Annual Financial Statements 2023

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, 2023

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, 2023, 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.

General notes

- Due to calculation processes, tables and references may produce rounding differences from the mathematically exact values (monetary units, percentage statements, etc.).

- For reasons of better readability, the additional use of the female form is omitted in this report. United Internet would like to stress that the use of the masculine form is to be understood purely as the gender-neutral form.

- These Annual Financial Statements are available in German and English. Both versions can also be downloaded at www.united-internet.de. In all cases of doubt, the German version shall prevail.

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, 2023 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.

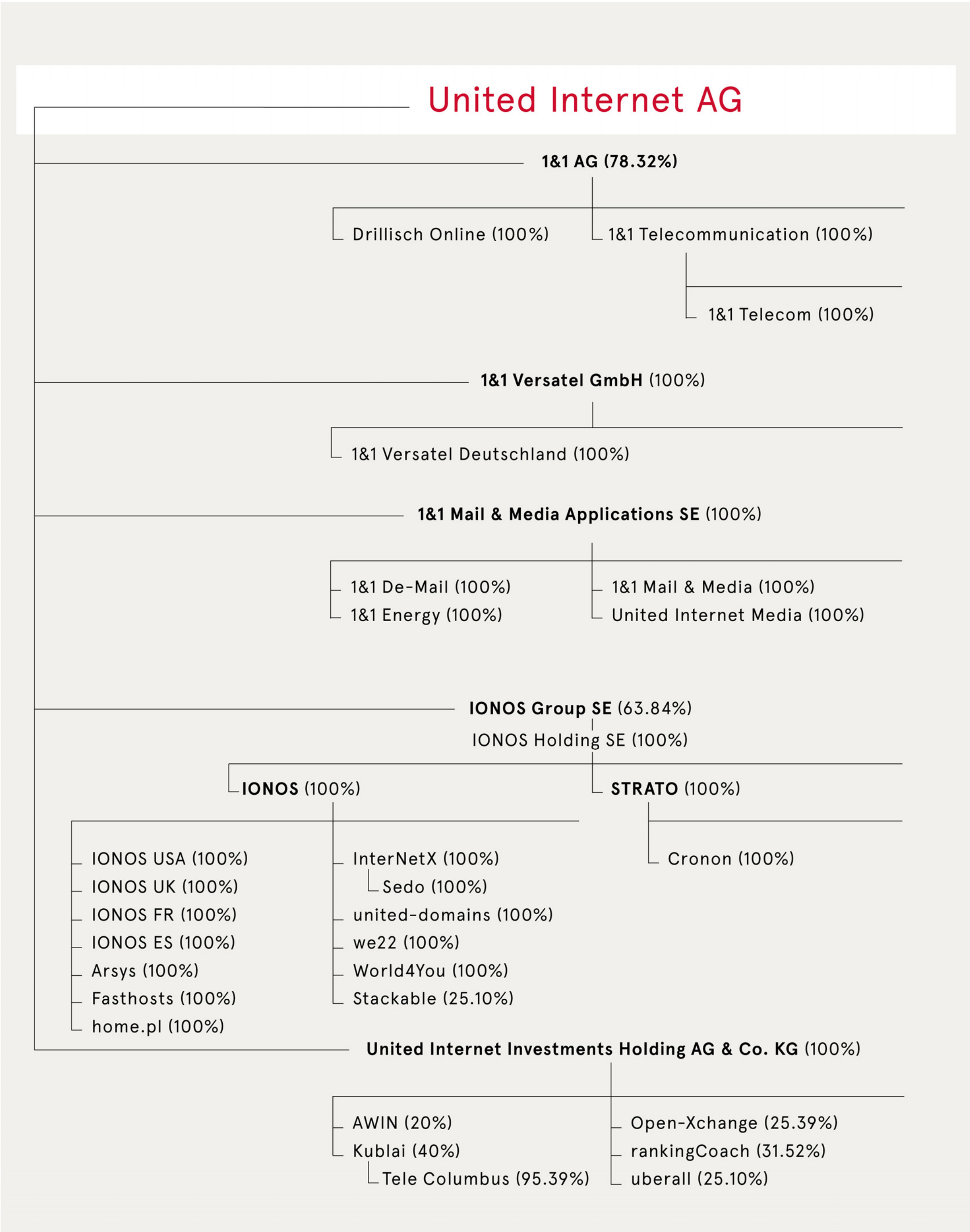
Operating activities in the **Consumer Applications segment** are primarily managed via the companies 1&1 Mail & Media GmbH, 1&1 Mail & Media Inc., and United Internet Media GmbH, pooled together under 1&1 Mail & Media Applications SE.

