 5.915 billion).

- Operating EBITDA 2023 is likely to be on a par with the previous year (prior year: € 1.272 billion). EBITDA includes approx. € -120 million (prior year: € -52 million) for the rollout of 1&1's mobile network.

Due in particular to the network rollout and the expansion of the fiber-optic network to connect the 5G antennas and provide coverage in additional expansion areas, capital expenditures (excluding possible M&A transactions) are expected to increase to approx.€ 800 million (prior year: € 681 million).

Due to its role as a holding company, the earnings of United Internet AG at **parent company level** are mainly influenced by its investment result (profit transfers and dividends) and the interest result. From the current perspective (subject to possible special items), the Management Board expects net income for fiscal year 2023 to be in the mid-double-digit million range (prior year: € 120.7 million). This is due in part to the (same-period) recognition in fiscal year 2022 of the 1&1 AG dividend for 2022, as well as increased interest rates.

United Internet AG intends to maintain its shareholder-friendly **dividend policy** based on continuity in the coming years. Dividend payouts will continue to represent approx. 20-40% of adjusted net income from continued operations after minority interests (adjusted net income attributable to "shareholders of United Internet AG" – according to the consolidated statement of comprehensive income) in the future. The prerequisite is that funds are not required for further Company development.

## Management Board's overall statement on the anticipated development

The Management Board of United Internet AG is upbeat about its prospects for the future. Thanks to a business model based predominantly on electronic subscriptions, United Internet believes it is largely stable enough to withstand cyclical influences. And with the investments made over the past few years in customer relationships, new business fields and further internationalization, as well as via acquisitions and investments, the Company has laid a broad foundation for further growth.

United Internet will continue to pursue this sustainable business policy in the coming years. In addition to the above mentioned investments in future-oriented topics in of 1&1 and 1&1 Versatel, the segments will focus on the following topics.

- In addition to the construction of the Group's own 5G mobile communications network, the Consumer Access segment will focus in particular on marketing mobile internet products and winning high-quality customer relationships in the fiscal year 2023.

- In the Business Access segment, the Company's own fiber-optic network is to be expanded in 2023 with the connection of further locations. In addition, the business customer and wholesale business will continue to be developed.

- In fiscal year 2023, the key topics in the Consumer Applications segment will again be the further expansion of data-driven business models and a focus on fee-based premium products.

- As well as raising brand awareness, the Business Applications segment will continue to focus on expanding business with existing customers and gaining new high-quality customer relationships in 2023. In addition, the segment will expand its cloud business in particular.

Following a successful start to the year (at the time of preparing this Management Report), the Company's Management Board believes that the Company is on track to reach the forecast presented above in the section "Forecast for the fiscal year 2023".

**Forward-looking statements**
This Management Report contains forward-looking statements based on current expectations, assumptions, and projections of the Management Board of United Internet AG and currently available information. These forward-looking statements are subject to various risks and uncertainties and are based upon expectations, assumptions, and projections that may not prove to be accurate. United Internet AG does not guarantee that these forward-looking statements will prove to be accurate and does not accept any obligation, nor have the intention, to adjust or update the forward-looking statements contained in this report.

# 5. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

*The German Corporate Governance Code (the "Code") recommends disclosures on the internal control and risk management system. These go beyond the statutory requirements for the management report and are not included in the auditor's review of the content of the management report ("non-management report-related disclosures"). In chapter 5 "Internal control and risk management system", they are thematically assigned to the main elements of the internal control and risk management system and are separated from the disclosures to be audited by separate paragraphs and marked accordingly as "unaudited".*

## Internal control system (unaudited)

The internal control system (ICS) of United Internet AG covers the entire organization and serves to maintain the functionality and efficiency of business processes, the reliability of operational information, the safeguarding of assets, and compliance with regulations. To this end, the controls carried out include adherence to planned processes, the "four-eye principle", and the separation of functions. The controls are defined on the basis of uniform categorizations for each process and are carried out both centrally in some cases and decentrally throughout the Group. Defined processes, which involve those responsible in the specialist areas as well as process experts, ensure that process and organizational risks are countered in a preventive manner. Together and in cooperation with Risk Management, all units of the Group assess if there are any organizational and process risks and whether these could have an impact on the ICS. The ICS is regularly enhanced, also with the involvement of experts. Monitoring is based on the three pillars of Risk Management, Corporate Audit and external auditors. Corporate Audit evaluates and improves governance processes and risk management and also assesses the appropriateness and effectiveness of the ICS by conducting regular spot checks.

## Accounting-related internal control and risk management system

In accordance with section 289 (4) and section 315 (4) German Commercial Code (HGB), United Internet AG is obliged to describe the main features of its accounting-related internal control and risk management system in its Management Report.

United Internet AG regards risk management as part of its internal control system (ICS). The ICS is understood as an ongoing process comprising organizational, controlling, and monitoring structures to ensure permanent compliance with legal and corporate requirements.

The Management Board of United Internet AG is responsible for the scope and structure of its ICS and takes account of the Company's specific requirements. The monitoring of the ICS's effectiveness is one of the duties of the Supervisory Board of United Internet AG, which is regularly informed by the Management Board about the status of the ICS and the findings of the Company's Internal Audit system. Within the United Internet Group, the Corporate Audit department is responsible for independently auditing the appropriateness, effectiveness, and functionality of the ICS and has been granted extensive rights with regard to information, examination, and access in order to exercise its duties. Its audits are based on a risk-oriented audit plan which also includes regular audits of subsidiaries. In addition, the Corporate Audit department conducts fundamental audits regarding the proper functioning of important asset and inventory stock-taking. In addition, those areas of ICS of relevance for financial reporting are audited with regard to efficiency by the external auditors as part of their risk-oriented audit approach.

The accounting-related ICS is continuously being developed and comprises principles, procedures, and measures to secure the effectiveness, economic efficiency, and compliance of the accounting system and to ensure that the relevant laws and standards are observed. During preparation of the Consolidated Financial Statements, the ICS is used in particular to ensure the application of International Financial Reporting Standards (IFRS), as endorsed by the European Union, and the additional provisions under commercial law pursuant to section 315e of the German Commercial Code (HGB). When preparing the Annual Financial Statements and Management Report, the ICS also helps ensure that regulations under commercial law are observed.

However, a fundamental aspect of every ICS, irrespective of its particular design, is that it cannot provide absolute safety that material misstatements in accounting are avoided or detected. This may be due, e.g., to incorrect discretionary decisions of individuals, faulty controls, or criminal acts.

The following statements refer solely to the fully consolidated subsidiaries included in the Annual Financial Statements of United Internet AG, for which United Internet AG has the direct or indirect possibility of determining their financial and monetary policy in order to derive a benefit from the activity of these companies.

The task of United Internet AG's risk management system includes setting measures to detect and assess risks, reduce them to an acceptable level, and monitor recognized risks. A risk management system requires organized action to deal suitably with uncertainty and threats and urges employees to utilize the regulations and instruments required to ensure compliance with the risk management principles. In addition to operative risk management, it also includes the systematic early recognition, management, and monitoring of risks. The accounting-related risk management system focuses on the risk of false statements in accounting and external reporting.

Specific accounting-related risks may arise, for example, from the conclusion of unusual or complex transactions. Business transactions which cannot be processed in a routine manner are also exposed to latent risks. It is necessary to grant a limited circle of people certain scope for discretion in the recognition and measurement of assets and liabilities, which may result in further accounting-related risks.

The accounting-related ICS comprises internal controls, defined on the basis of risk aspects, for those processes which are relevant for financial reporting as well as those processes that support the IT systems. Special emphasis is placed on IT security, change management, and operational IT processes. Organizational, preventive, and detective controls are applied, which can be conducted manually or with the aid of IT. The effectiveness and efficiency of the accounting-related ICS requires highly developed employee skills. Regular training, the "four-eye principle", and the functional separation of administrative, executive, and approval processes are indispensable for the United Internet Group. The Corporate Accounting division and other accounting departments are responsible for the management of the accounting processes. Laws, accounting standards, and other pronouncements are continuously analyzed with regard to their relevance and impact on accounting. The Group's accounting policy sets out and communicates relevant requirements and forms the basis for the financial statement preparation process. In addition, supplementary procedural instructions such as the intercompany guideline, standardized reporting formats, IT systems and computer-aided reporting and consolidation processes support the standardized and compliant Group accounting process. The Corporate Accounting division ensures that these requirements are implemented uniformly throughout the Group. The Group companies are responsible for the orderly and timely execution of the accounting-related processes and systems and are supported by the accounting departments accordingly.

If significant control weaknesses or opportunities for improvement are detected, they are assessed and countermeasures are developed with the persons responsible to improve the effectiveness of the ICS.

Implementation of the measures is monitored by the Corporate Audit department and may be the subject of subsequent audits. In order to ensure the high quality of the accounting-related ICS, the Corporate Audit department is closely involved during all stages.

## Effectiveness statement (unaudited)

Based on its regular review of the internal control and risk management system, the Management Board is not aware of any circumstances at the time of preparing this Combined Management Report that would speak against or call into question the appropriateness and effectiveness of these systems.

# 6. DISCLOSURES REQUIRED BY TAKEOVER LAW

The following disclosures according to sections 289a and 315a German Commercial Code (HGB) represent conditions as of the balance sheet date. As required by section 176 (1) sentence 1 German Stock Corporation Law ("Aktiengesetz" – AktG), the disclosures are explained in the sections below.

For further details, please refer to note 16, as well as 37 - 39, in the Notes to the Consolidated Financial Statements.

## Composition of capital

The subscribed capital of United Internet AG as of December 31, 2021 amounts to € 194,000,000 divided into 194,000,000 registered no-par shares. Upon completion of the capital reduction resolved by the Management Board on February 14, 2023, with the approval of the Supervisory Board, by means of canceling 2,000,000 treasury shares, subscribed capital was reduced to € 192,000,000 and is divided into 192,000,000 registered no-par shares. Each share entitles the owner to one vote. There are no other share categories. In the case of a capital increase, the commencement of dividend entitlement for new shares may be determined separately from the moment of contribution. All shares are listed on the stock exchange.

## Limitations affecting voting rights or the transfer of shares

There are legal limitations affecting voting rights of certain shares pursuant to section 71b AktG and section 71d S. 4 in conjunction with section 71b AktG. At the end of the reporting period on December 31, 2022, United Internet held 7,284,109 treasury shares representing 3.75% of capital stock. Upon completion of the capital reduction resolved by the Management Board on February 14, 2023, with the approval of the Supervisory Board, by means of canceling 2,000,000 treasury shares, and the buyback of 13,899,596 shares (without fractional amounts) as part of the public share buyback offer to the shareholders of United Internet AG, United Internet holds 19,183,705 treasury shares, corresponding to 9.99% of the current capital stock of 192 million shares.

There are also legal limitations affecting voting rights regarding a conflict of interests pursuant to section 136 (1) AktG for shares held by the Management Board and Supervisory Board.

Among the current members of the Management Board, Mr. Ralph Dommermuth indirectly held 99,000,000 shares of United Internet AG (51.03% of capital stock) as of December 31, 2022. Upon completion of the aforementioned capital reduction and buyback of 13,899,596 shares as part of the public share buyback offer (of which 5,044,795 shares were from Mr. Ralph Dommermuth), Mr. Dommermuth indirectly holds 93,955,205 shares of United Internet AG (48.94% of capital stock). Moreover, Mr. Martin Mildner held 15 shares of the Company (0.00% of capital stock) as of December 31, 2022.

As of December 31, 2022, no current members of the Supervisory Board held shares in United Internet AG.

There are no limitations affecting the transfer of shares.

## Direct and indirect participations in capital with over 10% of voting rights

On December 31, 2022, the Company's CEO, Mr. Ralph Dommermuth, residing in Germany, indirectly held 99,000,000 shares or 51.03% of the 194,000,000 shares in United Internet AG. At present, Mr. Ralph Dommermuth indirectly holds 93,955,205 shares or 48.94% of the 192,000,000 shares in United Internet AG. The Management Board is not aware of further participations in capital exceeding 10% of voting rights.

## Special rights

Mr. Ralph Dommermuth is personally entitled to nominate two members of the Supervisory Board. This right is exercised by naming a person for the Supervisory Board to the Company's Management Board. The nomination becomes effective as soon as the nominated person declares his acceptance of the Supervisory Board seat to the Management Board. A requirement for the aforementioned nomination right is that Mr. Ralph Dommermuth holds shares himself or via affiliated companies pursuant to section 15ff. AktG representing at least 25% of the Company's voting capital and can prove as much to the Management Board on nomination of the Supervisory Board member by providing depository account statements or similar documents. Mr. Dommermuth has so far not made use of this nomination right.

The Management Board is not aware of any further shares with special rights.

## Appointment and dismissal of Management Board members, amendments to Company articles

The appointment and dismissal of Management Board members is determined by sections 84, 85 AktG in conjunction with section 1 of the rules of procedure for the Supervisory Board. According to section 6 (1) of the Company's articles, the Management Board consists of at least one person. The Supervisory Board appoints and dismisses the members of the Management Board, determines their number and can appoint one member of the Management Board as Chairman.

Each amendment of the Company's articles requires the adoption of a shareholders' meeting resolution with a majority of at least three quarters of capital represented at the vote. Pursuant to section 22 of the Company's articles in conjunction with section 179 (1) sentence 2 AktG (Changes in capital stock and number of shares), the Supervisory Board is authorized to make amendments to the Company's articles insofar as they only concern formulation.

## Powers of the Management Board to issue new shares

The Management Board is entitled to issue new shares under the following circumstances:

The Management Board is authorized, subject to the approval of the Supervisory Board, to increase the capital stock in the period ending August 31, 2023, by a maximum of € 77,500,000.00 by issuing on one or more occasions new no-par shares for cash and/or non-cash contributions (**Authorized Capital 2020**).

Subject to the following restrictions, shareholders shall be granted subscription rights.

The Management Board is authorized, subject to the approval of the Supervisory Board, to exclude fractional amounts from the shareholders' subscription rights and to also exclude subscription rights to the extent that this is necessary in order to grant subscription rights for new shares to bearers of warrants and convertible bonds issued by the Company or its subsidiaries in the amount to which they would be entitled on exercise of their warrant or conversion rights or fulfillment of their conversion obligation. In the case of a capital increase in return for cash contribution, the Management Board is further authorized, subject to the approval of the Supervisory Board, to exclude shareholders' subscription rights for an amount of up to 10% of the capital stock existing at the time Authorized Capital 2020 becomes effective, or – if this amount is lower – at the time the resolution to use Authorized Capital 2020 is adopted, if the new shares are issued at an issuance price which is not substantially below the market price of those Company shares already listed at the time of the final determination of the issuance price, which shall be as near in time as possible to the share issuance date. This maximum amount of 10% of the capital stock includes the proportionate share of capital stock attributable to treasury shares sold on or after the effective date of this authorization in direct or analogous application of section 186 (3) sentence 4 AktG, as well as the proportionate share of the capital stock attributable to shares subject to conversion and/or warrant rights or conversion obligations from bonds issued pursuant to the authorization of the Annual Shareholders' Meeting of May 20, 2020, with the exclusion of subscription rights in accordance with section 186 (3) sentence 4 AktG. The Management Board is further authorized, subject to the approval of the Supervisory Board, to exclude shareholders' subscription rights in the case of capital increases in return for non-cash contribution in order to grant shares for the purpose of acquiring companies, parts of companies, interests in companies or other assets, including rights and receivables, or as part of business combinations. The above mentioned authorizations to exclude subscription rights are limited in total to an amount of up 20% of the capital stock existing at the time Authorized Capital 2020 becomes effective, or – if this amount is lower – at the time the resolution to use Authorized Capital 2020 is adopted. This maximum amount of 20% of the capital stock includes the proportionate share of capital stock attributable to shares subject to conversion and/or warrant rights or conversion obligations from bonds issued pursuant to the authorization of the Annual Shareholders' Meeting of May 20, 2020, with the exclusion of subscription rights, as well as the proportionate share of capital stock attributable to treasury shares sold on or after the effective date of this authorization in a manner other than via the stock exchange or by means of an offer to all shareholders.

The Management Board is further authorized, subject to the approval of the Supervisory Board, to determine the further details of the capital increase and its execution.

Capital stock is conditionally increased by up to € 25,000,000.00, divided into up to 25,000,000 no-par value registered shares (**Conditional Capital 2020**). The conditional capital increase shall only be implemented to the extent that the bearers or holders of warrant rights or conversion rights or obligations from bonds with warrants or convertible bonds that have been issued or guaranteed by the Company or a subordinated Group company in the period ending August 31, 2023, on the basis of the Management Board's authorization resolved by the Annual Shareholders' Meeting of May 20, 2020, exercise their warrant or conversion rights or, to the extent that they are obligated to convert their bonds, fulfill their obligation, or to the extent that the Company exercises a right to grant shares in the Company, instead of paying the cash amount due (or parts thereof), and to the extent that cash compensation is not granted or treasury shares or shares in another listed company are not used to service bonds. The new shares shall be issued at the warrant or conversion price to be determined in accordance with the above authorizing resolution. The new shares shall participate in profits from the beginning of the fiscal year in which they are created; to the extent that it is legally permissible, the Management Board may, with the approval of the Supervisory Board, determine the profit participation of new shares and, notwithstanding section 60 (2) AktG, also for a fiscal year already expired.

The Management Board is authorized, subject to the approval of the Supervisory Board, to determine the further details concerning the execution of the conditional capital increase.

## Powers of the Management Board to buy and use treasury shares

The authorization to acquire and use treasury shares that was granted by the Annual Shareholders' Meeting on May 18, 2017 in accordance with section 71 (1) number 8 AktG expired on September 18, 2020. Against this background, the Annual Shareholders' Meeting of May 20, 2020 issued a new authorization pursuant to section 71 (1) number 8 AktG, to acquire and use treasury shares. This authorization is valid from September 19, 2020 to August 31, 2023.

The authorization is limited to an amount of 10% of the capital stock existing at the time the Annual Shareholders' Meeting adopts the resolution or – if this amount is lower – at the time the authorization is exercised. The authorization can be exercised directly by the Company, or by a dependent or majority-owned corporation of the Company, or by third parties commissioned by dependent or majority-owned corporations of the Company, and permits the purchase of treasury shared in their entirety or in parts on one or more occasions.

Treasury shares may be acquired via the stock exchange or by means of a public purchase offer made to all shareholders or by means of a public request made to all shareholders to submit sales offers or by granting tender rights to shareholders.

- If acquisition is made via the stock exchange or by means of a public purchase offer, the per share purchase price (excluding ancillary acquisition costs) paid by the Company must not be more than 10% above or below the arithmetic mean of the closing auction prices of the Company's no-par value shares in the Frankfurt Stock Exchange's Xetra trading system (or an equivalent successor system) over the last ten stock exchange trading days before the conclusion of any transaction imposing an obligation (if the acquisition is made via the stock exchange) or before the publication of the decision to submit a public purchase offer (if the acquisition is made by means of a public purchase offer). Should the share price deviate significantly from the offered purchase price or from the limits of the offered purchase price range after a public purchase offer is published, the offer may be adjusted. In this case, the relevant purchase price shall be determined based on the corresponding stock exchange price on the last trading day before the announcement of the adjustment and must not be more than 10% higher or lower than that amount.

  The volume of a public purchase offer may be limited. If, in the case of a public purchase offer, the volume of the tendered shares exceeds the volume intended to be bought back, tender rights, if any, may be partially excluded so that shares may be acquired based on the proportions of tendered shares (percentages of tendered shares) rather than based on the proportions of the tendering shareholders' shareholdings in the Company (shareholding percentages). Tender rights, if any, may also be partially excluded such that priority is given to smaller lots of up to 100 shares offered per shareholder and such that the number of shares is rounded in accordance with commercial rounding principles in order to avoid fractions of shares.

  If acquisition is made by means of a public request made to all shareholders to submit sales offers, the Company will stipulate a purchase price range per share within which sales offers may be submitted. The purchase price range may be adjusted if, during the submission period, the share price deviates significantly from the share price prevailing at the time of publication of the request to submit sales offers. The purchase price per share (excluding ancillary acquisition costs) to be paid by the Company and that the Company calculates on the basis of the received sales offers must not be more than 10% above or below the arithmetic mean of the closing auction prices of the Company's no-par value shares in the Frankfurt Stock Exchange's Xetra trading system (or an equivalent successor system) over the last three stock exchange trading days before the cutoff date described below. The cutoff date is the date on which the Company`s Management Board makes its final and formal decision on the publication of the request to submit sales offers or the adjustment thereof.

The volume of offers that may be accepted may be limited. If, due to the limited volume, not all of several equal sales offers can be accepted, tender rights, if any, may be partially excluded so that shares may be acquired based on the percentages of tendered shares rather than based on the shareholding percentages. Tender rights, if any, may also be partially excluded such that priority is given to smaller lots of up to 100 shares tendered per shareholder and such that the number of shares is rounded in accordance with commercial rounding principles in order to avoid fractions of shares.