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 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, 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, 2023. 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, 2023 – is shown in the following chart.



Business operations

With over 28 million fee-based customer contracts and around 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 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, IPTV, and video-on-demand) of 1&1 AG.

Broadband connections are offered as subscription contracts with fixed monthly fees (and variable, volume-based charges). 1&1 is one of the leading providers in Germany.

The Company uses the fiber-optic transport network of 1&1 Versatel, and for VDSL/vectoring connections and 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.

United Internet is also one of the leading providers of **mobile internet products** in Germany.

Since the launch of mobile services on December 8, 2023, 1&1's mobile communications network has been fully operational. Wherever 1&1 does not yet have sufficient mobile coverage during its years of network expansion, it uses national roaming. This is currently provided by Telefónica and as of summer 2024 national roaming services are to be procured from Vodafone. 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. This is achieved by automatically using the roaming partner's antennas in these areas.

Until 1&1 has migrated its more than 12 million existing customers to its own 1&1 mobile network, it will also use the Telefónica mobile network as a so-called Mobile Bitstream Access Mobile Virtual Network Operator (MBA MVNO), as well as MVNO capacities of Vodafone. As of the beginning of 2024, existing MVNO customers are being gradually migrated to the 1&1 mobile network.

Mobile internet products are marketed via the premium brand 1&1 as well as via discount brands, such as winSIM and sim.de.

Business Access segment

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

The core of this business model is the operation of a modern fiber-optic network with a length of over 61,000 km, 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 standardized 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.

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 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. Products are offered as fee-based subscriptions (pay accounts) or – for free – in the form of ad-financed accounts (free accounts). Online advertising is marketed by United Internet Media.

With its GMX and WEB.DE brands, United Internet operates 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

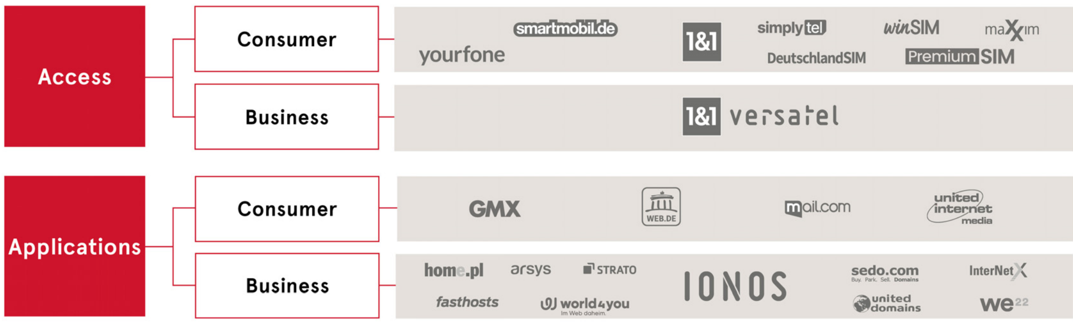
In the Business Applications segment, United Internet opens up online business opportunities for freelancers and SMEs, helping them digitize their processes. This involves offering a broad range of products, such as domains, websites, web hosting, servers and e-shops, group work, online storage (cloud), and office software, which customers 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, Strato, Fasthosts, Arsys, home.pl, InterNetX, 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, 2023)



Management

The **Management Board** of United Internet AG comprised the following members in the fiscal year 2023:

Management Board members as at December 31, 2023

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

- Ralf Hartings, Chief Financial Officer (CFO)
  (with the United Internet Group since 2021)

- Markus Huhn, Management Board member responsible for Shared Services
  (with the United Internet Group since 1994)

Departed in the fiscal year 2023

- Martin Mildner, Chief Financial Officer (CFO)
  (with the Company from October 1, 2020 to March 31, 2023)

The **Supervisory Board** of United Internet AG comprised the following members in the fiscal year 2023:

Supervisory Board members as at December 31, 2023

- 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. Franca Ruhwedel
  (member since May 2023; member of the Audit and Risk Committee since May 2023)

- 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)

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 2023.