- If acquisition is made by granting tender rights to the shareholders, the rights may be allocated per Company share. A number of tender rights determined based on the ratio of the Company's capital stock to the volume of shares to be bought back by the Company will entitle a tendering shareholder to sell one Company share to the Company. Tender rights may also be allocated in such a way that one tender right is allocated for a certain number of shares determined based on the ratio of the capital stock to the buyback volume. Fractions of tender rights will not be allocated; in case thereof, partial tender rights are excluded. The price or the limits of the offered purchase price range (in each case excluding ancillary acquisition costs) at which a share may be sold to the Company when a tender right is exercised will be determined in accordance with the provisions of the sub-section above, with the relevant cutoff date being the date of publication of the buyback offer with the granting of tender rights, and adjusted if necessary also in accordance with the provisions of the sub-section above, with the relevant cutoff date being the date of publication of the adjustment. The Company's Management Board will determine the further details of the tender rights, in particular their conditions, term and, where appropriate, tradability.

In addition, the Management Board is authorized to sell treasury shares in a manner other than via the stock exchange or by means of an offer to all shareholders if the shares are sold for cash at a price that is not substantially below the stock exchange price of the Company's shares at the time of sale. The shareholders' subscription rights are excluded in this context. However, this authorization is subject to the condition that the shares sold with the exclusion of subscription rights pursuant to section 186 (3) sentence 4 AktG must not exceed in aggregate 10% of the capital stock either at the time the authorization becomes effective or – if this is lower – at the time the authorization is exercised. This limit of 10% of the capital stock includes those shares that are issued during the term of this authorization until the sale of treasury shares from authorized capital with the exclusion of subscription rights pursuant to section 186 (3) sentence 4 AktG. This limit of 10% of the capital stock also includes those shares that are issued or are to be issued in order to service warrant and/or conversion rights and/or conversion obligations provided that the bonds were issued during the term of this authorization in analogous application of section 186 (3) sentence 4 AktG with the exclusion of subscription rights.

The Management Board is also authorized, in addition to a sale via the stock exchange or a use in another manner that complies with the principle of equal treatment of all shareholders, to use treasury shares for the following purposes:

- As (partial) consideration in connection with the acquisition of companies or interests in companies or parts of companies or in connection with business combinations.

- To float shares of the Company on foreign stock exchanges on which they were previously not admitted to trading. The price at which these shares are floated on foreign stock exchanges (excluding ancillary acquisition costs) must not be more than 5% below the arithmetic mean of the prices of the Company's no-par value shares in the closing auctions of the Frankfurt Stock Exchange's Xetra trading system (or an equivalent successor system) over the last three stock exchange trading days before the day of their flotation on the foreign stock exchange.

- To grant United Internet shares as part of remuneration and/or employee stock ownership programs such that United Internet shares are offered or transferred to members of the Management Board of United Internet AG and/or to individuals who are or were in an employment relationship with the Company and/or to members of the management of affiliated companies. Insofar as United Internet shares are to be transferred to members of the Company's Management Board, the decision on this is incumbent upon the Company's Supervisory Board.

Shareholders' statutory subscription rights with regard to these treasury shares will be excluded in accordance with sections 71 (1) no. 8 and 186 (3) and (4) AktG to the extent that these shares are used pursuant to the above authorizations. Furthermore, the Managing Board is authorized to exclude shareholders' subscription rights for fractional shares if treasury shares are sold by means of an offer to all shareholders.

The authorizations to exclude subscription rights are in aggregate limited to an amount of up 20% of the capital stock existing at the time these authorizations become effective or – if this amount is lower – at the time the resolution to sell treasury shares is adopted. This maximum amount of 20% of the capital stock includes the proportionate share of capital stock attributable to shares that are subject to conversion and/or warrant rights or conversion obligations under bonds issued pursuant to the authorization of the Annual Shareholders' Meeting of May 20, 2020, with the exclusion of subscription rights, as well as the proportionate share of the capital stock attributable to shares issued from Authorized Capital 2020 on the basis of the authorization of the Annual Shareholders' Meeting of May 20, 2020, with the exclusion of subscription rights.

In addition, the Management Board is authorized to redeem treasury shares without any further resolution of the Annual Shareholders' Meeting being required either for the redemption or the implementation thereof. The redemption may also be implemented in accordance with section 237 (3) no. 3 AktG without a capital reduction and in such a manner that, as a result of the redemption, the proportionate share of the Company's remaining no-par value shares in the capital stock is increased in accordance with section 8 (3) AktG. In accordance with section 237 (3) no. 3 2nd half-sentence AktG, the Management Board is authorized to amend the number of shares specified in the Articles of Association accordingly. The redemption may also be implemented in combination with a capital reduction, in which case the Management Board is authorized to reduce the capital stock by the proportionate share of capital stock attributable to the redeemed shares. The Supervisory Board is authorized to amend the number of shares and the capital stock amount specified in the Articles of Association.

The foregoing authorizations are granted for the period beginning September 19, 2020. They may be exercised once or several times, in their entirety or partially, individually or collectively. They also cover the use of treasury shares that have been acquired on the basis of previous authorizations to acquire treasury shares and treasury shares that have been acquired in accordance with section 71d sentence 5 AktG or (i) by any company controlled or majority-owned by the Company or (ii) by third parties acting for the account of the Company or of any company controlled or majority-owned by the Company.

## Material agreements conditional to a change of control following a takeover bid

A bank consortium has granted United Internet AG a syndicated loan facility of € 810 million until January 2025. In fiscal 2020, the Company exercised a contractually agreed extension option and extended the term of the revolving syndicated credit facility entered into on December 21, 2018 for the period January 2025 to January 2026. A credit facility of € 690 million was agreed for this extension period.

- The members of the consortium were granted the right to terminate their share of the syndicated loan facility or the syndicated loan if a third party or a group of third parties acting in concert acquired a majority of the shares in United Internet AG or held the majority of voting shares at an Annual Shareholders' Meeting of the Company. The right of termination is available to each member of the bank consortium individually within 30 days of the announcement of the change of control by the Company. However, this right of termination does not apply if the majority of shares or voting rights at an Annual Shareholders' Meeting are acquired by Mr. Ralph Dommermuth or his direct relatives.

Furthermore, several promissory note loans of United Internet AG totaling € 1,100.0 million are outstanding at the end of the reporting period on December 31, 2022.

- The lenders of the promissory notes were granted the right to terminate their share of the respective promissory note loans if a third party or a group of third parties acting in concert acquired a majority interest in United Internet AG. The right of termination is available to each lender individually within 30 days of the announcement of the change of control by the Company. However, this right of termination does not apply if the majority of the shares are acquired by Mr. Ralph Dommermuth.

## Compensation agreements in the event of a change of control following a takeover bid

No compensation agreements have been concluded with members of the Management Board or employees of the Company in the event of a change of control following a takeover bid.

# 7. DECLARATION ON COMPANY MANAGEMENT

*The disclosures made in chapter "7. Declaration on Company Management" are "non-audited management report disclosures" as an audit of the disclosures contained in the Declaration on Company Management in accordance with section 317 (2) sentence 6 German Commercial Code ("Handelsgesetzbuch" – HGB) is limited to the fact that the information has been provided and the Corporate Governance Report in chapter 7 constitutes a "non-management report-related disclosure" which is not subject to a substantive audit.*

## Principles of corporate governance

As a German public company listed on the stock exchange, the management of United Internet AG is primarily determined by the German Stock Corporation Act (AktG) and the rules of the German Corporate Governance Code (the "Code").

The term Corporate Governance stands for responsible corporate management and control geared to sustainable value creation. Efficient cooperation between Management Board and Supervisory Board, respect for stockholder interests, openness and transparency of corporate communications are key aspects of good corporate governance.

The Management Board and Supervisory Board of United Internet AG regard it as their duty to secure the Company's continued existence and sustainable value creation through responsible corporate governance focused on the long term. Appropriate consideration is given to environmental and social objectives.

The following report contains the "Declaration on company management", in accordance with section 289f HGB for the parent company and in accordance with section 315d HGB for the Group, of the Management Board and Supervisory Board pursuant to Principle 22 of the Code.

## Management and corporate structure

In accordance with its legal status, United Internet AG operates a dual management and monitoring structure comprising two corporate bodies: the Management Board and the Supervisory Board. The third body is the Shareholders' Meeting. All three bodies are committed to serving the Company's interests.

## Management Board

### Working procedures of the Management Board

The Management Board is the body charged with managing the Group's operations. In the fiscal year 2022, it consisted of 2 persons (namely Mr. Ralph Dommermuth and Mr. Martin Mildner). For initial appointments, a term of office of three years is considered. An assessment is made on a case-by-case basis as to which term of office within the legally permissible term of appointment appears appropriate. Beyond this, Management Board members are appointed for no longer than five years. The Management Board conducts operations in accordance with its legal and statutory obligations, as well as the rules of procedure adopted by the Supervisory Board, and the corresponding recommendations of the Code – unless deviations are declared pursuant to section 161 AktG.

The Management Board is responsible for preparing the Interim and Annual Financial Statements as well as for appointing key managers within the Company. In addition, it systematically defines the risks and opportunities for the Company associated with social and environmental factors, as well as the environmental and social impact of the Company's activities, and subsequently assesses these. In addition to long-term economic objectives, the corporate strategy also takes appropriate account of environmental and social objectives. Corporate planning includes both the corresponding financial and sustainability-related targets. Further information on sustainability can be found on the Company's website at www.united-internet.de under Company/Sustainability.

Decisions of fundamental importance require the approval of the Supervisory Board. The Management Board reports to the Supervisory Board in accordance with the statutory provisions of section 90 AktG and provides the Chairman of the Supervisory Board at least once a month with an oral overview – and at the request of the Chairman of the Supervisory Board also in writing – of the current status of relevant reporting items pursuant to section 90a AktG. The Chairman of the Supervisory Board is thus informed without delay by the Chairman or Speaker of the Management Board, or the Chief Financial Officer, about important events that are essential for assessing the Company's situation and development, as well as for the management of the Company. Important items also include any substantial deviation from the budget or other forecasts of the Company. The Chairman or Speaker of the Management Board, or Chief Financial Officer, shall also inform the Chairman of the Supervisory Board, in advance where possible otherwise immediately thereafter, about all ad hoc announcements of the Company pursuant to Art. 17 MAR.

There is an age limit of 70 for members of the Management Board. This requirement is currently complied with in full.

The Management Board conducts the Company's business with joint responsibility and according to common objectives, plans, and policies. Irrespective of the joint responsibility of the Management Board, each member bears responsibility for his assigned division, but is required to subordinate the interests of his assigned division to the overall good of the Company.

The full Executive Board regulates the division of responsibilities in a business distribution plan.

The Management Board members inform each other about important events within their divisions. Matters of greater importance which are not approved in the budget must be discussed and decided by at least two Management Board members, whereby one of the two Management Board members must be responsible for the Finance division.

Irrespective of their areas of responsibility, all Management Board members constantly monitor those results and data which are crucial for the Company's business development so they are always able to help avert potential disadvantages, or implement desirable improvements and expedient changes by drawing them to the attention of the full Management Board.

The full Management Board resolves on all matters of particular importance and scope for the Company or its subsidiaries and investment companies.

Resolutions are adopted by the full Management Board with a simple majority. Should the vote result in a tie, the Chairman of the Management Board has a casting vote. The resolutions of the Management Board are recorded in the minutes.

The full Management Board meets regularly once a month and otherwise as required.

Each Management Board member immediately discloses any conflict of interest to the Chairman of the Supervisory Board and the Chairman of the Management Board or Speaker of the Management Board and informs the other Management Board member about it where necessary.

### Current composition of the Management Board

The Management Board of United Internet AG comprised the following members in the fiscal year 2021:

**Management Board members on December 31, 2022**

- Ralph Dommermuth Company founder and Chief Executive Officer
  (with the Company since 1988)

- Martin Mildner, Chief Financial Officer
  (with the Company since October 1, 2020)

## Supervisory Board

### Working procedures of the Supervisory Board

In the fiscal year 2022, the Supervisory Board elected by the Annual Shareholders' Meeting consisted of six members until August 21, 2022. Since August 22, 2022, the Supervisory Board has comprised five members. The members of the Supervisory Board are generally elected for a period of five years.

In accordance with German law, the Company's articles, its rules of procedure, and the corresponding recommendations of the Code – unless deviations are declared pursuant to section 161 AktG – the Supervisory Board is in regular contact with the Management Board and monitors and advises it with regard to the management of business, and the Company's risk and opportunity management system. This mainly comprises questions relating to the topic of sustainability.

The Supervisory Board meets at regular intervals to discuss with the Management Board all matters of relevance to the Company regarding strategy and its implementation, as well as planning, the development of business, the risk position, risk management, and compliance. Together with the Management Board, it discusses the quarterly statements and half-year reports before publication and approves annual budgets. It examines the Annual Financial Statements of the parent company and the Group and adopts them if it has no reservations. In doing so, it also takes the reports of the Company's external auditors into account.

The Supervisory Board's responsibilities also include appointing members of the Management Board, as well as determining and regularly monitoring their remuneration in compliance with the latest legal regulations and recommendations of the Code – unless deviations are declared pursuant to section 161 AktG.

When appointing members of the Management Board, the Supervisory Board strives to achieve the best possible, diverse and mutually complementary composition for the Company and pays attention to long-term succession planning. Experience and industry knowledge as well as professional and personal qualifications play a particularly important role.

As part of its long-term succession planning, the Supervisory Board, with the involvement of the Management Board, regularly discusses highly skilled executives who could be considered as potential candidates for Management Board positions.

The Supervisory Board conducts regular tests to assess the efficiency of the Supervisory Board as a whole, as well as its Audit and Risk Committee. In accordance with Recommendation D.13 of the German Corporate Governance Code, the Supervisory Board and its committee assess how effectively they each perform their duties as a body. For this purpose, a self-assessment by means of questionnaires is conducted every two years or so.

At its meeting on December 6, 2022, the Audit and Risk Committee of United Internet AG conducted a self-assessment for the fiscal year 2022 in the presence of all committee members and the Audit Committee Chairman. The self-assessment was carried out on the basis of a comprehensive catalog of questions, which included in particular an assessment of the working methods and activities, as well as the size and structure of the Audit and Risk Committee. In addition, an assessment was made of the work with the auditor and interaction with the Management Board and the Group's departments.

The last self-assessment of the Supervisory Board was conducted and evaluated in the fourth quarter of 2022. The self-assessment was carried out on the basis of a comprehensive catalog of questions, focusing in particular on expectations, time commitment, composition of the Supervisory Board, independence of the Supervisory Board and how it deals with conflicts of interest, Management Board and Supervisory Board remuneration, and accounting matters.

The result of the self-assessment confirms that there is a good and open exchange within the bodies, as well as a trusting and cooperative working relationship with the auditor, the Management Board and the Company's departments. This professional cooperation is reflected, for example, in the receipt of well-prepared documents/information, which are always provided appropriately and on time. Specific suggestions are addressed and implemented during the year as part of the work of the Supervisory Board and Audit and Risk Committee.

Following a thorough evaluation, it can therefore be assumed that the activities of the Supervisory Board and its Audit and Risk Committee are performed efficiently.

The members of the Supervisory Board complete the training and further education measures required for their tasks on their own, but receive appropriate support in this context from the Company. The measures conducted are detailed in the Report of the Supervisory Board.

The Supervisory Board is convened at least twice every half of a calendar year. Supervisory Board meetings are convened in writing by its Chairman at least 14 days in advance. Further and more detailed information on the exact number of meetings and the topics discussed at these meetings can be found in the Report of the Supervisory Board to the Annual Shareholders' Meeting of the Company.

When meetings are convened, the Supervisory Board members are informed of the agenda items. If an agenda item has not been properly announced, a resolution concerning it may only be adopted if no Supervisory Board member objects prior to the vote.

Resolutions of the Supervisory Board are generally adopted at meetings held with physical attendance. However, it is permissible for meetings of the Supervisory Board to be held in the form of a video or telephone conference call or for individual members of the Supervisory Board to be connected by video or telephone call and, in such cases, for resolutions to be adopted or votes to be cast by video or telephone conference call. Meetings are chaired by the Chairman of the Supervisory Board. If so arranged by the Chairman, resolutions may also be adopted outside of meetings by other means, for example by phone or e-mail, if no member objects to this procedure.

The Supervisory Board has a quorum if all members have been officially invited and at least three members participate in the resolution. A member shall also be deemed to participate in a resolution if he abstains from voting.

Unless the law prescribes otherwise, resolutions of the Supervisory Board are adopted with a simple majority.

Minutes are kept of the Supervisory Board’s discussions and resolutions.

The Chairman of the Supervisory Board is authorized to submit on behalf of the Supervisory Board the declarations of intent required for the implementation of the Supervisory Board’s resolutions.

Moreover, it should be noted that with the subsequent election to the Supervisory Board at the Annual Shareholders’ Meeting 2023, the Supervisory Board aims to fulfill the required level of expertise specified in section 100 (5) AktG.

The Audit and Risk Committee assists the Supervisory Board in its monitoring of accounting practices and the integrity of the accounting process, as well as in monitoring the effectiveness and functionality of the internal control system, the risk management system, the compliance system, and the internal auditing system. Moreover, it supports the Supervisory Board in monitoring the auditing of the financial statements, the services provided by the auditor, the auditing fees, and the additional services provided by the auditor.

The Audit and Risk Committee closely examines the Annual Financial Statements and Consolidated Financial Statements, the Combined Management Report for the Company and the Group, the non-financial statement and the non-financial Group statement, and the Management Board’s proposal for the appropriation of balance sheet profit. It discusses with the Management Board and the auditors the audit reports, the audit process, the audit focus areas and methodology, as well as the audit results, also with regard to the internal control system relating to the accounting process, and makes recommendations to the Supervisory Board. It regularly assesses the quality of the audit. Prior to their publication, it discusses the quarterly statements and the half-year financial report with the Management Board.

The Audit and Risk Committee prepares the negotiations and resolutions of the Supervisory Board for the election proposal of the auditor to the Annual Shareholders’ Meeting and decisions on corporate governance issues, as well as resolving on the approval of related party transactions in accordance with section 111b (1) AktG. The Audit Committee discusses with the auditor the assessment of the audit risk, the audit strategy and audit planning, and the audit results. The Chairman of the Audit Committee regularly discusses current issues relating to the audit and its progress with the auditor, also in the presence of all members of the Audit and Risk Committee. The Audit Committee also consults regularly with the auditor without the presence of the Management Board. A total of 10 consultation meetings were held with the auditor in 2022.

The Chairman of the Audit Committee regularly reports to the Supervisory Board on the activities of the Audit and Risk Committee. In the event of significant occurrences and findings by the Audit and Risk Committee, its Chairman must inform the Chairman of the Supervisory Board without delay.

## Targets for the composition of the Supervisory Board / status of implementation

The Company's Supervisory Board aims to achieve a composition of the Supervisory Board that enables qualified supervision and advice for the Company's Management Board.

In view of

- the size of the Supervisory Board,
- the business in which the Company operates,
- the size and structure of the Company,
- the scope of the Company's international activities, and
- its current shareholder structure,

the Company's Supervisory Board has adopted the following targets for its future composition. These take into account the statutory requirements both with regard to the requirements placed on individual Supervisory Board members and with regard to the composition of the entire Supervisory Board and – unless expressly stated otherwise – the requirements of the Code. In particular, a skills profile is planned with regard to the overall body.

The Supervisory Board will take these targets into account in the case of nomination proposals and make sure that the candidates meet the respective requirements. The specific situation of the Company must be taken into consideration.

## Requirements for individual members

The Company's Supervisory Board aims to ensure that each Supervisory Board member meets the following requirements:

**General requirement profile**
Each member of the Supervisory Board should have the requisite knowledge and experience to enable them to carefully monitor and advise the Company and to assess any risks for the Company's business. Moreover, the Supervisory Board will ensure that all its members have a personal profile that enables them to maintain the Company's public reputation.

**Time availability**
All members of the Supervisory Board must have sufficient time to exercise their duties with due care throughout the entire period of office. In particular, the members of the Supervisory Board should observe the legal requirements and those of the Code regarding the permissible number of Supervisory Board mandates.

**Conflicts of interest**
Supervisory Board members should not engage in any other activities likely to cause frequent conflicts of interest. These include management positions with key competitors.

**Age limit for Supervisory Board members**
As a rule, members of the Supervisory Board should not have reached the age of 70 at the time of their election or re-election.

## Requirements regarding the composition of the Supervisory Board as a whole

In addition to the individual requirements for Supervisory Board members, the Company's Supervisory Board also strives to reach the following targets for the composition of the Supervisory Board as a whole in line with recommendation C.1 of the German Corporate Governance Code.

**Skills profile for the Supervisory Board as a whole**
The members of the Supervisory Board must collectively have the knowledge, skills, and professional experience necessary for them to carry out their tasks as required. The Supervisory Board strives to ensure that the Supervisory Board as a whole covers the widest possible range of knowledge and experience relevant to the Company, and in particular meets the following requirements:

- In-depth knowledge and experience of the telecommunications and internet sector;
- Expertise or experience from other sectors of the economy;
- Entrepreneurial or operational experience;
- At least one member with several years of experience working abroad or working for a company with international activities;
- At least one member with special knowledge and experience in the application of accounting principles and internal control processes;
- Expertise in sustainability issues of significance for the Company;
- At least one member with expertise in the field of accounting, whereby the expertise in the field of accounting must consist of special knowledge and experience in the use of accounting principles and internal control and risk management systems and must also apply to sustainability reporting;
- At least one additional member with expertise in the field of auditing, whereby the expertise in the field of auditing must consist of special knowledge and experience in the field of auditing and must also apply to the auditing of sustainability reporting;
- Knowledge and experience of strategy development and implementation;
- In-depth knowledge and experience of controlling and risk management;
- Knowledge and experience of HR planning and management;
- In-depth knowledge and experience in the field of governance and compliance;
- Expertise in the needs of capital market-oriented companies.

**Diversity**
The Supervisory Board aims to ensure that the Supervisory Board is composed of a wide variety of members so that the Supervisory Board as a whole has sufficient diversity of opinion and knowledge. In

its nominations, the Supervisory Board will take into account the diversity concept established by the Company.

**Independence**
The Supervisory Board aims to ensure that at least four of its six members are also independent within the meaning of the criteria set out in the recommendations of the Code.

The Supervisory Board once again addressed the above objectives for its composition during the reporting year. In particular, it discussed them with regard to the skills profile for the full Supervisory Board. It also adhered to them and further expanded them. The Supervisory Board strives to fulfill the skills profile developed by the Supervisory Board for the Supervisory Board as a whole.

## Current composition of the Supervisory Board/implementation status

The Supervisory Board of United Internet AG comprised the following members in the fiscal year 2022:

**Supervisory Board members as at December 31, 2022**

- Philipp von Bismarck,
  Chairman of the Supervisory Board since May 2021, member of the Audit and Risk Committee since May 2021
  (since July 2020)

- Dr. Manuel Cubero del Castillo-Olivares,
  Deputy Chairman of the Supervisory Board since May 2021
  (since May 2020)

- Prof. Dr. Andreas Söffing,
  Chairman of the Audit and Risk Committee since May 2021
  (since May 2021)

- Stefan Rasch,
  Member of the Audit and Risk Committee since May 2021
  (since May 2021)

- Prof. Dr. Yasmin Mei-Yee Weiß
  (since July 2020)

**Departed in the fiscal year 2022**

- Dr. Claudia Borgas-Herold
  (from May 2020 to August 2022)

The Supervisory Board believes that all five members of the current Supervisory Board, Ms. Weiß, Mr. von Bismarck, Mr. Cubero del Castillo-Olivares, Mr. Söffing, and Mr. Rasch are also independent within the meaning of Recommendation C.7 of the German Corporate Governance Code.

**Skills matrix:**

| | | Philipp von Bismarck | Dr. Manuel Cubero del Castillo-Olivares | Stefan Rasch | Prof. Dr. Andreas Söffing | Prof. Dr. Yasmin Mei-Yee Weiß |
|---|---|---|---|---|---|---|
| Length of | Member since | 2020 | 2020 | 2021 | 2021 | 2020 |
| Age limit (70) | Year of birth | 1975 | 1963 | 1962 | 1962 | 1978 |
| Personal suitability | Independence | ✓ | ✓ | ✓ | ✓ | ✓ |
| | No overboarding | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Former Management Board member | | | | | |
| | No conflicts of interest | ✓ | ✓ | ✓ | ✓ | ✓ |
| Diversity | Gender | Male | Male | Male | Male | Female |
| | Nationality | German | Spanish | German | German | German |
| Professional suitability | Telecommunications sector | ✓ | ✓ | ✓ | | |
| | Media and / or IT sector | | ✓ | ✓ | | |
| | Expertise / experience in other sectors | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Entrepreneurial or operational experience | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Use of accounting principles, internal control & risk management systems, incl. sustainability reporting | ✓ | | ✓ | ✓ | |
| | Auditing of financial statements, incl. auditing of sustainability reporting | ✓ | | | ✓ | |
| | Expertise in sustainability issues of importance to the Company | | | | | |
| | Strategy development and implementation | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Controlling and risk management | | | ✓ | | |
| | HR planning and management | | ✓ | | | ✓ |
| | Governance and compliance | ✓ | | | | |
| | Expertise regarding the needs of capital market-oriented companies | ✓ | | | ✓ | |
| International experience | Several years of work abroad or operational experience in an internationally active company (e.g., in the field of financial engineering, telecommunications, M&A) | ✓ | ✓ | ✓ | ✓ | ✓ |

In addition to taking these objectives into account and endeavoring to meet the skills profile for the entire body, the Supervisory Board's proposals for the election of Supervisory Board members shall continue to be oriented towards the welfare of the Company as a whole. In doing so, the specific situation of the Company is to be taken into consideration.

Subject to the formation of short fiscal years, the current term of office of the Supervisory Board members ends on expiry of the Annual Shareholders' Meeting of the year 2025.

## Targets for the share of women on the Supervisory Board, Management Board, and in management positions / implementation status

The "Law on Equal Participation of Men and Women in Private-Sector and Public-Sector Management Positions" (FührposGleichberG) of April 24, 2015 resulted in amendments to the German Stock Corporation Law and a number of other laws.

The new legislation has led to the following obligations in particular for United Internet AG:

- setting of targets by the Supervisory Board for the share of women on the Supervisory Board of United Internet AG
- setting of targets by the Supervisory Board for the share of women on the Management Board of United Internet AG
- setting of targets by the Management Board for the share of women on the first and second management levels below the Management Board of United Internet AG

The following targets are to be set for a period of no more than five years.

After careful examination, the Supervisory Board and Management Board of United Internet AG adopted the following based on resolutions of March 16, 2021 and March 28, 2023:

- The Supervisory Board set the deadline for the attainment of the current targets for the share of women on the Supervisory Board and Management Board as the expiry of the Annual Shareholders' Meeting that decides on the discharge of the Supervisory Board for the fiscal year 2024 (May 2025).
- After a target of "0" had previously been set for the Supervisory Board, a target of 30% has now been set for the share of women (section 111 (5) AktG). The Supervisory Board currently comprises one woman and four men. A corresponding new appointment to the Supervisory Board is planned for the Annual Shareholders' Meeting 2023.
- A target of "0" has been set for the Management Board (section 111 (5) AktG). The Management Board was composed exclusively of two men in the fiscal year 2022. With effect from April 1, 2023, the Management Board will be enlarged to three members. After extensive and careful consideration, the Supervisory Board has decided, based on the Company's interest in a steady continuation of the successful work of the Management Board's experienced members who are already familiar with the Group's structures, that the Management Board should continue to consist only of male members in

the future and that the target for the Management Board thus remains "0". At the same time, it was decided that in the event of a further increase in the size of the Management Board, the target for the proportion of women would be set at 25%.

- Irrespective of this, the selection shall always be made according to the individual skills profile of the potential board members, whereby the Supervisory Board shall endeavor to give preference to women in the case of equal qualifications.

- No target has been set for the share of women on the first and second management levels below the Management Board, as United Internet AG does not have any management levels below the Management Board due to its holding structure.

- With regard to the share of women on the Supervisory Board and Management Board, the Supervisory Board reserves the right to resolve again on the target should there be any indication of a new appointment.

The Supervisory Board and Management Board of United Internet AG continue to expect the above mentioned targets to be reached by the end of the specified period. The above mentioned target for the Management Board is met at present.

## Diversity concept (sections 289f (2) number 6, 315d HGB)

Diversity aspects are always taken into account in the composition of the Management Board and the Supervisory Board. The Company considers diversity to be not only desirable, but also crucial to the success of the Company. The Company therefore pursues an appreciative corporate culture in which individual diversity in terms of culture, nationality, gender, age group, and religion is desired and equal opportunities – irrespective of age, disability, ethnic and cultural origin, gender, religion and ideology, or sexual identity – are promoted.

The Company aims to ensure that the Management Board and Supervisory Board are composed of many different types of people and that the bodies as a whole have a sufficiently wide variety of opinions and knowledge.

In particular, the following criteria should be taken into account:

- The members of the Management Board and Supervisory Board should complement each other within their respective committees with regard to their experience, education, and professional background in order to develop a good understanding of the current status and the longer term opportunities and risks associated with the Company's business activities.

- With the exception of an age limit of 70, no differentiation is made according to age for the members of the Management Board and Supervisory Board, and the sole differentiation should be according to the required knowledge and experience.

- In view of the current size of the Management Board and Supervisory Board, consisting of just two and five members respectively, no targets have been set with regard to geographical origin. In order to ensure international experience, the Supervisory Board already stipulates that at least one member of the Supervisory Board should have several years of experience abroad or have gained operational experience with an internationally active company.

Individual strengths – in other words, everything that makes individual employees unique and distinctive within the Company – made it possible for the Company to become what it is today. A workforce comprising a wide variety of personalities offers the best possible conditions for creativity and productivity - and thus also for employee satisfaction. The resulting potential for ideas and innovation strengthens the Company’s competitiveness and increases its opportunities in future markets. With this in mind, the aim is not only to find the field of activity and the function for each employee in which their individual potential and talents are best utilized, but also to ensure diversity in the composition of the Management Board and Supervisory Board – in the Company’s own interests – with regard to age, gender, and professional experience, for example.

The Management Board and Supervisory Board believe that the above diversity requirements for the Management Board and Supervisory Board are currently fulfilled. The Company considers additional or more specific criteria to be inappropriate. In view of the current size of the Management Board and Supervisory Board, more or more specific diversity aspects would create considerable difficulties to fill the positions taking into account all diversity criteria.

## Annual Shareholders' Meeting

The Annual Shareholders' Meeting is the body which formulates and expresses the interests of the shareholders of United Internet AG. At the ordinary Annual Shareholders' Meeting, the Annual Financial Statements of the parent company and Consolidated Financial Statements are presented to the shareholders. The shareholders decide on the appropriation of the balance sheet profit and vote on resolutions concerning other statutory topics, such as releasing the Management Board members from their responsibility for the past fiscal year and appointing external auditors. Each share entitles the owner to one vote. All shareholders who register in time and are listed in the Share Register on the day of the Annual Shareholders' Meeting are entitled to attend. Shareholders may also exercise their rights at the Annual Shareholders' Meeting by means of a proxy vote. The Company provides a proxy who votes according to the shareholder’s instructions, providing he receives the required order.

## Compliance

Compliance is an integral component of corporate and management culture throughout the United Internet Group. For United Internet AG, compliance means ensuring its activities comply with all relevant laws for its business, as well as with its own principles and regulations.

This includes open and fair communication with our employees, customers, business partners, shareholders, and the public. As an internet service provider with several million customers and a large number of business partners, United Internet's legally and ethically compliant behavior is vital for retaining the trust of its customers and business associates.

To ensure conduct in line with our corporate culture, the Management Board has created a binding framework for the Company's ethical principles and values. Moreover, it has defined values and management guidelines, and compiled the most important rules of behavior in a Code of Conduct. This "culture of cooperation" provides guidance for employees in their everyday work and creates a secure framework for making the correct decisions. The framework applies equally to the Management Board, directors, managers, and all employees.

The Management Board has established a Compliance Organization to ensure adherence to the legal and internal regulations.

The Compliance Organization is part of an holistic risk management system which not only includes the **"GRC"** functions Corporate **G**overnance, **R**isk Management & **C**ompliance, but also the Corporate Audit and Legal Department. These risk-mitigating functions are headed by the Group General Counsel, who reports directly to the CFO of United Internet AG.

The Compliance Organization is responsible for the creation of suitable structures and processes to support the implementation of compliance throughout the Company and to align measures with the respective risks. The compliance processes include release procedures in the field of corruption prevention and trustworthy reporting paths that give employees the possibility to highlight possible misconduct or legal violations within the Company.

The compliance organization is present and anchored in the business units via functional and local Compliance Managers (FCMs and LCMs). In addition to their normal functions, the FCMs and LCMs support the area of compliance.

The overarching element of the compliance system remains the responsibility of all managers for compliance. This includes acting as a role model, as enshrined in the Company's management guidelines, and goes beyond this: all managers of the Company must set an example with regard to compliance and ensure that decisions and actions in their area of responsibility are always in line with the relevant legal provisions and the Company's own values and rules.

## Risk management

To secure the Company's long-term success, it is essential to effectively identify and analyze the risks involved in its business activities and to eliminate or limit them by means of suitable control measures. The Company's risk management system ensures that these risks are handled responsibly. In particular, it is designed to identify, assess and manage risks at an early stage. The system is continuously refined and adapted to changing circumstances. Where necessary, the Supervisory Board is regularly informed by the Management Board about existing risks and how they are being dealt with. The effectiveness of the internal control system and the risk management system was assessed by the Supervisory Board in its entirety.

The main features of the internal control and risk management system with regard to the accounting process are described in detail in the Management Report in accordance with section 289 (4) HGB and in the report on the Position of the Company and of the Group in accordance with section 315 (4) HGB. The Management Board also reports there in detail on existing risks and their development.

## Financial disclosures / transparency

It is the declared aim of United Internet to inform institutional investors, private shareholders, financial analysts, employees, and the public simultaneously and with equal treatment about the Company's situation by means of regular, open, and up-to-date communication.

To this end, all important information, such as press releases, ad-hoc announcements, and other mandatory disclosures (e.g., directors' dealings and notifications of voting rights), as well as all financial reports, are published in accordance with statutory regulations. In addition, United Internet provides extensive information on its corporate website (www.united-internet.de), where documents and information on Annual Shareholders' Meetings and other economically relevant facts can be found.

United Internet provides shareholders, analysts, and the press with four reports each fiscal year on the Company's business development and its financial and earnings position. The publication dates of these reports are stated in a binding financial calendar, which the Company posts on its website and regularly updates in accordance with legal obligations.

The Management Board also provides immediate information in the form of ad-hoc announcements about any events not known to the public which might significantly affect the share price.

As part of its investor relations activities, the Company's management team regularly meets with analysts and institutional investors. We also hold analyst conferences to announce our semi-annual and annual figures, which investors and analysts can also participate in via telephone.

## Accounting and auditing

The Group's accounts are drawn up according to the principles of the International Financial Reporting Standards (IFRS, as applicable in the EU) with consideration of section 315e HGB. However, the Annual Financial Statements of the parent company – relevant for all dividend and tax matters – are drawn up according to the rules of the German Commercial Code (HGB). The Annual Financial Statements and the Consolidated Financial Statements are audited by independent auditors. The respective auditing company is selected by the Annual Shareholders' Meeting. The Supervisory Board issues the auditing mandate, determines auditing focal points, approves the auditing fee, and examines the independence of the auditors.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft has audited the Annual Financial Statements of United Internet AG and the Group since the fiscal year 2022. Mr. Erik Hönig was the chief auditor for the fiscal year 2022.

## Remuneration of Management Board and Supervisory Board

The remuneration system and the disclosure of remuneration for members of the Management Board and Supervisory Board for the fiscal year 2022 in accordance with section 162 AktG can be found in the "Remuneration Report 2022", which is published on the Company's website at https://www.united-internet.de/en/investor-relations/publications/reports.html.

Information on Management Board and Supervisory Board remuneration can also be found in note 42 of the Notes to the Consolidated Financial Statements.

## Stock option plans

The principles of the stock-based compensation plan of United Internet AG can be found in the "Remuneration Report 2022", which is published on the Company's website at https://www.united-internet.de/en/investor-relations/publications/reports.html.

Further details can also be found in note 36 of the Notes to the Consolidated Financial Statements.

## Declaration of conformity with regard to the recommendations of the German Corporate Governance Code in accordance with section 161 German Stock Corporation Act (AktG)

The corporate governance of United Internet is based on the German Corporate Governance Code (the "Code"), which the Government Commission set up by the Federal Justice Minister in September 2001 published for the first time on February 26, 2002.

The Code aims to make the dual German corporate governance system transparent and understandable. It contains **principles, recommendations** and **suggestions** governing the management and monitoring of German listed companies that are accepted nationally and internationally as standards of good and responsible governance. It aims to promote confidence in the management and supervision of German listed companies by investors, customers, employees and the general public. The Government Commission reviews the Code annually to check whether it still complies with current corporate governance best practice and, where necessary, adjusts it accordingly.

The **principles** reflect material legal requirements for responsible governance, and are used here to inform investors and other stakeholders.

**Recommendations** of the Code are indicated in the text by using the word **"shall"**. Companies may depart from recommendations, but in this case they are obliged to disclose and explain any departures each year ("comply or explain"). This enables companies to take into account sector- or company-specific special characteristics. Well-justified departures from recommendations of the Code may be in the best interests of good corporate governance.

Finally, the Code contains **suggestions** from which companies may depart without disclosure; suggestions are indicated in the text by using the word **"should"**.

On December 21, 2021, the Management Board and Supervisory Board of United Internet AG submitted their current annual declaration of conformity (presented below) in accordance with section 161 AktG and immediately published it on the Company's website (www.united-internet.de), as well as in the Federal Gazette ("Bundesanzeiger").

In accordance with section 161 German Stock Corporation Act (AktG), the Management Board and Supervisory Board of United Internet AG declare that:

United Internet AG has complied with the recommendations of the German Corporate Governance Code (the "Code") as last revised on December 16, 2019, on which the last Declaration of Conformity issued on May 27, 2021 was based, with the declared exceptions, and will continue to comply with the recommendations of the Code as most recently revised on December 16, 2019, which became effective upon publication in the Federal Gazette on March 20, 2020, with the following exceptions in future:

**Formation of a nomination committee**
**(Recommendation D.5)**
The Supervisory Board does not form any other committees in addition to the Audit and Risk Committee, but performs all other tasks as a whole. The Supervisory Board considers this to be appropriate, as efficient plenary discussions and an intensive exchange of opinions are possible even with a six-member Supervisory Board. Accordingly, the Supervisory Board sees no need to establish a Nomination Committee.

**Management Board remuneration - Remuneration system**
**(Recommendations G.1 to G.5 inclusive of the Code)**
Taking into account the Act Implementing the Second Shareholders` Rights Directive ("ARUG II") and the new German Corporate Governance Code (the "Code"), the Supervisory Board developed and agreed changes to the remuneration system for members of the Management Board.

With the recommendation to the Annual Shareholders' Meeting in May 2021, the remuneration system became the basis for service agreements with Management Board members concluded in the future. The remuneration system developed takes into account the recommendations in G.1 up to and including G.5 of the Code without any restrictions. Existing service agreements with Management Board members remain unaffected by this, which is why the deviation from the recommendations in G.1 up to and including G.5 of the Code is explained.

**Management Board remuneration – Long-term variable remuneration**
**(Recommendation G.10 of the Code)**
According to G.10 of the Code, variable remuneration granted to members of the Management Board is to be predominantly invested in company shares or granted correspondingly as share-based remuneration. Moreover, the respective Management Board member should only be able to receive such amounts after a period of four years. As a long-term variable remuneration program for the Management Board, the Company provides share-based remuneration in the form of its Stock Appreciation Rights (SARs) program. This program has a total term in each case of six years. Within these six years, the respective Management Board member can already exercise a part (25%) of the allocated SARs at specified times – no earlier, however, than after two years. Thus, Management Board members can already receive part of their long-term variable remuneration after two years. After 5 years, full exercising of all SARs is possible for the first time.

The Supervisory Board believes that this long-term variable remuneration system has proved effective and sees no reason to further postpone the granting of remuneration earned under this program. By linking remuneration to the share price of United Internet AG and the possibility to add shares in order to meet claims arising from the program, the Supervisory Board believes that Management Board members already participate adequately in the risks and opportunities of United Internet AG as a company. Since the program has a term of six years and the SARs are allocated pro rata over this period, and no earlier than after two years, the Supervisory Board believes that the program is ideally suited to maintaining loyalty and steering incentives in the interests of United Internet AG, and thus does not require any alteration.

**Management Board remuneration – Retaining/reclaiming variable remuneration (Recommendation G.11 of the Code)**
According to G.11 of the Code, the Supervisory Board shall have the possibility to withhold or reclaim variable remuneration in justified cases. The current service agreements of Management Board members do not include such provisions. A claw-back clause for the reclaim of variable compensation has been included in the new remuneration system and will be taken into account in future service agreements to be concluded with Management Board members.

**Management Board remuneration – Remuneration system (Recommendations G.8, 9 and 12 of the Code)**

According to G.8, 9 and 12 of the Code, agreed targets and target attainment, as well as regulations on maturity and holding periods, should not be changed retrospectively. The Company reserves the right to deviate from this in justified cases in the context of the departure of Management Board members, insofar as this is permissible within the framework of the respective applicable remuneration system.

**Management Board remuneration – Benefits on contract termination (Recommendation G.13 of the Code)**
According to G.13 of the Code, any payments made to Management Board members due to early termination of their Management Board activity shall not exceed twice the annual remuneration and shall not constitute remuneration for more than the remaining term of the employment contract. If post-contractual non-compete clauses apply, such severance payments shall be taken into account in the calculation of any compensation payments. The current service agreements of Management Board members do not include an option to take this into account. This was included in the new remuneration system and in future will be taken into account in new service agreements to be concluded with Management Board members (and any related termination agreements).

# 8. REMUNERATION REPORT

The German Act Implementing the Second Shareholder Rights Directive (ARUG II) transposed Directive (EU) 2017/828 of the European Parliament and of the Council of May 17, 2017 into national law. As a result, new statutory requirements for remuneration reporting were introduced for listed companies, which apply to fiscal years beginning on or after January 1, 2021.

The "new" Remuneration Report has been removed from financial reporting to create a separate report. Significant disclosures which were previously required, in particular individualized reporting on Management Board compensation and the main features of the remuneration system, have been transferred from the (Group) Management Report to the new Remuneration Report in accordance with section 162 of the German Stock Corporation Act (AktG).

The remuneration system and disclosure of compensation for members of the Management Board and Supervisory Board for the fiscal year 2022 pursuant to section 162 AktG can be found in the "Remuneration Report 2022", which is published on the corporate website at www.united-internet.de/en/investor-relations/publications/reports.html.

Disclosures on Management Board and Supervisory Board remuneration are also provided in note 42 of the Notes to the Consolidated Financial Statements.

# 9. DEPENDENT COMPANY REPORT

In compliance with section 312 (1) AktG, the Management Board declares that the Company received adequate compensation (quid pro quo) for all legal transactions and measures listed in the report on relations with affiliated companies, in accordance with the circumstances known at the time when such transactions or measures were carried out, or the measure involved was executed or omitted, and that the Company was not disadvantaged by such measures being executed or omitted.

Montabaur, March 29, 2023

The Management Board

Ralph Dommermuth

Martin Mildner

# ANNUAL FINANCIAL STATEMENTS

# BALANCE SHEET

## as of December 31, 2022

| Assets | | December 31, 2022 | December 31, 2021 |
|---|---|---|---|
| | | EUR | EUR |
| **A. Non-current assets** | | | |
| **I. Intangible Assets** | | | |
| Concessions, industrial and similar rights and assets, as well as licenses in such rights, and assets acquired for consideration | | 27,603.00 | 51,263.00 |
| | | **27,603.00** | **51,263.00** |
| **I. Property, plant and equipment** | | | |
| Concessions, industrial and similar rights and assets, as well as licenses in such rights, and assets acquired for consideration | | 720.00 | 988.00 |
| **II. Financial assets** | | | |
| 1. Shares in affiliated companies | 4,221,893,087.68 | | 4,221,863,087.68 |
| 2. Loans to affiliated companies | 1,595,000,000.00 | | 1,415,000,000.00 |
| | | **5,816,893,087.68** | **5,636,863,087.68** |
| | | **5,816,921,410.68** | **5,636,915,338.68** |
| **B. Current Assets** | | | |
| **I. Accounts receivable and othe assets** | | | |
| 1. Receivables due from affiliated companies | 724,809,595.25 | | 725,868,761.73 |
| 2. Other assets | 19,320,690.09 | | 33,777,074.20 |
| | | **744,130,285.34** | **759,645,835.93** |
| **II. Cash in hand and bank balances** | | **2,744,668.14** | **48,740,723.40** |
| | | **746,874,953.48** | **808,386,559.33** |
| **C. Prepaid expenses** | | **98,014.17** | **19,992.00** |
| | | **6,563,894,378.33** | **6,445,321,890.01** |

| Equity and liabilities | | 31.12.2022 | 31.12.2021 |
|---|---|---|---|
| | | EUR | EUR |
| **A. Equity** | | | |
| **I. Capital stock (conditional capital: EUR 25,000,000.00)** | **194,000,000.00** | | **194,000,000.00** |
| less treasury shares | -7,284,109.00 | | -7,284,109.00 |
| | | **186,715,891.00** | **186,715,891.00** |
| **II. Capital reserve** | | **468,976,677.74** | **468,976,677.74** |
| **III. Revenue reserves** | | | |
| Other revenue reserves | | 502,843,896.69 | 447,843,896.69 |
| **IV. Balance sheet profit** | | **2,463,142,179.04** | **2,490,793,286.11** |
| | | **3,621,678,644.47** | **3,594,329,751.54** |
| **B. Accruals** | | | |
| 1. Accrued taxes | 3,767,625.99 | | 1,570,584.40 |
| 2. Other accrued liabilities | 4,306,926.39 | | 8,099,449.15 |
| | | **8,074,552.38** | **9,670,033.55** |
| **C. Liabilities** | | | |
| 1. Liabilities due to bank | 2,157,153,374.57 | | 1,825,363,233.00 |
| 2. Trade accounts payable | 1,231,618.19 | | 79,308.93 |
| 3. Liabilities due to affiliated companies | 757,640,635.74 | | 998,866,484.09 |
| 4. Other liabilities | 3,408,457.90 | | 4,675,621.82 |
| thereof from taxes EUR 3,408,457.90 (prior year: EUR 4,675,621.82) | | | |
| | | **2,919,434,086.40** | **2,828,984,647.84** |
| **D. Deferred tax liabilities** | | **14,707,095.08** | **12,337,457.08** |
| | | **6,563,894,378.33** | **6,445,321,890.01** |

# INCOME STATEMENT

## from January 1 to December 31, 2022

| | | 2022 | 2021 |
|---|---|---|---|
| | EUR | EUR | EUR |
| 1. Sales | 737,486.83 | | 519,694.17 |
| 2. Other operating income | 4,157,015.98 | | 12,582,042.13 |
| | | **4,894,502.81** | **13,101,736.30** |
| 3. Personnel expenses | | | |
| a) Wages and salaries | 1,086,861.93 | | 3,844,942.67 |
| b) Social security contributions | 31,495.93 | | 37,530.44 |
| 4. Depreciations and amortization of intangible assets and property, plant and equipment | 23,928.00 | | 20,090.00 |
| 5. Other operating expenses | 20,244,725.90 | | 12,394,553.05 |
| | | **21,387,011.76** | **16,297,116.16** |
| 6. Income from profit transfer agreements | 90,615,146.18 | | 317,507,140.96 |
| 7. Income from investments thereof from affiliated companies EUR 12,843,735.70 (prior year: EUR 6,732,882.60) | 13,843,735.70 | | 6,732,882.60 |
| 8. Income from loans in financial assets thereof from affiliated companies EUR 95,398,631.95 (prior Year: EUR 93,119,130.20) | 95,398,631.95 | | 93,119,130.20 |
| 9. Other intrest and similar income thereof from affiliated companies EUR 10,725,253.43 (prior year: EUR 5,714,688.30) | 16,531,472.10 | | 7,053,660.47 |
| 10. Expenses from loss transfer | 6,172,302.82 | | 556,809.25 |
| 11. Interest and similar expenses thereof to affiliated companies EUR 4,477,667.04 (prior year: EUR 1,215,508.87) | 23,285,906.64 | | 17,161,592.58 |
| | | **186,930,776.47** | **406,694,412.40** |
| 12. Taxes on income thereof income from the change in disclosed deferred taxes 2,369,638.00 (prior year: EUR 2,040,680.00) | | 49,730,717.59 | 54,082,695.24 |
| **13. Result after taxes** | | **120,707,549.93** | **349,416,337.30** |
| 14. Other taxes | | 711.50 | 1,452.50 |
| **15. Net profit for the year** | | **120,706,838.43** | **349,414,884.80** |
| 16. Profit carried forward | | 2,397,435,340.61 | 2,141,378,401.31 |
| 17. Transfer to other revenue reserves | | -55,000,000.00 | 0.00 |
| **18. Balance sheet profit** | | **2,463,142,179.04** | **2,490,793,286.11** |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2022

## General provisions

The annual financial statements for the fiscal year 2022 were prepared in accordance with sections 242ff. and sections 264ff. German Commercial Code (HGB), as well as with the respective provisions of the German Stock Corporation Law (AktG).

United Internet AG, Montabaur, is registered under number 5762 in Commercial Register B of the Local Court of Montabaur and is classified as a large corporation pursuant to section 267 (3) HGB due to its capital market orientation.

The annual financial statements are based on the provisions of the German Commercial Code and Stock Corporation Act, as amended.

The income statement is prepared according to the cost summary method.

In order to enhance the clarity of presentation, disclosures on the composition of line items, and in some cases "thereof" references, are included in these notes.

Reference is made to the fact that consolidated financial statements have been prepared according to International Financial Reporting Standards (IFRS), as applied in the EU, to comply with the listing requirements for the Prime Standard segment of the Frankfurt Stock Exchange and have been disclosed in accordance with section 325 HGB with reference to section 315e HGB.

### Information about the Company

The business activities of United Internet AG (United Internet) go back to "Eins & Eins EDV Marketing GmbH", which was founded by Mr. Ralph Dommermuth and two other shareholders in 1988. The name of this marketing company was changed to "1&1 EDV Marketing GmbH", before being finally renamed as "1&1 Holding GmbH" in 1993.

United Internet AG was founded on January 29, 1998 as a new holding company for the 1&1 Group, with the name 1&1 Aktiengesellschaft & Co. Kommanditgesellschaft auf Aktien, a partnership limited by shares. The Company was entered into the commercial register at the Local Court of Montabaur against HRB 5762 on February 16, 1998. 1&1 Holding GmbH was subsequently merged into the Company with effect from January 1, 1998.

On March 20, 1998 the Company's shares were admitted to the Regulated Market of the Frankfurt Stock Exchange with a listing in the Neuer Markt segment. The shares were traded for the first time on March 23, 1998.

The extraordinary shareholders' meeting on February 22, 2000 adopted a resolution to change the name of the Company to United Internet Aktiengesellschaft & Co. KGaA. The new name was entered in the commercial register on February 23, 2000.

The change of legal form to a stock corporation by the name of United Internet AG, also decided on February 22, 2000, was entered in the commercial register on March 23, 2000.

## Purpose of the Company

The purpose of the Company is to provide marketing, selling, and other services, especially in the fields of telecommunications, information technology, including the internet, and data processing, or related areas. The Company's purpose also includes the acquisition, holding, and management of investments in other companies, especially those operative in the aforementioned business segments. The Company is entitled to bring companies in which it holds an investment under its common control and may restrict itself to the management or administration of its investments.

The Company is authorized to acquire or hold investments in all types of companies in Germany and other countries and to transact all business that is conducive to its purpose. The Company is also authorized to conduct its business through subsidiaries, associated companies, and joint ventures. It may outsource or transfer all or part of its operations to affiliated companies.

## Management and representation of the Company

The Company's Management Board manages and represents the Company. According to its by-laws, the Management Board has one or more members, the number of which is determined by the Supervisory Board. If the Management Board has only one member, the Company is represented by this person. If it has more than one member, the Company is represented by two members of the Management Board or by one member of the Management Board collectively with a person holding power of attorney; however, the Supervisory Board may authorize particular members of the Management Board to represent the Company on their own.

## Accounting and valuation methods

Unless stated otherwise, all figures are stated in thousand euro (€k).

The following accounting and valuation methods continued to be used in the preparation of the annual financial statements.

Purchased **intangible assets** are carried at cost and amortized in scheduled amounts over their useful lives (3 years, straight-line method) insofar as they are subject to wear and tear.

**Property, plant, and equipment** are carried at cost and depreciated over their expected useful lives using the straight-line method. Depreciation of additions to property, plant, and equipment is always made pro rata temporis. Individual items with a low net value of up to € 250.00 are fully expensed in the year of acquisition; it is assumed that they are disposed of immediately.

Operational equipment is usually depreciated over 4 to 5 years. Leasehold improvements are generally written off over a period of 10 years or the shorter lease period. The expected useful life of office furniture and equipment is 8 to 13 years, that of the vehicles is 6 years.

Shares in affiliated companies disclosed under **financial assets** are reported at the lower of cost or – in the case of permanent impairment – market value, while loans are always stated at the lower of nominal or – in the case of permanent impairment – market value.

**Receivables, other assets, and liquid funds** are stated at nominal value. All risk-bearing items, which are significant in terms of amount, are covered by reasonable allowances. Individual risks are covered by appropriate allowances and the general risk of default is covered by a general allowance on receivables.

**Tax accruals** and **other accruals** consider all contingent liabilities, recognizable risks, and impending losses. They are carried at the expected settlement amount computed in accordance with prudent commercial practice (i.e., including future cost and price increases). Accruals with a remaining term of more than one year are discounted. As of the balance sheet date, the employee stock ownership program of the United Internet Group is carried at the prorated fair value of the obligation. The obligations are measured on each balance sheet date from the grant date until their settlement. Fair value is calculated with the aid of recognized financial models and is recognized pro rata temporis as a personnel expense over the vesting period.

**Liabilities** are stated at their settlement amount.

**Deferred taxes** are calculated due to temporary or quasi-permanent differences between the commercial law valuation of assets, liabilities, and prepaid expenses and their tax valuation, or due to tax loss carryforwards. They are measured using the Company's individual tax rates at the point in time when the differences reverse. The amounts of the resulting tax burden or relief are not discounted. Deferred tax assets and liabilities are netted.

Transactions in foreign currencies are recognized at the historical exchange rate at the time of initial measurement. **Assets and liabilities denominated in foreign currencies** are translated at the average spot rate on the balance sheet date. In the case of remaining terms of over one year, the realization principle (section 252 (1) number 4 half-sentence 2 HGB) and the acquisition cost principle (section 253 (1) sentence 1 HGB) are applied. The "thereof-currency-translation" comments stated in the notes include both recognized and unrecognized exchange rate differences.

# Notes to balance sheet items

## NON-CURRENT ASSETS

Reference is made to the non-current asset movement schedule (exhibit 1 of the notes) for the classification and development of non-current assets and disclosure of depreciation and amortization in the fiscal year.

### Financial assets

Information on the equity situation and results of operations of the affiliated companies, stating the respective shareholding, is included in the list of shareholdings (exhibit 2 of the notes).

## CURRENT ASSETS

### Receivables and other assets

The classification and maturities of receivables and other assets are shown in the following table:

| €k | December 31, 2022 | | December 31, 2022 | | December 31, 2021 |
|---|---|---|---|---|---|
| | | | Remaining term | | |
| | | up to 1 year | of 1 to 5 years | over 5 years | |
| | Total | | | | Total |
| Accounts receivable from affiliated companies | 724,810 | 724,810 | 0 | 0 | 725,869 |
| Other assets | 19,320 | 19,320 | 0 | 0 | 33,777 |
| | **744,130** | **744,130** | **0** | **0** | **759,646** |

Receivables and other assets in the previous year also had a remaining term of up to one year.

Receivables from affiliated companies mainly comprise receivables from the United Internet Group's internal cash management system due from United Internet Investment Holding AG & Co. KG amounting to € 436,477k, due from 1&1 Versatel GmbH amounting to € 144,926k, and due from United Internet Corporate Services GmbH amounting to € 33,340k.

Moreover, receivables from affiliated companies result from profit transfer agreements due from 1&1 Mail & Media Applications SE amounting to € 87,123k, due from United Internet Corporate Services GmbH amounting to € 3,371k, and from United Internet Service SE amounting to € 121k.

Receivables from affiliated companies from the purchase of services of € 11,294k are mainly due from IONOS Holding SE amounting to € 5,731k, from 1&1 Versatel GmbH amounting to € 2,485k, from United Internet Media GmbH amounting to € 1,341k, from 1&1 Mail & Media GmbH amounting to € 1,267k, from A1 Marketing Kommunikation und neue Medien GmbH amounting to € 196k, from 1&1 Mail & Media Applications SE amounting to € 147k, from United Internet Sourcing & Apprenticeship GmbH amounting to € 66k, from 1&1 Telecom GmbH amounting to € 41k, and from IONOS Group SE amounting to € 31k.

The financial statements of 1&1 AG for fiscal year 2022 were adopted before preparation of the financial statements of United Internet AG. Consequently, the dividend of € 0.05 per share proposed by 1&1 AG was recognized in the course of same-period profit recognition. This resulted in income from investments of € 6,922k and a receivable from affiliated companies of the same amount.

Other assets consist mostly of income tax receivables plus interest on refunds amounting to € 18,761k. This amount includes receivables from the tax authorities of € 4,558k from the past fiscal year 2022, and the related refund interest, on refunds from local authorities of € 1,164k that have not yet been assessed. Also included are expected tax refunds for the year 2009 of € 12,979k in connection with pending tax court proceedings.

## EQUITY

The Company has the legal form of a stock corporation ("Aktiengesellschaft").

### Capital stock and shares

The fully paid-in capital stock as of December 31, 2022 amounted to €194,000,000 (prior year: € 194,000,000) divided into 194,000,000 registered no-par shares having a theoretical share in the capital stock of € 1.00 each.

As in the previous year, the Company held 7,284,109 treasury shares as at December 31, 2022. In accordance with section 272 (1)a HGB, treasury shares are deducted from capital stock on the face of the balance sheet.

### Authorized capital

The Management Board is authorized, subject to the approval of the Supervisory Board, to increase the capital stock in the period ending August 31, 2023, by a maximum of € 77,500,000.00 (of which € 77,500,000.00 is Authorized Capital not yet used) by issuing on one or more occasions new no-par shares for cash and/or non-cash contributions (Authorized Capital 2020).

Shareholders are to be granted subscription rights with the following restrictions. The Management Board is authorized, subject to the approval of the Supervisory Board, to exclude the right to subscribe in the case of fractional amounts and also to exclude subscription rights to the extent that this should be necessary in order to grant subscription rights for new shares to bearers of warrants and convertible bonds issued by the Company or its subsidiaries in the amount to which they would be entitled on exercise of their warrant or conversion rights or fulfillment of their conversion obligation.

In the case of a capital increase in return for cash contribution, the Management Board is further authorized, subject to the approval of the Supervisory Board, to exclude shareholders' subscription rights for an amount of up to 10% of the capital stock existing at the time Authorized Capital 2020 becomes effective, or – if this amount is lower – at the time the resolution to use Authorized Capital 2020 is adopted, if the new shares are issued at an issuance price which is not substantially below the market price of those Company shares already listed at the time of the final determination of the issuance price, which shall be as near in time as possible to the share issuance date. This maximum amount of 10% of the capital stock includes the proportionate share of capital stock attributable to treasury shares sold on or after the effective date of this authorization in direct or analogous application of section 186 (3) sentence 4 German Stock Corporation Act (AktG), as well as the proportionate share of the capital stock attributable to shares subject to conversion and/or warrant rights or conversion obligations from bonds issued pursuant to the authorization of the Annual Shareholders’ Meeting of May 20, 2020, with the exclusion of subscription rights in accordance with section 186 (3) sentence 4 AktG.

The Management Board is further authorized, subject to the approval of the Supervisory Board, to exclude shareholders’ subscription rights in the case of capital increases in return for non-cash contribution in order to grant shares for the purpose of acquiring companies, parts of companies, interests in companies or other assets, including rights and receivables, or as part of business combinations.

The above mentioned authorizations to exclude subscription rights are limited in total to an amount of up 20% of the capital stock existing at the time Authorized Capital 2020 becomes effective, or – if this amount is lower – at the time the resolution to use Authorized Capital 2020 is adopted. This maximum amount of 20% of the capital stock includes the proportionate share of capital stock attributable to shares subject to conversion and/or warrant rights or conversion obligations from bonds issued pursuant to the authorization of the Annual Shareholders’ Meeting of May 20, 2020, with the exclusion of subscription rights, as well as the proportionate share of capital stock attributable to treasury shares sold on or after the effective date of this authorization in a manner other than via the stock exchange or by means of an offer to all shareholders.

The Management Board is further authorized, subject to the approval of the Supervisory Board, to determine the further details of the capital increase and its execution.

**Conditional capital**

Capital stock is conditionally increased by up to € 25,000,000.00, divided into up to 25,000,000 no-par value registered shares (Conditional Capital 2020). The conditional capital increase shall only be implemented to the extent that the bearers or holders of warrant rights or conversion rights or obligations from bonds with warrants or convertible bonds that have been issued or guaranteed by the Company or a subordinated Group company in the period ending August 31, 2023, on the basis of the Management Board’s authorization resolved by the Annual Shareholders’ Meeting of May 20, 2020, exercise their warrant or conversion rights or, to the extent that they are obligated to convert their bonds, fulfill their obligation, or to the extent that the Company exercises a right to grant shares in the Company, instead of paying the cash amount due (or parts thereof), and to the extent that cash compensation is not granted or treasury shares or shares in another listed company are not used to service bonds. The new shares shall be issued at the warrant or conversion price to be determined in accordance with the above authorizing resolution. The new shares shall participate in profits from the beginning of the fiscal year in which they are created; to the extent that it is legally permissible, the Management Board may, with the approval of the Supervisory Board, determine the profit participation of new shares and, notwithstanding section 60 (2) AktG, also for a fiscal year already expired. The Management Board is authorized, subject to the approval of the Supervisory Board, to determine the further details concerning the execution of the conditional capital increase.

**Authorization of Annual Shareholders' Meeting to acquire treasury shares**

On the basis of a resolution adopted by the Annual Shareholders' Meeting of May 20, 2020, the Management Board is authorized to acquire treasury shares, in the period September 19, 2020 to August 31, 2023, for every permissible purpose within the scope of legal restrictions pursuant to section 71 (1) number 8 AktG and subject to the provisions set out in agenda item 15. This authorization is limited in total to an amount of 10% of the capital stock existing at the time the Annual Shareholders' Meeting adopts the resolution or – if this amount is lower – at the time the authorization is exercised. As of the balance sheet date 7,284,109 treasury shares were held.

Total shareholders' equity developed as follows (€):

| Capital stock | | EUR |
|---|---|---|
| Capital stock – December 31, 2021 | | 194,000,000.00 |
| Open deduction of treasury shares acc. to section 272 (1)a HGB December 31, 2022 | | -7,284,109.00 |
| **Balance as of December 31, 2022** | | **186,715,891.00** |
| Capital reserves | | |
| Balance as of December 31, 2021 | | 468,976,677.74 |
| **Balance as of December 31, 2022** | | **468,976,677.74** |
| Other revenue reserves | | |
| Balance as of December 31, 2021 | | 447,843,896.69 |
| Transfer to other revenue reserves | 55,000,000.00 | |
| **Balance as of December 31, 2022** | | **502,843,896.69** |
| Net profit for the year | | |
| Balance as of December 31, 2021 | | 2,490,793,286.11 |
| Dividend payments | -93,357,945.50 | |
| Net profit for the year | 120,706,838.43 | |
| thereof transfer to other revenue reserves | -55,000,000.00 | |
| **Balance as of December 31, 2022** | | **2,463,142,179.04** |
| **Total shareholders' equity** | | **3,621,678,644.47** |

Treasury shares are treated in the same way as a capital reduction. The nominal amount is deducted from subscribed capital on the face of the balance sheet and the difference is offset with other revenue reserves. The nominal value of shares held on the balance sheet date December 31, 2022, amounting to € 7,284,109.00, was therefore deducted from capital stock and disclosed in a sub-column on the face of the balance sheet.

At the Annual Shareholders' Meeting of United Internet AG held on May 19, 2022, the proposal of the Management Board and Supervisory Board to pay a dividend of € 0.50 per share (prior year: € 0.50) for the fiscal year 2021, was approved. As a consequence, a total of € 93.4 million (prior year: € 93.6 million) was distributed on May 24, 2022.

Moreover, the Management Board of United Internet AG resolved to transfer a partial amount of net income of € 55,000,000.00 to other revenue reserves in accordance with section 58 (2) sentence 1 AktG.

As of the reporting date, the balance sheet profit amounts to € 2,463,142,179.04. The balance sheet profit contains a carryforward from the previous year of € 2,490,793,286.11. Following the dividend paid for the fiscal year 2022, this amount was reduced to € 2,397,435,340.61.

For the fiscal year 2022, the Management Board has proposed to the Supervisory Board the payment of a dividend of [€ 0.50] (see Dividend Proposal) per share. The Management Board and Supervisory Board will discuss this dividend proposal at the Supervisory Board meeting on March 29, 2023. According to section 21 of the by-laws of United Internet AG, the Annual Shareholders' Meeting decides on the appropriation of the balance sheet profit.

Pursuant to section 71b AktG, the Company does not accrue any rights from treasury shares and thus has no pro-rated dividend rights.

**Treasury shares**

As of December 31, 2022 the Company held 7,284,109 treasury shares, representing 3.75% of the capital stock of 194,000,000 shares. Treasury share account for € 7,284,109.00 of capital stock. The average purchase cost per share amounted to € 31.77. Following the cancellation of treasury shares in fiscal 2020, treasury shares amounting to €430,624 were acquired up to December 31, 2020, and further treasury shares amounting to €514,972 up to December 31, 2021. Since this date, the number of treasury shares has remained unchanged. Treasury shares may be used for all purposes specified in the authorization of the respective Annual Shareholders' Meeting, in particular for existing and future employee stock ownership plans and / or as acquisition currency, but may also be canceled.

**ACCRUALS**

As of December 31, 2022, tax accruals amounted to € 3,768k and relate to expected arrears for trade tax (€ 1,214k), corporation tax (€ 1,099k), interest on taxes in connection with the completed tax audit for the years 2012 to 2015 (€ 744k), and in connection with the not yet completed tax audit for the years 2016 to 2019 (€ 144k), sales tax (€ 506k), and the solidarity surcharge (€ 60k).

Other accrued liabilities of € 4,307k contain appropriate accruals formed for all foreseeable liabilities whose amount and nature are uncertain, including for the employee stock ownership plan (€ 2,135k), legal, auditing and consulting fees (€ 867k), bonuses (€ 350k), and other items (€ 955k).

## LIABILITIES

The classification and maturities of the liabilities are shown in the following table (in €k):

| €k | December 31, 2022 | December 31, 2022 | | | December 31, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | | Remaining term | | | Remaining term | |
| | Total | up to 1 year | of 1 to 5 years | over 5 years | Total | up to 1 year | over 1 year |
| Liabilities due to banks | 2,157,153 | 657,153 | 1,500,000 | 0 | 1,825,363 | 475,363 | 1,350,000 |
| Trade accounts payable | 1,232 | 1,232 | 0 | 0 | 79 | 79 | 0 |
| Liabilities due to affiliated companies | 757,641 | 757,641 | 0 | 0 | 998,866 | 998,866 | 0 |
| Other liabilities thereof for taxes € 3,408k (prior year: € 4,676k) | 3,408 | 3,408 | 0 | 0 | 4,676 | 4,676 | 0 |
| | **2,919,434** | **1,419,434** | **1,500,000** | **0** | **2,828,984** | **1,478,984** | **1,350,000** |

As of December 31, 2022, bank liabilities amounted to € 2,157 million. They comprise two promissory note loans totaling € 1,100 million, various syndicated loans totaling € 550 million, credit facilities of € 300 million, bilateral loan agreements of € 200 million, and interest of € 7 million.

Existing bilateral credit facilities of € 400 million are available to United Internet AG. These facilities have been granted until further notice and bear interest at market rates. United Internet AG is the sole borrower of these facilities. Drawings of € 300 million had been made from the credit facilities as at the end of the reporting period.

United Internet AG successfully placed three promissory note loans ("Schuldscheindarlehen") in its fiscal years 2014, 2017, and 2021.

In the fiscal year 2022, one tranche of the promissory note loan 2017 amounting to € 100.0 million and the last remaining tranche of the promissory note loan 2014 amounting to € 97.5 million were redeemed on schedule.

At the end of the reporting period on December 31, 2022, total liabilities from the promissory note loans with maximum terms until July 2027 therefore amounted to € 1,100.0 million.

No collateral was provided for any of the loans.

Liabilities to affiliated companies mainly consist of liabilities from balances of the United Internet Group's cash management system (€ 748,733k), from profit transfer agreements (€ 6,172k), and from services received from these companies (€ 2,732k).

Other liabilities consist of sales tax liabilities of € 3,383k as well as wage and church tax to be remitted of € 25k.

**DEFERRED TAXES**

Due to existing direct and indirect tax pooling, the measurement of deferred taxes is made across the entire tax pooling group of United Internet AG.

In the reporting period, there was a negative balance of deferred taxes of € 14,707k as of December 31, 2022 (prior year: € 12,337k). Deferred tax assets amount to € 5,231k (prior year: € 5,752k) and result as of the reporting date from deductible temporary differences relating to intangible assets, as well as accruals. Deferred tax liabilities in the reporting period result from temporary differences relating to valuation differences between the trade and tax balance sheets, especially from investments and intangible assets, and amount to € 19,938k (prior year: € 18,089k). The calculation is based on a tax rate of 31.46% (prior year: 31.08%).

# Notes to the income statement

### SALES

Sales of € 737k (prior year: € 520k) mainly comprise revenue from internal service charges.

### OTHER OPERATING INCOME

Other operating income mainly results from internal Group charges of € 2,674k (prior year: € 2,034k), non-period income of € 1,438k (prior year: € 1,230k), including income from the reversal of accruals totaling € 1,341k (prior year: € 1,162k). Other operating income in the previous year included income of € 7,212k from the sale of an investment in MIP Multimedia Internet Park GmbH, Zweibrücken. In connection with the acquisition of shares in IONOS SE, a conditional purchase price receivable of € 1,599k – not recognized in 2020 – was also recognized in profit or loss in the previous year.

### PERSONNEL EXPENSES

In the reporting period, personnel expenses amounted to € 1,118k (prior year: € 3,882k). Adjusted for the effects from employee stock ownership plans, personnel expenses in the previous year amounted to € 1,112k.

### OTHER OPERATING EXPENSES

Other operating expenses mainly relate to the invoicing of services rendered by the Group company United Internet Corporate Services GmbH to United Internet AG for internal services amounting to € 5,298k (prior year: € 4,428k), as well as other internal Group charges of € 2,674k ( prior year: € 2,034k). In addition, other operating expenses include expenses for legal, consulting and audit fees of € 9,193k (prior year: € 3,553k).

### INCOME FROM PROFIT TRANSFER AGREEMENTS

Income from profit transfer agreements refers to the profit transfers of 1&1 Mail & Media Applications SE amounting to € 87,123k, of United Internet Corporate Services GmbH amounting to € 3,371k, and of United Internet Service SE amounting to € 121k. In the previous year, income from profit transfer agreements included one-off effects in connection with the sale of an investment within the Group amounting to € 77,050k, as well as from a capital reduction and subsequent special dividend of a subsidiary amounting to € 140,000k.

### INCOME FROM INVESTMENTS

Income from investments amounted to € 13,844k (prior year: € 6,733k) and mainly includes dividends of 1&1 AG for the fiscal year 2021 as well as the dividend for the fiscal year 2022 due to same-period profit recognition.

### OTHER INTEREST AND SIMILAR INCOME

In addition to interest income from affiliated companies, other interest and similar income includes interest income from taxes of € 4,006k (prior year: € 1,237k). This mainly relates to expected interest on refunds from the tax authorities.

### INTEREST AND SIMILAR EXPENSES

In addition to interest expenses due to banks and affiliated companies, the item interest and similar expenses includes interest on taxes of € 1,200k (prior year: € 2,805k). This mainly relates to interest on arrears due to the tax authorities.

### EXPENSES FOR LOSS ASSUMPTIONS

Expenses for loss assumptions of € 6,172k (prior year: € 557k) comprise the compensation expense for United Internet Investments Holding SE (€ 6,084k), United Internet Management Holding SE (€ 44k), and United Internet Corporate Holding SE (€ 43k).

### INCOME TAXES

Income taxes amount to € 49,731k. The tax expense of € 50,926k (of which € 25,178k trade tax, € 20,429k for corporation tax, € 1,730k for capital gains tax, € 1,219k for solidarity surcharge, and deferred tax liabilities of € 2,370k) was opposed by income from the reversal of deferred tax liabilities amounting to € 1,195k.

## Other disclosures

### Average number of employees

An average of 2 (prior year: 2) permanent salaried staff were employed in the past fiscal year (without Management Board members, apprentices, part-time staff, and employees on maternity leave).

### Executive bodies of United Internet AG

As of December 31, 2022, the Management Board consisted of the following members:

- Ralph Dommermuth (CEO), Montabaur
- Martin Mildner (CFO), Hamburg

The members of the Management Board as of December 31, 2022 also belong to the supervisory boards of the following companies:

**Ralph Dommermuth**

- 1&1 Versatel GmbH, Düsseldorf, chair of the advisory committee
- 1&1 Telecommunication SE, Montabaur, member of the supervisory board
- 1&1 Mail & Media Applications SE, Montabaur, member of the supervisory board
- IONOS Holding SE, Montabaur, chair of the supervisory board
- Tele Columbus AG, Berlin, member of the supervisory board (until January 15, 2022)

**Martin Mildner**

- 1&1 Mail & Media Applications SE, Montabaur, member of the supervisory board
- 1&1 Versatel GmbH, Düsseldorf, member of the advisory committee
- 1&1 Versatel Deutschland GmbH, Düsseldorf, member of the advisory committee
- IONOS Holding SE, Montabaur, member of the supervisory board

- Uberall GmbH, Berlin, member of the advisory committee
- 1&1 Telecommunication SE, Montabaur, chair of the supervisory board
- Tele Columbus AG, Berlin, deputy chair of the supervisory board and of the risk and audit committee
- AWIN AG, Berlin, member of the supervisory board
- RankingCoach GmbH, Cologne, member of the advisory committee

The Supervisory Board is responsible for determining the remuneration of the Management Board. The members of the Management Board are compensated according to performance. This compensation consists of a fixed and a variable element (bonus). A target remuneration figure is agreed for the fixed component and the bonus, which is regularly reviewed.

As agreed with the Company's Supervisory Board, Mr. Ralph Dommermuth has waived his claim to Management Board remuneration since the fiscal year 2016.

The fixed remuneration component is paid monthly as a salary. The size of the bonus depends on reaching certain, fixed financial targets agreed at the beginning of the fiscal year. These targets are based mainly on the sales and earnings figures. The target attainment corridor is between 90% to 120%. No bonus is paid below 90% of the agreed target and the bonus calculation ends at 120% of the agreed target. No subsequent amendment of the performance targets is allowed. As a rule, there is no minimum guaranteed bonus. Payment is made after the annual financial statements have been adopted by the Supervisory Board.

In fiscal year 2022, total remuneration for the Management Board amounted in total to € 1,011k (prior year: € 1,055k). Of this total, € 650k or 62% was fixed, € 350k or 33 % was variable, and € 11k or 5% were other special and fringe benefits.

There are no retirement benefits from the Company to members of the Management Board.

**Share-based payments – Stock Appreciation Rights (SAR United Internet)**

Stock Appreciation Right (SARs) refer to the Company's commitment to pay the beneficiary a cash amount equivalent to the difference between the share price on the date of granting the option (strike price) and as a rule the share price on exercising the option. The beneficiary was granted an exercise price of € 30 per SAR. The exercise hurdle is 120% of the share price of the average closing price in electronic trading (Xetra) of the Frankfurt Stock Exchange over the ten days preceding issuance of the option. Payment of value growth to the entitled person is limited to 100% of the strike price.

An SAR corresponds to a virtual subscription right for one share of United Internet AG. However, it is not a share right and thus not a (genuine) option to acquire shares of United Internet AG. The Company retains the right, however, to fulfill its commitment to pay the SAR in cash by also transferring United Internet shares from its inventory of treasury shares to the beneficiary, at its own discretion.

Up to 25% of the option right may be converted at the earliest 24 months after the date of issue of the option; up to 50% at the earliest 36 months after the date of issue of the option. A total of up to 75% may be exercised at the earliest 48 months after the date of issue of the option; the full amount may be exercised at the earliest 60 months after the date of issue of the option.

The following table provides details on the compensation received by members of the Management Board (€k):

| 2022 | Fixed €k | Variable €k | Special and fringe benefits | Total fixed, variable, special and fringe benefits | Market value of share-based payments granted in 2022 €k * |
|---|---|---|---|---|---|
| Ralph Dommermuth | 0 | 0 | 0 | 0 | - |
| Martin Mildner | 650 | 350 | 11 | 1.011 | - |
| | **650** | **350** | **11** | **1.011** | **-** |

| 2021 | Fixed €k | Variable €k | Special and fringe benefits | Total fixed, variable, special and fringe benefits | Market value of share-based payments granted in 2021 €k * |
|---|---|---|---|---|---|
| Ralph Dommermuth | 0 | 0 | 0 | 0 | - |
| Martin Mildner | 650 | 350 | 55 | 1.055 | - |
| | **650** | **350** | **55** | **1.055** | **-** |

* Share-based payments (so-called Stock Appreciation Rights) are compensation components with a long-term incentive and transferred over a total period of five years.

In fiscal year 2022, the Supervisory Board of United Internet AG consisted of the following members:

- Philipp von Bismarck, Chairman of the Supervisory Board
  resident in Königstein im Taunus,
  Lawyer

- Dr. Manuel Cubero del Castillo-Olivares, Deputy Chairman of the Supervisory Board
  resident in Munich,
  Self-employed advisory committee/supervisory board member

- Prof. Dr. Andreas Söffing
  resident in Frankfurt am Main
  Partner at Flick Gocke Schaumburg

- Prof. Dr. Yasmin Mei-Yee Weiß
  resident in Gauting,
  Professor of business administration at the Technical University of Nuremberg

- Stefan Rasch
  resident in Grünwald,
  Senior Advisor at The Boston Consulting Group GmbH

- Dr. Claudia Borgas-Herold (until August 22, 2022)
  resident in Kilchberg, Switzerland,
  Managing Director at borgas advisory GmbH, Lucerne

In fiscal year 2022, the members of the Supervisory Board also held seats on supervisory boards or similar committees of the following companies:

**Philipp von Bismarck**

- No other seats

**Dr. Manuel Cubero del Castillo-Olivares**

- Nürnberg Institut für Marktentscheidung e.V., Nuremberg (chair)
- Unicepta Holding GmbH, Cologne (chair of the advisory committee)

**Prof. Dr. Yasmin Mei-Yee Weiß**

- Zeppelin GmbH, Friedrichshafen
- Bayerische Beamten Lebensversicherung AG, Munich
- Bayerische Lebensversicherung AG, Munich (since October 2022)
- BLG Logistics Group AG & Co. KG, Bremen
- Börsenverein des deutschen Buchhandels, Frankfurt am Main (since March 2022)

**Prof. Dr. Andreas Söffing**

- Deutsche Oppenheim Family Office AG, Cologne (deputy chair of the advisory committee)
- Institut der Steuerberater Hessen e. V., Frankfurt (chair of the scientific committee)
- Nemetschek SE, Munich
- Nemetschek Innovationsstiftung, Munich (chair of the management board)
- Nemetschek Familienstiftung, Munich
- Capella GmbH, Hamburg

**Dr. Claudia Borgas-Herold**

- 1&1 AG, Montabaur
- IONOS Holding SE, Montabaur
- Tele Columbus AG, Berlin

**Stefan Rasch**

- Hallhuber GmbH, Munich (since March 2022)

The current remuneration system for Supervisory Board members was last amended by the Annual Shareholders' Meeting of May 19, 2022 and governed by section 13 of the Articles of Association of United Internet AG.

In addition to the reimbursement of cash expenses, each member of the Supervisory Board receives fixed annual remuneration of € 30,000.00. The Chairman receives € 120,000.00, the Deputy Chairman receives € 45,000.00.

For serving on the Supervisory Board's Audit and Risk Committee, the Chairman of the Audit and Risk Committee receives an additional € 65,000.00 per year, and each other member of the Audit and Risk Committee receives an additional € 25,000.00 per year. The Company shall support the members of the Audit and Risk Committee in taking part in necessary further training measures and shall also bear the costs incurred to a reasonable extent.

A Supervisory Board member who only served as a member of the Supervisory Board or the Audit and Risk Committee for part of the fiscal year receives a lower amount of remuneration on a pro rata temporis basis for each month or part thereof.

In addition, each member of the Supervisory Board and each member of the Audit and Risk Committee receives an attendance fee of € 1,500 for each time they attend a meeting of the Supervisory Board or of the Audit and Risk Committee held in person. If the meeting of the Supervisory Board or of the Audit and Risk Committee is not held in person but only virtually (in particular if a meeting is held only by telephone or only via videoconference), the members of the Supervisory Board or of the Audit and Risk Committee receive no attendance fee if the meeting lasted no more than one hour. Members who do not personally attend meetings of the Supervisory Board or of the Audit and Risk Committee held in person (e.g., by participating via telephone or videoconference) always receive only 25% of the attendance fee, and if they participate solely by submitting a voting rights message are not entitled to any attendance fee.

The following table provides details on the compensation received by members of the Supervisory Board of United Internet AG (€k):

| 2022 | Fixed €k | Attendance fee €k | Total €k |
|---|---|---|---|
| Prof. Dr. Andreas Söffing | 95 | 30 | 125 |
| Stefan Rasch | 55 | 29 | 84 |
| Dr. Claudia Borgas-Herold | 20 | 5 | 25 |
| Dr. Manuel Cubero del Castillo-Olivares | 45 | 15 | 60 |
| Philipp von Bismarck | 145 | 29 | 174 |
| Prof. Dr. Yasmin Mei-Yee Weiß | 30 | 14 | 44 |
| | 390 | 122 | 512 |

| 2021 | Fixed €k | Attendance fee €k | Total €k |
|---|---|---|---|
| Prof. Dr. Andreas Söffing | 32 | 5 | 37 |
| Kurt Dobitsch | 13 | 1 | 14 |
| Michael Scheeren | 5 | 1 | 6 |
| Stefan Rasch | 20 | 5 | 25 |
| Dr. Claudia Borgas-Herold | 20 | 6 | 26 |
| Dr. Manuel Cubero del Castillo-Olivares | 21 | 6 | 27 |
| Philipp von Bismarck | 35 | 6 | 41 |
| Prof. Dr. Yasmin Mei-Yee Weiß | 20 | 6 | 26 |
| | **166** | **36** | **202** |

**Contingent liabilities**

The Company has a guaranty facility in its name. As of the reporting date, guaranties totaling € 13,221k were outstanding from this facility.

In addition, the Company is jointly and severally liable for a guaranty facility granted by banks, which both the Company and various subsidiaries may use. As of the reporting date, guaranties totaling € 9,858k were outstanding from this facility.

As of the reporting date, no outstanding guaranty from one of the two guaranty facilities had been used. Due to the stable business position of the borrowing subsidiaries and United Internet AG, the risk involved in the contingent liabilities is currently regarded as very low.

United Internet AG has issued a letter of comfort for 1&1 Versatel GmbH. In this connection, United Internet AG has committed to accept responsibility for obligations received until December 31, 2022 in the following fiscal year and to ensure that 1&1 Versatel GmbH is managed and funded in such a way that it can meet the aforementioned obligations punctually and in full.

United Internet AG has issued a letter of comfort for Fasthosts Internet Limited, Gloucester, as well as for IONOS SARL. These two companies entered into an agreement with Elavon Financial Services DAC on November 26, 2020, regarding the acceptance of MasterCard and Visa credit cards for the processing and settlement of credit card transactions ("Acceptance Agreement"). In the letters of comfort, United Internet AG agrees to ensure the unconditional obligation that Fasthosts Internet Limited, Gloucester, as well as IONOS SARL, are managed and funded in such a way that they are always able to meet all liabilities arising from or in connection with the Acceptance Agreement in due time and that the amounts paid on the liabilities remain final, in particular also in the case that the subsidiary becomes insolvent. These agreements remain valid until all claims of Elavon have been satisfied on a more than temporary basis.

## Dividend proposal

The Management Board and Supervisory Board propose to use the balance sheet profit for the fiscal year 2022, as disclosed in the Company's approved annual financial statements as of December 31, 2022, amounting to € 2,463,142,179.04 as follows:

- Payment of a dividend of € [0.50] per share for the past fiscal year 2022 for each no-par share with dividend entitlement (total of 172,816,295 dividend-entitled no-par shares) € 86,408,147.50
- Transfer to other revenue reserves € 500,000,000.00
- Amount carried forward € 1,876,734,031.54

The dividend proposal takes into account the 19,183,705 treasury shares held by the Company when the Management Board prepared these annual financial statements, which are not entitled to dividends pursuant to section 71b AktG. The number of dividend-entitled shares may change before the Annual Shareholders' Meeting. In this case, a correspondingly adjusted dividend proposal will be submitted to the Annual Shareholders' Meeting with an unchanged dividend of € 0.50 per entitled share.

Pursuant to section 58 (4) sentence 2 AktG, the dividend payment is due on the third business day following the resolution of the Annual Shareholders' Meeting.

## Disclosures on shareholdings

United Internet AG is the partner with unlimited liability (general partner) of United Internet Investments Holding AG & Co. KG, Montabaur.

## Publication of voting right announcements acc. to sections 33 and 40 WpHG

Please refer to Appendix 3 of the Notes for details on voting rights disclosures.

## Financial instruments

In connection with an investment agreement, there are three derivatives not recognized at fair value (conditional purchase price receivables of United Internet AG). The fair values of the derivatives depend, among other things, on the performance of an investment or the development of the GBP/€ exchange rate and the occurrence of future events. The term is indefinite and ends upon termination of the investment agreement or no later than after seven years. The claims of United Internet AG are limited to € 41 million and € 25 million or € 17 million, respectively. No payment obligations of United Internet AG can result from the agreement. The carrying amount of the three derivatives is € 0 in each case; the fair values amount to € 40.75 million, € 2.20 million and € 16.87 million, respectively. These valuations are based on a Black-Scholes model, a Monte Carlo simulation, and expected values using observable and unobservable input factors. The input factors include in particular the expected maturity, the volatility, the development of the GBP/€ exchange rate, and the planned IPO of IONOS Group SE (formerly: 1&1 IONOS TopCo SE).

## Auditing and consulting fees

The fees expensed for the auditing of the separate Annual Financial Statements of United Internet AG amounted to € 831k in the fiscal year 2022. These include fees for auditing services of € 600k and for other assurance services of € 231k. Other assurance services mainly relate to the audit review of the Sustainability Report.

In the fiscal year 2021, the Company's Annual Financial Statements were audited by Ernst & Young GmbH, Eschborn.

### Corporate Governance Code

The declaration of conformity with the German Corporate Governance Code acc. to section 161 AktG was filed by the Management Board and Supervisory Board and is available to shareholders via the internet portal of United Internet AG (www.united-internet.de).

## Subsequent events

### IPO of Group subsidiary IONOS Group SE

In an "Intention to Float" (ITF) document published on January 17, 2023, together with its shareholders United Internet (75.1%) and WP XII Venture Holdings II SCSp (24.9%), an affiliate of Warburg Pincus (together "Warburg Pincus"), IONOS Group SE officially announced its plans for an IPO of IONOS. Depending on the market environment, the shares are to be listed on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange in the first quarter of 2023.

In an ad-hoc announcement on January 27, 2023, United Internet and Warburg Pincus announced that they had set the framework for the planned IPO of IONOS Group SE and the admission for trading of its shares on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange. The shares of IONOS Group SE were to be offered in a price range of € 18.50 to € 22.50. United Internet and Warburg Pincus both offered 15% of their shares (i.e., a total of 21,000,000 registered no-par shares), corresponding to 15,771,000 registered no-par shares from the holdings of United Internet and 5,229,000 registered no-par shares from the holdings of Warburg Pincus. Up to 3,150,000 additional registered no-par shares from the holdings of United Internet and Warburg Pincus were available to be offered to cover potential over-allotments (greenshoe).

In an ad-hoc announcement on February 7, 2023, United Internet and Warburg Pincus announced that they had set the final offer price for the shares of IONOS Group SE at € 18.50 per share.

The shares of IONOS Group SE have been listed on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange under the ISIN: DE000A3E00M1, WKN: A3E00M, ticker symbol: IOS since February 8, 2023. Following the IPO of IONOS Group SE, United Internet holds 63.8% and Warburg Pincus 21.2% of shares. A further 15.0% are in free float. United Internet received gross proceeds from the sale of shares of around € 292 million, whereas the total placement volume amounted to around € 389 million.

### Capital reduction via cancellation of treasury shares and share buyback offer

On February 14, 2023, the Management Board of United Internet AG decided, with the approval of the Supervisory Board and on the basis of the authorization granted by the Annual Shareholders' Meeting of May 20, 2020 regarding the acquisition and use of treasury shares, to initially cancel 2 million treasury shares and to reduce the capital stock of United Internet AG by € 2 million from € 194 million to € 192 million. The number of shares issued decreased accordingly by 2 million shares, from 194 million shares to 192 million shares. The pro-rata amount of the capital stock that the issued shares represent remains unchanged at € 1 per share. The cancellation of the treasury shares serves to increase the proportionate participation of United Internet shareholders. Following the cancellation of the aforementioned two million shares, United Internet AG initially held 5,284,109 treasury shares. This corresponded to approx. 2.75% of the Company’s capital stock.

Furthermore, the Management Board of United Internet AG also decided on February 14, 2023, with the approval of the Supervisory Board, to make a public share buyback offer to the shareholders of United Internet AG for a total of up to 13.9 million shares at a price of € 21.00 per share. The total volume of the share buyback offer therefore amounted to up to € 291.9 million. With the public share buyback offer, United Internet AG made use of the authorization granted by the Annual Shareholders' Meeting of the Company on May 20, 2020, under which up to 10% of the Company’s capital stock could be bought back by August 31, 2023. The shares bought back may be used for all of the purposes permitted under the authorization granted by the Annual Shareholders' Meeting of May 20, 2020. The shares may also be canceled.

In the course of the public share buyback offer, a total of 27,553,147 shares were tendered to the Company by the end of the offer period. The offer was based on the buyback of up to 13.9 million shares in total. As the total number of shares for which the offer was accepted exceeded this maximum amount, the declarations of acceptance were considered on a pro rata basis, i.e., corresponding to the ratio of the maximum number of United Internet shares to be purchased pursuant to this offer, i.e., 13.9 million United Internet shares, to the aggregate number of United Internet shares tendered by United Internet shareholders for buyback.

Upon completion of the capital reduction resolved by the Management Board on February 14, 2023, with the approval of the Supervisory Board, by means of canceling 2 million treasury shares and the buyback of 13,899,596 shares (without fractional amounts) as part of the public share buyback offer to the shareholders of United Internet AG, United Internet now holds 19,183,705 treasury shares, corresponding to 9.99% of the current capital stock of 192 million shares. In view of the offer price of € 21.00 per United Internet share, the purchase price for the buyback of 13,899,596 shares in total amounted to € 291.9 million.

### Complaint filed with Federal Cartel Office

On February 24, 2023, 1&1 filed a complaint with Germany’s Federal Cartel Office. The subject of the complaint is what 1&1 considers to be ongoing obstructions to the roll-out of its 5G mobile network by Vodafone GmbH. From 1&1’s point of view, this is delaying the roll-out of its own network, but is not having any significant financial impact.

Despite the current delay in the roll-out of antenna locations, 1&1 is still pursuing its goal of achieving coverage of at least 50 percent of households before 2030. To this end, further partners have been acquired for the network roll-out. The Company therefore expects to make up for the delays in the course of the roll-out phase.

### Change in Management Board

On March 10, 2023, United Internet announced that Mr. Martin Mildner, Chief Financial Officer (CFO) of United Internet AG, was to leave United Internet AG at his own request on March 31, 2023. The Chairman of the Supervisory Board, Philipp von Bismarck, and CEO Ralph Dommermuth regret this decision.

Martin Mildner’s successor as CFO of United Internet AG as of April 1, 2023 will be Ralf Hartings, who has been active for the United Internet Group since 2021 as CFO of 1&1 Mail & Media SE and will step down from this position on March 31, 2023. Ralf Hartings has many years of experience working in the telecommunication sector, including 15 years of international experience for Vodafone and Verizon Wireless in the USA.

In addition to the main responsibilities of his position as CFO, Martin Mildner was also responsible for the shared services of United Internet AG. This responsibility will be transferred to Markus Huhn as of April 1, 2023, when he joins Ralph Dommermuth and Ralf Hartings as a further member of the Management Board. Markus Huhn has already been working for the United Internet Group for 28 years and has been a CFO since 2008. Mr. Huhn will continue to be CFO of 1&1 AG in addition to his new role.

There were no other significant events subsequent to the end of the reporting period on December 31, 2021 which had a major impact on the financial position and performance or the accounting and reporting of the Company or Group with effects on accounting and reporting

Information on the economic position of the Group and Company at the time of preparing this Management Report are provided in chapter 4.3 "Forecast report".

Montabaur, March 29, 2023

The Management Board

Ralph Dommermuth

Martin Mildner

# DEVELOPMENT OF NON-CURRENT ASSETS

| | Acquisition and production costs | | | |
|---|---|---|---|---|
| | January 1, 2022 | Additions | Disposals | December 31, 2022 |
| | EUR | EUR | EUR | EUR |
| **I. Intangible Assets** | | | | |
| Concessions, industrial and similar rights and assets, as well as licenses in such rights, and assets acquired for consideration | 70,980.00 | 0.00 | 0.00 | 70,980.00 |
| **I. Property, plant and equipment** | | | | |
| Concessions, industrial and similar rights and assets, as well as licenses in such rights, and assets acquired for consideration | 45,862.54 | 0.00 | 0.00 | 45,862.54 |
| **II. Financial assets** | | | | |
| 1. Shares in affiliated companies | 4,221,863,087.68 | 0.00 | 0.00 | 4,221,863,087.68 |
| 2. Loans to affiliated companies | 1,415,000,000.00 | 180,000,000.00 | 0.00 | 1,595,000,000.00 |
| | **5,636,863,087.68** | **180,000,000.00** | **0.00** | **5,816,863,087.68** |
| | **5,636,979,930.22** | **180,000,000.00** | **0.00** | **5,816,979,930.22** |

| | Accumulated depreciation | | | | Net book value | |
|---|---|---|---|---|---|---|
| | January 1, 2022 | Additions | Disposals | December 31, 2022 | December 31, 2022 | December 31, 2021 |
| | EUR | EUR | EUR | EUR | EUR | EUR |
| | 19,717.00 | 23,660.00 | 0.00 | 43,377.00 | 27,603.00 | 51,263.00 |
| | **44,874.54** | **268.00** | **0.00** | **45,142.54** | **720.00** | **988.00** |
| | **0.00** | **0.00** | **0.00** | **0.00** | **4,221,863,087.68** | **4,221,863,087.68** |
| | 0.00 | 0.00 | 0.00 | 0.00 | 1,595,000,000.00 | 1,415,000,000.00 |
| | 0.00 | 0.00 | 0.00 | 0.00 | 5,816,863,087.68 | 5,636,863,087.68 |
| | **64,591.54** | **23,928.00** | **0.00** | **88,519.54** | **5,816,891,410.68** | **5,636,915,338.68** |

# STATEMENT OF INVESTMENTS

## United Internet AG, Montabaur

Statement of investments as of December 31, 2022

| | Capital share | Company equity as of Dec. 31, 2022 | Net income / loss FY 2022 |
|---|---|---|---|
| | in % | €k | €k |
| **Shares held directly** | | | |
| 1&1 Mail & Media Applications SE, Montabaur (1) | 100 00 | 968,686 | 0 |
| 1&1 Versatel GmbH, Düsseldorf | 100 00 | 277,338 | -7,754 |
| CA BG AlphaRho AG, Vienna / Austria | 100 00 | 65 | -30 |
| United Internet Corporate Holding SE, Montabaur (1) | 100 00 | 120 | 0 |
| United Internet Corporate Services GmbH, Montabaur (1) | 100.00 | 25 | 0 |
| United Internet Investments Holding AG & Co. KG, Montabaur (1) (13) | 100 00 | 128,439 | 0 |
| United Internet Management Holding SE, Montabaur (1) | 100 00 | 120 | 0 |
| United Internet Service SE, Montabaur (1) | 100 00 | 120 | 0 |
| 1&1 AG, Montabaur | 78 32 | 7,794,190 | 354,878 |
| IONOS Group SE, Montabaur | 75.10 | 510,498 | -8,980 |
| **Shares held indirectly** | | | |
| 1&1 Cardgate LLC, Philadelphia / USA (4) | 100 00 | 178 | 180 |
| 1&1 De-Mail GmbH, Montabaur (1) | 100 00 | 25 | 0 |
| 1&1 Energy GmbH, Montabaur | 100 00 | 2,635 | 4,773 |
| 1&1 Internet Development SRL, Bucharest / Romania (4) (11) | 100 00 | 4,087 | 2,557 |
| 1&1 Logistik GmbH, Montabaur (2) (3) | 100 00 | 25 | 0 |
| 1&1 Mail & Media Development & Technology GmbH, Montabaur (1) | 100.00 | 1,748 | 0 |
| 1&1 Mail & Media GmbH, Montabaur (1) | 100 00 | 72,665 | 0 |
| 1&1 Mail & Media Inc., Philadelphia / USA | 100 00 | 18,765 | -54 |
| 1&1 Mail & Media Service GmbH, Montabaur (1) | 100 00 | 25 | 0 |
| 1&1 Mobilfunk GmbH, Düsseldorf (2) (3) | 100 00 | 944 | 0 |
| 1&1 Telecom GmbH, Montabaur (2) (3) | 100 00 | 1,143 | 0 |
| 1&1 Telecom Holding GmbH, Montabaur (2) (3) | 100 00 | 1,752,964 | 0 |
| 1&1 Telecom Sales GmbH, Montabaur (2) (3) | 100.00 | 25 | 0 |
| 1&1 Telecom Service Montabaur GmbH, Montabaur (2) (3) | 100 00 | 52 | 0 |
| 1&1 Telecom Service Zweibrücken GmbH, Zweibrücken (2) (3) | 100 00 | 25 | 0 |
| 1&1 Telecommunication SE, Montabaur (2) (3) | 100 00 | 638,357 | 0 |
| 1&1 Towers GmbH, Düsseldorf (2) (3) | 100 00 | 25 | 0 |
| 1&1 Versatel Deutschland GmbH, Düsseldorf (5) | 100 00 | 342,431 | 0 |
| A 1 Marketing, Kommunikation und neue Medien GmbH, Montabaur (1) | 100 00 | 1,152 | 0 |
| A1 Media USA LLC, Philadelphia / USA (4) | 100 00 | 269 | 36 |
| Arsys Internet E.U R L., Perpignan / France (4) | 100.00 | 164 | 5 |
| Arsys Internet S L.U., Logroño / Spain (4) | 100 00 | 105,535 | 4,595 |
| AZ pl Sp. z o o., Stettin / Poland (4) | 100 00 | 805 | 741 |
| Blitz 17-665 SE, Maintal (2) (3) | 100 00 | 120 | 0 |
| Blitz 17-666 SE, Maintal (2) (3) | 100 00 | 120 | 0 |
| CA BG AlphaPi AG, Vienna / Austria | 100 00 | 140 | -29 |
| CM4all GmbH, Cologne (4) | 100 00 | 472 | -617 |
| Content Management Support GmbH in Liquidation, Cologne (4) (10) | 100 00 | 26 | -19 |
| Content Management Inc., New York / USA (4) | 100 00 | 136 | 17 |
| Cronon GmbH, Berlin (4) (6) (17) | 100 00 | 157 | 0 |
| Domain Robot Enterprises Inc., Vancouver / Canada (9) (18) | 100 00 | 0 | 0 |
| DomCollect International GmbH, Montabaur (7) (18) | 100 00 | 25 | 0 |
| Drillisch Logistik GmbH, Maintal (3) | 100 00 | 18,696 | 687 |
| Drillisch Online GmbH, Maintal (2) (3) | 100 00 | 145,699 | 0 |
| Fasthosts Internet Ltd., Gloucester / Great Britain (4) | 100 00 | 24,566 | 7,609 |
| HBS Cloud Sp. z o.o., Stettin / Poland (4) | 100 00 | 11 | 3 |
| home pl S.A., Stettin / Poland (4) | 100 00 | 51,880 | 9,453 |
| Immobilienverwaltung AB GmbH, Montabaur (4) | 100 00 | 455 | 55 |
| InterNetX, Corp., Miami / USA (18) | 100 00 | 110 | 81 |
| InterNetX GmbH, Regensburg (7) (18) | 100 00 | 4,469 | 0 |
| InterNetX Holding GmbH, Regensburg (4) | 100 00 | 33,676 | 26,426 |

| | | | |
|---|---|---|---|
| IONOS Inc., Philadelphia / USA (4) | 100.00 | 21,583 | 3,510 |
| IONOS S.A.R.L., Saargemünd / France (4) | 100.00 | 1,725 | 1,615 |
| IONOS SE, Montabaur (4) (6) | 100.00 | 390,319 | 0 |
| IONOS Cloud Inc., Newark / USA (4) | 100.00 | 1,110 | -293 |
| IONOS Cloud Ltd., Gloucester / Great Britain (4) | 100.00 | 2,515 | 2,559 |
| IONOS Cloud S.L.U., Madrid / Spain (4) | 100.00 | 2,861 | 1,420 |
| IONOS Cloud Holdings Ltd., Gloucester / Great Britain (4) | 100.00 | 72,017 | -67 |
| IONOS Datacenter SAS, Niederlauterbach / France (4) | 100.00 | 2,170 | 180 |
| IONOS Holding SE, Montabaur (4) | 100.00 | 497,148 | 48,142 |
| IONOS (Philippines), Inc., Cebu City / Philippinen (4) (12) (formerly 1&1 IONOS (Philippines), Inc.) | 100.00 | 877 | 34 |
| IONOS Service GmbH, Montabaur (4) (6) | 100.00 | 240 | 0 |
| IQ-optimize Software AG, Maintal (2) (3) | 100.00 | 87 | 0 |
| PSI-USA, Inc., Las Vegas / USA (18) | 100.00 | 606 | 151 |
| Schlund Technologies GmbH, Regensburg (7) (18) | 100.00 | 25 | 0 |
| Sedo GmbH, Cologne (7) (18) | 100.00 | 13,428 | 0 |
| Sedo.com LLC, Cambridge / USA (18) | 100.00 | 14,668 | 6,048 |
| STRATO AG, Berlin (4) (6) | 100.00 | 9,716 | 0 |
| STRATO Customer Service GmbH, Berlin (4) (6) (17) | 100.00 | 200 | 0 |
| Tesys Internet S.L.U., Logroño / Spain (4) | 100.00 | 2,223 | 262 |
| TROPOLYS Netz GmbH, Düsseldorf | 100.00 | -32,708 | -13 |
| TROPOLYS Service GmbH, Düsseldorf | 100.00 | -20,306 | -10 |
| U M United Internet Media Austria GmbH, Vienna / Austria | 100.00 | 975 | 38 |
| United Domains Inc., Cambridge / USA (4) (10) | 100.00 | 440 | 0 |
| United Internet Media GmbH, Montabaur (1) | 100.00 | 50 | 0 |
| United Internet Sourcing & Apprenticeship GmbH, Montabaur (1) | 100.00 | 25 | 0 |
| united-domains AG, Starnberg (4) (6) | 100.00 | 432 | 0 |
| united-domains Reselling GmbH, Starnberg (4) (8) | 100.00 | 25 | 0 |
| Versatel Immobilien Verwaltungs GmbH, Düsseldorf | 100.00 | -4,026 | -2 |
| we22 GmbH, Köln (4) (formerly we22 Aktiengesellschaft) | 100.00 | 3,598 | -210 |
| we22 Solutions GmbH, Berlin (4) | 100.00 | 315 | -794 |
| World4You Internet Services GmbH, Linz / Austria (4) | 100.00 | 4,407 | 1,416 |
| Tele Columbus AG, Berlin (16) (20) | 95.39 | 828,473 | -82,067 |
| premium.pl Sp. z o.o., Stettin / Poland (4) (14) | 75.00 | 487 | 63 |
| DomainsBot S r.l., Rom / Italy (18) (19) | 49.00 | 1,037 | 383 |
| Intellectual Property Management Company Inc., Dover / USA (16) (18) | 49.00 | 0 | 0 |
| Kublai GmbH, Frankfurt (16) | 40.00 | 846,905 | -1,099 |
| rankingCoach International GmbH, Cologne (15) | 31.52 | 0 | -2,218 |
| Open-Xchange AG, Cologne (22) | 25.39 | 35,578 | -2,383 |
| Stackable GmbH, Pinneberg (4) (16) | 25.10 | 30 | -205 |
| uberall GmbH, Berlin (21) | 25.10 | 15,122 | -11,732 |
| AW N AG, Berlin (16) | 20.00 | 513 | 9,630 |
| High-Tech Gründerfonds III GmbH & Co. KG, Bonn (3) | < 20,00 | - | - |
| MMC Investments Holding Company Ltd., Port Louis / Mauritius (10) | < 20,00 | - | - |
| Worcester Six Management Company Ltd., Birmingham / Great Britain (4) | < 20,00 | - | - |
| Growth Brands Opportunity Group, LLC, Wilmington / USA | < 20,00 | - | - |

(1) Profit transfer with United Internet AG (direct/indirect)
(2) Profit transfer with 1&1 AG (direct/indirect)
(3) Held directly/indirectly via 1&1 AG, Maintal
(4) Held directly/indirectly via IONOS Group SE, Montabaur
(5) Profit transfer with 1&1 Versatel GmbH (direct/indirect)
(6) Profit transfer with IONOS Holding SE (direct/indirect)
(7) Profit transfer with InterNetX Holding GmbH (direct/indirect)
(8) Profit transfer with united-domains AG
(9) No operating activities
(10) In liquidation
(11) United Internet Corporate Services GmbH (1 00%)
(12) Hüseyin Dogan (0.008%), Britta Schmidt (0.008%), Debra Sitoy (0 008%), Gelfa M. Lobitana (0 008%), Pierre Pauline M. Yrastorza (0 008%)
(13) Of which 99 998% personally liable partner (general partner) UI AG and of which 0.002% limited partner UICS GmbH
(14) Przemyslaw Pawel Bojczuk (25 00%)
(15) Based on the published figures of the consolidated financial statements as of December 31, 2020
(16) Based on the published figures as of the reporting date September 30 / December 31, 2021
(17) Profit and loss transfer agreement with Strato AG, Berlin
(18) Held directly/indirectly via InterNetX Holding GmbH, Regensburg
(19) Includes DomainsBot Inc., Dover / USA
(20) Held directly/indirectly via Kublai GmbH, Frankfurt, Germany
(21) Based on the published figures as of the reporting date December 31, 2019
(22) Based on the published figures as of December 31, 2020

# VOTING RIGHT ANNOUNCEMENTS

## Announcements acc. to sec. 26 WPHG

## Publication on April 11, 2022

## United Internet AG: Release according to Article 40, Section 1 of the WpHG [the German Securities Trading Act] with the objective of Europe-wide distribution

United Internet AG
11.04.2022 / 17:55
Dissemination of a Voting Rights Announcement transmitted by DGAP - a service of EQS Group AG.
The issuer is solely responsible for the content of this announcement.

**Notification of Major Holdings**

**1. Details of issuer**

| | |
|---|---|
| Name: | United Internet AG |
| Street: | Elgendorfer Straße 57 |
| Postal code: | 56410 |
| City: | Montabaur<br>Germany |
| Legal Entity Identifier (LEI): | 3VEKWPJHTD4NKMBVG947 |

**2. Reason for notification**

| | |
|---|---|
| X | Acquisition/disposal of shares with voting rights |
| | Acquisition/disposal of instruments |
| | Change of breakdown of voting rights |
| | Other reason: |

**3. Details of person subject to the notification obligation**

| |
|---|
| Legal entity: Allianz Global Investors GmbH<br>City of registered office, country: Frankfurt/Main, Germany |

**4. Names of shareholder(s)**
holding directly 3% or more voting rights, if different from 3.

| |
|---|
| |

**5. Date on which threshold was crossed or reached:**

| |
|---|
| 08 Apr 2022 |

**6. Total positions**

| | % of voting rights attached to shares (total of 7.a.) | % of voting rights through instruments (total of 7.b.1 + 7.b.2) | Total of both in % (7.a. + 7.b.) | Total number of voting rights pursuant to Sec. 41 WpHG |
|---|---|---|---|---|
| New | 2.997 % | 0.00 % | 2.997 % | 194000000 |
| Previous notification | 4.99 % | 0.01 % | 4.997 % | / |

**7. Details on total positions**

**a. Voting rights attached to shares (Sec. 33, 34 WpHG)**

| ISIN | Absolute | | In % | |
|---|---|---|---|---|
| | Direct (Sec. 33 WpHG) | Indirect (Sec. 34 WpHG) | Direct (Sec. 33 WpHG) | Indirect (Sec. 34 WpHG) |
| DE0005089031 | 0 | 5815027 | 0.00 % | 2.997 % |
| **Total** | 5815027 | | 2.997 % | |

**b.1. Instruments according to Sec. 38 (1) no. 1 WpHG**

| Type of instrument | Expiration or maturity date | Exercise or conversion period | Voting rights absolute | Voting rights in % |
|---|---|---|---|---|
| | | | 0 | 0.00 % |
| | | **Total** | 0 | 0.00 % |

**b.2. Instruments according to Sec. 38 (1) no. 2 WpHG**

| Type of instrument | Expiration or maturity date | Exercise or conversion period | Cash or physical settlement | Voting rights absolute | Voting rights in % |
|---|---|---|---|---|---|
| | | | | 0 | 0.00 % |
| | | | **Total** | 0 | 0.00 % |

**8. Information in relation to the person subject to the notification obligation**

| | |
|---|---|
| | Person subject to the notification obligation is not controlled nor does it control any other undertaking(s) that directly or indirectly hold(s) an interest in the (underlying) issuer (1.). |
| X | Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity: |

| Name | % of voting rights (if at least 3% or more) | % of voting rights through instruments (if at least 5% or more) | Total of both (if at least 5% or more) |
|---|---|---|---|
| -Allianz SE | % | % | % |
| -Allianz Asset Management GmbH | % | % | % |
| -Allianz Global Investors GmbH | % | % | % |

**9. In case of proxy voting according to Sec. 34 para. 3 WpHG**
(only in case of attribution of voting rights in accordance with Sec. 34 para. 1 sent. 1 No. 6 WpHG)

Date of general meeting:
Holding total positions after general meeting (6.) after annual general meeting:

| Proportion of voting rights | Proportion of instruments | Total of both |
|---|---|---|
| % | % | % |

**10. Other explanatory remarks:**

Date

| 11 Apr 2022 |
|---|

## Publication on August 04, 2022

## United Internet AG: Release according to Article 40, Section 1 of the WpHG [the German Securities Trading Act] with the objective of Europe-wide distribution

United Internet AG
United Internet AG: Release according to Article 40, Section 1 of the WpHG [the German Securities Trading Act] with the objective of Europe-wide distribution
04.08.2022 / 17:40
Dissemination of a Voting Rights Announcement transmitted by DGAP - a service of EQS Group AG.
The issuer is solely responsible for the content of this announcement.

**Notification of Major Holdings**

**1. Details of issuer**

| | |
|---|---|
| Name: | United Internet AG |
| Street: | Elgendorfer Straße 57 |
| Postal code: | 56410 |
| City: | Montabaur<br>Germany |
| Legal Entity Identifier (LEI): | 3VEKWPJHTD4NKMBVG947 |

**2. Reason for notification**

| | |
|---|---|
| X | Acquisition/disposal of shares with voting rights |
| | Acquisition/disposal of instruments |
| | Change of breakdown of voting rights |
| | Other reason: |

**3. Details of person subject to the notification obligation**

| Legal entity: Flossbach von Storch AG<br>City of registered office, country: Cologne, Germany |
|---|

**4. Names of shareholder(s)**
holding directly 3% or more voting rights, if different from 3.

**5. Date on which threshold was crossed or reached:**

02 Aug 2022

**6. Total positions**

| | % of voting rights attached to shares (total of 7.a.) | % of voting rights through instruments (total of 7.b.1 + 7.b.2) | Total of both in % (7.a. + 7.b.) | Total number of voting rights pursuant to Sec. 41 WpHG |
|---|---|---|---|---|
| New | 2.97 % | 0.00 % | 2.97 % | 194000000 |
| Previous notification | 4.995819587629 % | 0.0 % | 4.995819587629 % | / |

**7. Details on total positions**
**a. Voting rights attached to shares (Sec. 33, 34 WpHG)**

| ISIN | Absolute | | In % | |
|---|---|---|---|---|
| | Direct (Sec. 33 WpHG) | Indirect (Sec. 34 WpHG) | Direct (Sec. 33 WpHG) | Indirect (Sec. 34 WpHG) |
| DE0005089031 | 0 | 5756500 | 0.00 % | 2.97 % |
| **Total** | 5756500 | | 2.97 % | |

**b.1. Instruments according to Sec. 38 (1) no. 1 WpHG**

| Type of instrument | Expiration or maturity date | Exercise or conversion period | Voting rights absolute | Voting rights in % |
|---|---|---|---|---|
| | | | 0 | 0.00 % |
| | | **Total** | 0 | 0.00 % |

**b.2. Instruments according to Sec. 38 (1) no. 2 WpHG**

| Type of instrument | Expiration or maturity date | Exercise or conversion period | Cash or physical settlement | Voting rights absolute | Voting rights in % |
|---|---|---|---|---|---|
| | | | | 0 | 0.00 % |
| | | | **Total** | 0 | 0.00 % |

**8. Information in relation to the person subject to the notification obligation**

| | |
|---|---|
| | Person subject to the notification obligation is not controlled nor does it control any other undertaking(s) that directly or indirectly hold(s) an interest in the (underlying) issuer (1.). |
| X | Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity: |

| Name | % of voting rights (if at least 3% or more) | % of voting rights through instruments (if at least 5% or more) | Total of both (if at least 5% or more) |
|---|---|---|---|
| Flossbach von Storch AG | % | % | % |
| Flossbach von Storch Invest S.A. | % | % | % |

**9. In case of proxy voting according to Sec. 34 para. 3 WpHG**
(only in case of attribution of voting rights in accordance with Sec. 34 para. 1 sent. 1 No. 6 WpHG)

Date of general meeting:
Holding total positions after general meeting (6.) after annual general meeting:

| Proportion of voting rights | Proportion of instruments | Total of both |
|---|---|---|
| % | % | % |

**10. Other explanatory remarks:**

Date

04 Aug 2022

## Publication on December 21, 2022

## United Internet AG: Release according to Article 40, Section 1 of the WpHG [the German Securities Trading Act] with the objective of Europe-wide distribution

United Internet AG
United Internet AG: Release according to Article 40, Section 1 of the WpHG [the German Securities Trading Act] with the objective of Europe-wide distribution
21.12.2022 / 15:00 CET/CEST
Dissemination of a Voting Rights Announcement transmitted by EQS News - a service of EQS Group AG.
The issuer is solely responsible for the content of this announcement.

**Notification of Major Holdings**

**1. Details of issuer**

| | |
|---|---|
| Name: | United Internet AG |
| Street: | Elgendorfer Straße 57 |
| Postal code: | 56410 |
| City: | Montabaur<br>Germany |
| Legal Entity Identifier (LEI): | 3VEKWPJHTD4NKMBVG947 |

**2. Reason for notification**

| | |
|---|---|
| | Acquisition/disposal of shares with voting rights |
| | Acquisition/disposal of instruments |
| | Change of breakdown of voting rights |
| X | Other reason:<br>Voluntary Group notification with triggered threshold on subsidiary level |

**3. Details of person subject to the notification obligation**

Natural person (first name, surname): Ralph Dommermuth
Date of birth: 19 Nov 1963

**4. Names of shareholder(s)**
holding directly 3% or more voting rights, if different from 3.

| |
|---|
| Ralph Dommermuth GmbH |

**5. Date on which threshold was crossed or reached:**

| |
|---|
| 20 Dec 2022 |

**6. Total positions**

| | % of voting rights attached to shares (total of 7.a.) | % of voting rights through instruments (total of 7.b.1 + 7.b.2) | Total of both in % (7.a. + 7.b.) | Total number of voting rights pursuant to Sec. 41 WpHG |
|---|---|---|---|---|
| New | 51.03 % | 0.00 % | 51.03 % | 194000000 |
| Previous notification | 50.10 % | 0.00 % | 50.10 % | / |

**7. Details on total positions**
**a. Voting rights attached to shares (Sec. 33, 34 WpHG)**

| ISIN | Absolute | | In % | |
|---|---|---|---|---|
| | Direct (Sec. 33 WpHG) | Indirect (Sec. 34 WpHG) | Direct (Sec. 33 WpHG) | Indirect (Sec. 34 WpHG) |
| DE0005089031 | 0 | 99000000 | 0.00 % | 51.03 % |
| **Total** | 99000000 | | 51.03 % | |

**b.1. Instruments according to Sec. 38 (1) no. 1 WpHG**

| Type of instrument | Expiration or maturity date | Exercise or conversion period | Voting rights absolute | Voting rights in % |
|---|---|---|---|---|
| | | | 0 | 0.00 % |
| | | **Total** | 0 | 0.00 % |

**b.2. Instruments according to Sec. 38 (1) no. 2 WpHG**

| Type of instrument | Expiration or maturity date | Exercise or conversion period | Cash or physical settlement | Voting rights absolute | Voting rights in % |
|---|---|---|---|---|---|
| | | | | 0 | 0.00 % |
| | | | **Total** | 0 | 0.00 % |

**8. Information in relation to the person subject to the notification obligation**

| | |
|---|---|
| | Person subject to the notification obligation is not controlled nor does it control any other undertaking(s) that directly or indirectly hold(s) an interest in the (underlying) issuer (1.). |
| X | Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity: |

| Name | % of voting rights (if at least 3% or more) | % of voting rights through instruments (if at least 5% or more) | Total of both (if at least 5% or more) |
|---|---|---|---|
| Ralph Dommermuth | % | % | % |
| Ralph Dommermuth Verwaltungs GmbH | % | % | % |
| Ralph Dommermuth GmbH & Co. KG Beteiligungsgesellschaft | 51.03 % | % | 51.03 % |
| Ralph Dommermuth GmbH | 51.03 % | % | 51.03 % |
| - | % | % | % |
| Ralph Dommermuth | % | % | % |
| RD Holding-Verwaltungs GmbH | % | % | % |
| RD Holding GmbH & Co. KG | 51.03 % | % | 51.03 % |

**9. In case of proxy voting according to Sec. 34 para. 3 WpHG**
(only in case of attribution of voting rights in accordance with Sec. 34 para. 1 sent. 1 No. 6 WpHG)

Date of general meeting:
Holding total positions after general meeting (6.) after annual general meeting:

| Proportion of voting rights | Proportion of instruments | Total of both |
|---|---|---|
| % | % | % |

**10. Other explanatory remarks:**

Date

21 Dec 2022

## Publication on February 15, 2023

## United Internet AG: Publication of acquisition or disposal in respect of own shares according Sec. 40 para. 1 sent. 2 WpHG

United Internet AG
United Internet AG: Publication of acquisition or disposal in respect of own shares according Sec. 40 para. 1 sent. 2 WpHG
15.02.2023 / 09:42 CET/CEST
Dissemination of a Voting Rights Announcement transmitted by EQS News - a service of EQS Group AG.
The issuer is solely responsible for the content of this announcement.

**Publication of acquisition or disposal in respect of own shares**

**1. Details of issuer**

| |
|---|
| United Internet AG<br>Elgendorfer Straße 57<br>56410 Montabaur<br>Germany |

**2. Names of subsidiary undertakings or third persons**
holding directly 3% or more shares, if different from 1.

| |
|---|
| |

**3. Date on which threshold was crossed or reached**

| |
|---|
| 14 Feb 2023 |

**4. Share-position**

| | Share-position in % | total amount of shares issued |
|---|---|---|
| Resulting situation | 2.75 % | 192,000,000 |
| Previous publication | 3.27 % | / |

**5. Details**

| absolute | | in % | |
|---|---|---|---|
| direct | indirect (via subsidiary or third person, Sec. 71d para. 1 AktG) | direct | indirect (via subsidiary or third person, Sec. 71d para. 1 AktG) |
| 5,284,109 | | 2.75 % | % |

## Publication on March 01, 2023

## United Internet AG: Release according to Article 40, Section 1 of the WpHG [the German Securities Trading Act] with the objective of Europe-wide distribution

United Internet AG
United Internet AG: Release according to Article 40, Section 1 of the WpHG [the German Securities Trading Act] with the objective of Europe-wide distribution
01.03.2023 / 14:16 CET/CEST
Dissemination of a Voting Rights Announcement transmitted by EQS News - a service of EQS Group AG.
The issuer is solely responsible for the content of this announcement.

**Notification of Major Holdings**

**1. Details of issuer**

| | |
|---|---|
| Name: | United Internet AG |
| Street: | Elgendorfer Straße 57 |
| Postal code: | 56410 |
| City: | Montabaur<br>Germany |
| Legal Entity Identifier (LEI): | 3VEKWPJHTD4NKMBVG947 |

**2. Reason for notification**

| | |
|---|---|
| X | Acquisition/disposal of shares with voting rights |
| | Acquisition/disposal of instruments |
| | Change of breakdown of voting rights |
| | Other reason: |

**3. Details of person subject to the notification obligation**

Legal entity: BlackRock, Inc.
City of registered office, country: Wilmington, Delaware, United States of America (USA)

**4. Names of shareholder(s)**
holding directly 3% or more voting rights, if different from 3.

**5. Date on which threshold was crossed or reached:**

16 Feb 2023

**6. Total positions**

| | % of voting rights attached to shares (total of 7.a.) | % of voting rights through instruments (total of 7.b.1 + 7.b.2) | Total of both in % (7.a. + 7.b.) | Total number of voting rights pursuant to Sec. 41 WpHG |
|---|---|---|---|---|
| New | 2.82 % | 0.55 % | 3.37 % | 192000000 |
| Previous notification | 3.10 % | 0.26 % | 3.35 % | / |

**7. Details on total positions**
**a. Voting rights attached to shares (Sec. 33, 34 WpHG)**

| ISIN | Absolute | | In % | |
|---|---|---|---|---|
| | Direct (Sec. 33 WpHG) | Indirect (Sec. 34 WpHG) | Direct (Sec. 33 WpHG) | Indirect (Sec. 34 WpHG) |
| DE0005089031 | 0 | 5405940 | 0 % | 2.82 % |
| **Total** | 5405940 | | 2.82 % | |

**b.1. Instruments according to Sec. 38 (1) no. 1 WpHG**

| Type of instrument | Expiration or maturity date | Exercise or conversion period | Voting rights absolute | Voting rights in % |
|---|---|---|---|---|
| Lent Securities (right to recall) | N/A | N/A | 1002381 | 0.52 % |
| | | **Total** | 1002381 | 0.52 % |

**b.2. Instruments according to Sec. 38 (1) no. 2 WpHG**

| Type of instrument | Expiration or maturity date | Exercise or conversion period | Cash or physical settlement | Voting rights absolute | Voting rights in % |
|---|---|---|---|---|---|
| Contract for Difference | N/A | N/A | Cash | 57949 | 0.03 % |
| | | | **Total** | 57949 | 0.03 % |

**8. Information in relation to the person subject to the notification obligation**

| | |
|---|---|
| | Person subject to the notification obligation is not controlled nor does it control any other undertaking(s) that directly or indirectly hold(s) an interest in the (underlying) issuer (1.). |
| X | Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity: |

| Name | % of voting rights (if at least 3% or more) | % of voting rights through instruments (if at least 5% or more) | Total of both (if at least 5% or more) |
|---|---|---|---|
| BlackRock, Inc. | % | % | % |
| Trident Merger LLC | % | % | % |
| BlackRock Investment Management, LLC | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock Capital Holdings, Inc. | % | % | % |
| BlackRock Advisors, LLC | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| Trident Merger LLC | % | % | % |
| BlackRock Investment Management, LLC | % | % | % |
| Amethyst Intermediate LLC | % | % | % |
| Aperio Holdings LLC | % | % | % |
| Aperio Group, LLC | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock International Holdings, Inc. | % | % | % |
| BR Jersey International Holdings L.P. | % | % | % |
| BlackRock (Singapore) Holdco Pte. Ltd. | % | % | % |
| BlackRock (Singapore) Limited | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |

| | | | |
|---|---|---|---|
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock Holdco 4, LLC | % | % | % |
| BlackRock Holdco 6, LLC | % | % | % |
| BlackRock Delaware Holdings Inc. | % | % | % |
| BlackRock Fund Advisors | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock Holdco 4, LLC | % | % | % |
| BlackRock Holdco 6, LLC | % | % | % |
| BlackRock Delaware Holdings Inc. | % | % | % |
| BlackRock Institutional Trust Company, National Association | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock International Holdings, Inc. | % | % | % |
| BR Jersey International Holdings L.P. | % | % | % |
| BlackRock Australia Holdco Pty. Ltd. | % | % | % |
| BlackRock Investment Management (Australia) Limited | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock International Holdings, Inc. | % | % | % |
| BR Jersey International Holdings L.P. | % | % | % |
| BlackRock (Singapore) Holdco Pte. Ltd. | % | % | % |
| BlackRock HK Holdco Limited | % | % | % |
| BlackRock Asset Management North Asia Limited | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |

| | | | |
|---|---|---|---|
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock Holdco 4, LLC | % | % | % |
| BlackRock Holdco 6, LLC | % | % | % |
| BlackRock Delaware Holdings Inc. | % | % | % |
| BlackRock Institutional Trust Company, National Association | % | % | % |
| SAE Liquidity Fund (GenPar), LLC | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock International Holdings, Inc. | % | % | % |
| BR Jersey International Holdings L.P. | % | % | % |
| BlackRock Holdco 3, LLC | % | % | % |
| BlackRock Canada Holdings LP | % | % | % |
| BlackRock Canada Holdings ULC | % | % | % |
| BlackRock Asset Management Canada Limited | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock International Holdings, Inc. | % | % | % |
| BR Jersey International Holdings L.P. | % | % | % |
| BlackRock (Singapore) Holdco Pte. Ltd. | % | % | % |
| BlackRock HK Holdco Limited | % | % | % |
| BlackRock Lux Finco S. a r.l. | % | % | % |
| BlackRock Japan Holdings GK | % | % | % |
| BlackRock Japan Co., Ltd. | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock International Holdings, Inc. | % | % | % |
| BR Jersey International Holdings L.P. | % | % | % |

| | | | |
|---|---|---|---|
| BlackRock Holdco 3, LLC | % | % | % |
| BlackRock Cayman 1 LP | % | % | % |
| BlackRock Cayman West Bay Finco Limited | % | % | % |
| BlackRock Cayman West Bay IV Limited | % | % | % |
| BlackRock Group Limited | % | % | % |
| BlackRock International Limited | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock International Holdings, Inc. | % | % | % |
| BR Jersey International Holdings L.P. | % | % | % |
| BlackRock Holdco 3, LLC | % | % | % |
| BlackRock Cayman 1 LP | % | % | % |
| BlackRock Cayman West Bay Finco Limited | % | % | % |
| BlackRock Cayman West Bay IV Limited | % | % | % |
| BlackRock Group Limited | % | % | % |
| BlackRock Finance Europe Limited | % | % | % |
| BlackRock Advisors (UK) Limited | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock International Holdings, Inc. | % | % | % |
| BR Jersey International Holdings L.P. | % | % | % |
| BlackRock Holdco 3, LLC | % | % | % |
| BlackRock Cayman 1 LP | % | % | % |
| BlackRock Cayman West Bay Finco Limited | % | % | % |
| BlackRock Cayman West Bay IV Limited | % | % | % |
| BlackRock Group Limited | % | % | % |
| BlackRock Luxembourg Holdco S.a.r.l. | % | % | % |
| BlackRock (Luxembourg) S.A. | % | % | % |
| - | % | % | % |

| | | | |
|---|---|---|---|
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock International Holdings, Inc. | % | % | % |
| BR Jersey International Holdings L.P. | % | % | % |
| BlackRock Holdco 3, LLC | % | % | % |
| BlackRock Cayman 1 LP | % | % | % |
| BlackRock Cayman West Bay Finco Limited | % | % | % |
| BlackRock Cayman West Bay IV Limited | % | % | % |
| BlackRock Group Limited | % | % | % |
| BlackRock International Limited | % | % | % |
| BlackRock Life Limited | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock International Holdings, Inc. | % | % | % |
| BR Jersey International Holdings L.P. | % | % | % |
| BlackRock Holdco 3, LLC | % | % | % |
| BlackRock Cayman 1 LP | % | % | % |
| BlackRock Cayman West Bay Finco Limited | % | % | % |
| BlackRock Cayman West Bay IV Limited | % | % | % |
| BlackRock Group Limited | % | % | % |
| BlackRock Finance Europe Limited | % | % | % |
| BlackRock Investment Management (UK) Limited | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock International Holdings, Inc. | % | % | % |
| BR Jersey International Holdings L.P. | % | % | % |
| BlackRock Holdco 3, LLC | % | % | % |
| BlackRock Cayman 1 LP | % | % | % |

| | | | |
|---|---|---|---|
| BlackRock Cayman West Bay Finco Limited | % | % | % |
| BlackRock Cayman West Bay IV Limited | % | % | % |
| BlackRock Group Limited | % | % | % |
| BlackRock Luxembourg Holdco S.a.r.l. | % | % | % |
| BlackRock Investment Management Ireland Holdings Limited | % | % | % |
| BlackRock Asset Management Ireland Limited | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock International Holdings, Inc. | % | % | % |
| BR Jersey International Holdings L.P. | % | % | % |
| BlackRock Holdco 3, LLC | % | % | % |
| BlackRock Cayman 1 LP | % | % | % |
| BlackRock Cayman West Bay Finco Limited | % | % | % |
| BlackRock Cayman West Bay IV Limited | % | % | % |
| BlackRock Group Limited | % | % | % |
| BlackRock Luxembourg Holdco S.a.r.l. | % | % | % |
| BlackRock UK Holdco Limited | % | % | % |
| BlackRock Asset Management Schweiz AG | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock International Holdings, Inc. | % | % | % |
| BR Jersey International Holdings L.P. | % | % | % |
| BlackRock Holdco 3, LLC | % | % | % |
| BlackRock Cayman 1 LP | % | % | % |
| BlackRock Cayman West Bay Finco Limited | % | % | % |
| BlackRock Cayman West Bay IV Limited | % | % | % |
| BlackRock Group Limited | % | % | % |
| BlackRock Finance Europe Limited | % | % | % |

| | | | |
|---|---|---|---|
| BlackRock Investment Management (UK) Limited | % | % | % |
| BlackRock Fund Managers Limited | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock International Holdings, Inc. | % | % | % |
| BR Jersey International Holdings L.P. | % | % | % |
| BlackRock Holdco 3, LLC | % | % | % |
| BlackRock Cayman 1 LP | % | % | % |
| BlackRock Cayman West Bay Finco Limited | % | % | % |
| BlackRock Cayman West Bay IV Limited | % | % | % |
| BlackRock Group Limited | % | % | % |
| BlackRock Finance Europe Limited | % | % | % |
| BlackRock (Netherlands) B.V. | % | % | % |
| BlackRock Asset Management Deutschland AG | % | % | % |
| - | % | % | % |
| BlackRock, Inc. | % | % | % |
| BlackRock Holdco 2, Inc. | % | % | % |
| BlackRock Financial Management, Inc. | % | % | % |
| BlackRock International Holdings, Inc. | % | % | % |
| BR Jersey International Holdings L.P. | % | % | % |
| BlackRock Holdco 3, LLC | % | % | % |
| BlackRock Cayman 1 LP | % | % | % |
| BlackRock Cayman West Bay Finco Limited | % | % | % |
| BlackRock Cayman West Bay IV Limited | % | % | % |
| BlackRock Group Limited | % | % | % |
| BlackRock Finance Europe Limited | % | % | % |
| BlackRock (Netherlands) B.V. | % | % | % |
| BlackRock Asset Management Deutschland AG | % | % | % |
| iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen | % | % | % |

| | | | |
|---|---|---|---|
| - | % | % | % |

**9. In case of proxy voting according to Sec. 34 para. 3 WpHG**
(only in case of attribution of voting rights in accordance with Sec. 34 para. 1 sent. 1 No. 6 WpHG)

Date of general meeting:
Holding total positions after general meeting (6.) after annual general meeting:

| Proportion of voting rights | Proportion of instruments | Total of both |
|---|---|---|
| % | % | % |

**10. Other explanatory remarks:**

Date

21 Feb 2023

## Publication on March 06, 2023

## United Internet AG: Release according to Article 40, Section 1 of the WpHG [the German Securities Trading Act] with the objective of Europe-wide distribution

United Internet AG
United Internet AG: Release according to Article 40, Section 1 of the WpHG [the German Securities Trading Act] with the objective of Europe-wide distribution
06.03.2023 / 09:05 CET/CEST
Dissemination of a Voting Rights Announcement transmitted by EQS News - a service of EQS Group AG.
The issuer is solely responsible for the content of this announcement.

**Notification of Major Holdings**

**1. Details of issuer**

| | |
|---|---|
| Name: | United Internet AG |
| Street: | Elgendorfer Straße 57 |
| Postal code: | 56410 |
| City: | Montabaur<br>Germany |
| Legal Entity Identifier (LEI): | 3VEKWPJHTD4NKMBVG947 |

**2. Reason for notification**

| | |
|---|---|
| X | Acquisition/disposal of shares with voting rights |
| | Acquisition/disposal of instruments |
| | Change of breakdown of voting rights |
| | Other reason: |

**3. Details of person subject to the notification obligation**

Legal entity: Wellington Management Group LLP
City of registered office, country: Boston, United States of America (USA)

**4. Names of shareholder(s)**
holding directly 3% or more voting rights, if different from 3.

**5. Date on which threshold was crossed or reached:**

28 Feb 2023

**6. Total positions**

| | % of voting rights attached to shares (total of 7.a.) | % of voting rights through instruments (total of 7.b.1 + 7.b.2) | Total of both in % (7.a. + 7.b.) | Total number of voting rights pursuant to Sec. 41 WpHG |
|---|---|---|---|---|
| New | 3.03 % | 0.00 % | 3.03 % | 192000000 |
| Previous notification | 2.99 % | 0.00 % | 2.99 % | / |

**7. Details on total positions**
**a. Voting rights attached to shares (Sec. 33, 34 WpHG)**

| ISIN | Absolute | | In % | |
|---|---|---|---|---|
| | Direct (Sec. 33 WpHG) | Indirect (Sec. 34 WpHG) | Direct (Sec. 33 WpHG) | Indirect (Sec. 34 WpHG) |
| DE0005089031 | 0 | 5823940 | 0.00 % | 3.03 % |
| **Total** | 5823940 | | 3.03 % | |

**b.1. Instruments according to Sec. 38 (1) no. 1 WpHG**

| Type of instrument | Expiration or maturity date | Exercise or conversion period | Voting rights absolute | Voting rights in % |
|---|---|---|---|---|
| | | | 0 | 0.00 % |
| | | **Total** | 0 | 0.00 % |

**b.2. Instruments according to Sec. 38 (1) no. 2 WpHG**

| Type of instrument | Expiration or maturity date | Exercise or conversion period | Cash or physical settlement | Voting rights absolute | Voting rights in % |
|---|---|---|---|---|---|
| | | | | 0 | 0.00 % |
| | | | **Total** | 0 | 0.00 % |

**8. Information in relation to the person subject to the notification obligation**

| | |
|---|---|
| | Person subject to the notification obligation is not controlled nor does it control any other undertaking(s) that directly or indirectly hold(s) an interest in the (underlying) issuer (1.). |
| X | Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity: |

| Name | % of voting rights (if at least 3% or more) | % of voting rights through instruments (if at least 5% or more) | Total of both (if at least 5% or more) |
|---|---|---|---|
| Wellington Management Group LLP | % | % | % |
| Wellington Group Holdings LLP | % | % | % |

| | | | |
|---|---|---|---|
| Wellington Investment Advisors Holdings LLP | % | % | % |
| Wellington Management Company LLP | % | % | % |
| - | % | % | % |
| Wellington Management Group LLP | % | % | % |
| Wellington Trust Company, NA | % | % | % |
| - | % | % | % |
| Wellington Management Group LLP | % | % | % |
| Wellington Group Holdings LLP | % | % | % |
| Wellington Investment Advisors Holdings LLP | % | % | % |
| Wellington Management Global Holdings, Ltd. | % | % | % |
| Wellington Management International Ltd. | % | % | % |
| - | % | % | % |
| Wellington Management Group LLP | % | % | % |
| Wellington Group Holdings LLP | % | % | % |
| Wellington Investment Advisors Holdings LLP | % | % | % |
| Wellington Management Canada LLC | % | % | % |
| Wellington Management Canada ULC | % | % | % |
| - | % | % | % |
| Wellington Management Group LLP | % | % | % |
| Wellington Group Holdings LLP | % | % | % |
| Wellington Investment Advisors Holdings LLP | % | % | % |
| Wellington Management Global Holdings, Ltd. | % | % | % |
| Wellington Management Australia Pty. Ltd. | % | % | % |
| - | % | % | % |
| Wellington Management Group LLP | % | % | % |
| Wellington Group Holdings LLP | % | % | % |

| | | | |
|---|---|---|---|
| Wellington Investment Advisors Holdings LLP | % | % | % |
| Wellington Management Global Holdings, Ltd. | % | % | % |
| Wellington Management Hong Kong Ltd. | % | % | % |
| - | % | % | % |
| Wellington Management Group LLP | % | % | % |
| Wellington Group Holdings LLP | % | % | % |
| Wellington Investment Advisors Holdings LLP | % | % | % |
| Wellington Management Global Holdings, Ltd. | % | % | % |
| Wellington Management Japan Pte Ltd. | % | % | % |
| - | % | % | % |
| Wellington Management Group LLP | % | % | % |
| Wellington Group Holdings LLP | % | % | % |
| Wellington Management Funds Holdings LLP | % | % | % |
| Wellington Luxembourg S.à r.l. | % | % | % |
| - | % | % | % |
| Wellington Management Group LLP | % | % | % |
| Wellington Group Holdings LLP | % | % | % |
| Wellington Management Funds Holdings LLP | % | % | % |
| Wellington Alternative Investments LLC | % | % | % |
| Elbe Master Investors (Cayman) L.P. | % | % | % |
| - | % | % | % |
| Wellington Management Group LLP | % | % | % |
| Wellington Group Holdings LLP | % | % | % |
| Wellington Management Funds Holdings LLP | % | % | % |
| Wellington Alternative Investments LLC | % | % | % |
| Elbe Investors (Cayman) L.P. | % | % | % |
| - | % | % | % |

| | | | |
|---|---|---|---|
| Wellington Management Group LLP | % | % | % |
| Wellington Group Holdings LLP | % | % | % |
| Wellington Management Funds Holdings LLP | % | % | % |
| Wellington Alternative Investments LLC | % | % | % |
| Elbe Partners, L.P. | % | % | % |
| - | % | % | % |
| Wellington Management Group LLP | % | % | % |
| Wellington Group Holdings LLP | % | % | % |
| Wellington Management Funds Holdings LLP | % | % | % |
| Wellington Alternative Investments LLC | % | % | % |
| International Research Equity Extended Master Fund (Cayman) L.P. | % | % | % |
| - | % | % | % |
| Wellington Management Group LLP | % | % | % |
| Wellington Group Holdings LLP | % | % | % |
| Wellington Management Funds Holdings LLP | % | % | % |
| Wellington Alternative Investments LLC | % | % | % |
| International Research Equity Extended Fund, L.P. | % | % | % |
| - | % | % | % |
| Wellington Management Group LLP | % | % | % |
| Wellington Group Holdings LLP | % | % | % |
| Wellington Management Funds Holdings LLP | % | % | % |
| Wellington Alternative Investments LLC | % | % | % |
| Global Research Equity Extended Master Fund (Cayman) L.P. | % | % | % |
| - | % | % | % |
| Wellington Management Group LLP | % | % | % |
| Wellington Group Holdings LLP | % | % | % |

| | | | |
|---|---|---|---|
| Wellington Management Funds Holdings LLP | % | % | % |
| Wellington Alternative Investments LLC | % | % | % |
| Global Research Equity Extended Fund, L.P. | % | % | % |
| - | % | % | % |
| Wellington Management Group LLP | % | % | % |
| Wellington Group Holdings LLP | % | % | % |
| Wellington Management Funds Holdings LLP | % | % | % |
| Wellington Alternative Investments LLC | % | % | % |
| Global Research Equity Extended Fund (Cayman), L.P. | % | % | % |
| - | % | % | % |
| Wellington Management Group LLP | % | % | % |
| Wellington Group Holdings LLP | % | % | % |
| Wellington Management Funds Holdings LLP | % | % | % |
| Wellington Alternative Investments LLC | % | % | % |
| Wellington Master Emerging Alternatives Fund (Cayman) L.P. | % | % | % |

**9. In case of proxy voting according to Sec. 34 para. 3 WpHG**
(only in case of attribution of voting rights in accordance with Sec. 34 para. 1 sent. 1 No. 6 WpHG)

Date of general meeting:
Holding total positions after general meeting (6.) after annual general meeting:

| Proportion of voting rights | Proportion of instruments | Total of both |
|---|---|---|
| % | % | % |

**10. Other explanatory remarks:**

Date

| |
|---|
| 03 March 2023 |

# INDEPENDENT AUDITOR´S REPORT

To United Internet AG, Montabaur

## *REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT*

### *Audit Opinions*

We have audited the annual financial statements of United Internet AG, Montabaur, which comprise the balance sheet as at 31 December 2022, and the statement of profit and loss for the financial year from 1 January to 31 December 2022 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of United Internet AG, which is combined with the group management report, for the financial year from 1 January to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its financial performance for the financial year from 1 January to 31 December 2022 in compliance with German Legally Required Accounting Principles and
- the accompanying management report as a whole provides an appropriate view of the Company’s position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

*Basis for the Audit Opinions*

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the annual financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

*Key Audit Matters in the Audit of the Annual Financial Statements*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

❶ Measurement of shares in affiliated companies

Our presentation of this key audit matter has been structured as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matter:

❶ **Measurement of shares in affiliated companies**

① In the annual financial statements of the Company shares in affiliated companies amounting to EUR 4,221,893,087.68 (64.4% of total assets) are reported under the "Financial assets" balance sheet item.

Shares in affiliated companies are measured in accordance with German commercial law at the lower of cost and fair value. The market price of the respective financial investment – if available – is used for the purpose of determining the fair value. Furthermore, the fair values of the material equity investments are calculated using the dividend discount method as the present values of the expected future cash flows according to the planning projections prepared by the executive directors. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the individually determined cost of capital for the relevant financial investment. On the basis of the values determined and supplementary documentation, no write-downs were required in the financial year.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors of the future cash flows, and on the respective discount rates and rates of growth used. The valuation is therefore subject to material uncertainties. Against this background and due to the highly complex nature of the valuation and its material significance for the Company's assets, liabilities and financial performance, this matter was of particular significance in the context of our audit.

② As part of our audit, we assessed the methodology used for the purposes of the valuation, among other things. In particular, we assessed whether the fair values of the material equity investments had been appropriately determined using the dividend discount method in compliance with the relevant measurement standards. We based our assessment, among other things, on a comparison with general and sector-specific market expectations as well as on the executive directors' detailed explanations regarding the key value drivers underlying the expected cash flows. In the knowledge that even relatively small changes in the discount rate applied and the growth rate can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate and the growth rates applied, and assessed the calculation model.

In our view, taking into consideration the information available, the valuation parameters and underlying assumptions used by the executive directors are appropriate overall for the purpose of appropriately measuring the shares in affiliated companies.

③ The Company's disclosures relating to financial assets are contained in the section "General provisions" and the section "Notes to the balance sheet items – fixed assets" of the notes to the financial statements, and in the annexes "1 – Development of non-current assets" and "2 – Statement of investments" to the notes to the financial statements.

*Other Information*

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

- the section "1.4 Main focus areas for products and innovations" of the management report
- the disclosures marked as unaudited in sections "2.2 Business development", "2.3 Position of the Group" and "5. Internal control and risk management system" of the management report
- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section "7. Corporate governance declaration" of the management report

The other information comprises further the separate non-financial report to comply with §§ 289b to 289e HGB and §§ 315b to 315c HGB

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

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 in this regard.

*Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report*

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

*Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report*

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. 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 annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. 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 controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors’ 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. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company’s position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## *OTHER LEGAL AND REGULATORY REQUIREMENTS*

### *Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB*

*Assurance Opinion*

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file unitedinternetag-2022-12-31_EA_ZLB.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2022 contained in the "Report on the Audit of the Annual Financial Statements and on the Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

*Basis for the Assurance Opinion*

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard:

Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

*Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents*

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF-documents as part of the financial reporting process.

*Auditor's Responsibilities for the Assurance Work on the ESEF Documents*

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the annual financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

### *Further Information pursuant to Article 10 of the EU Audit Regulation*

We were elected as auditor by the annual general meeting on 19 May 2022. We were engaged by the supervisory board on 30 January 2023. We have been the auditor of the United Internet AG, Montabaur, without interruption since the financial year 2022.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

### *REFERENCE TO AN OTHER MATTER– USE OF THE AUDITOR'S REPORT*

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

### *GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT*

The German Public Auditor responsible for the engagement is Erik Hönig.

# RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles, the Annual Financial Statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company, and the Management Report and Group Management Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Montabaur, March 29, 2023

The Management Board

Ralph Dommermuth

Martin Mildner

**United Internet AG**

Elgendorfer Straße 57
56410 Montabaur
Germany

www.united-internet.com