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 61,000 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, 2023, the United Internet Group employed a total of 10,962 people worldwide 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
Dusseldorf	Consumer Access	1&1
	Business Access	1&1 Versatel
Cebu City (Philippines)	Business Applications	IONOS
Madrid / Logroño / Barcelona / Lugo ... (Spain)	Business Applications	IONOS, Arsys
Essen	Business Access	1&1 Versatel
Zweibrücken	Consumer Access	1&1
	Business Applications	IONOS
Munich	Consumer Access	1&1
	Consumer Applications	1&1 Mail & Media Applications
Szczecin (Poland)	Business Applications	home.pl
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

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 or extended business fields and new or 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 68 million user accounts worldwide), 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 (i.e., adjusted for special items) EBITDA according to IFRS. These figures are also used in forecast reporting.

Due to its role as the holding company, United Internet AG (parent company) is mainly influenced by its investment result (profit transfers and dividends) and interest result and therefore focuses on its investment result and net income.

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 KPIs used in the fiscal year 2023 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".

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 centers (especially in Karlsruhe, Berlin, and Bucharest) with around 3,800 programmers, product managers, and technical administrators (corresponding to around 35% of all employees), 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.

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 2023

Consumer Access

- With the launch of mobile services in 1&1's mobile network in December 2023, 1&1 established the key prerequisites for extending its vertical integration in this market segment – as in the landline segment; 1&1 has since been producing advance services for new customers in its own network; wherever 1&1 does not yet have sufficient network coverage during the network rollout, it uses the national roaming advance services of Telefónica and, from summer 2024, of Vodafone; as of the beginning of 2024, existing 1&1 customers on third-party networks are being gradually migrated to the 1&1 mobile network.

- Extension of "1&1 5G at home" with addition of conventional telephony, making it a complete replacement for DSL, cable or fiber-optic home connections

- Simplification of process for multiple orders of mobile products from business customers

- Implementation and start-up of a new omnichannel platform (Customer Operations)

- Process enhancements and implementations in connection with the German Telecommunications Modernization Act (TKMoG)

- Extensive enhancements and improvements to fiber-optic customer communication and optimization of customer processes
- Implementation and launch of 1&1 Cinema as a video-on-demand service; usage via TV app or together with IPTV
- Expansion of products, ordering options and services for business customers
- Standardization of order communication: platform for text-based order communication was revamped and standardized; to improve comprehensibility, customers now receive all order documents in a standardized form and based on the shopping cart display
- Creation of a new platform for landline products at Drillisch Online

Business Access

- Launch of Cloud PBX product "1&1 Business Phone" in cooperation with NFON
- Introduction of "1&1 Fiber Connect Basic" product for smart clusters in business parks
- "1&1 Connected Calls for MS Teams" as a simple telephone system and access to the public telephone network with Microsoft Teams
- Expansion of the "1&1 Business Phone" product to include hospitality as a cloud PBX industry solution for the hospitality and trade sectors
- Launch of an internet product for customer locations abroad
- Implementation of a multichannel order management system for fully digitalized order entry across all sales segments
- Extensive expansion and optimization of customer processes
- Integration of further advance service products to increase the fiber-optic footprint in Germany

Consumer Applications

- Launch of "United Internet Media Ad Manager" to improve internal and external control and creation of online campaigns
- Implementation of a modern Customer Care Suite for the GMX and WEB.DE brands that raises degree of automation in processing and can be flexibly adapted
- Expansion of upselling order lines in mobile applications to effectively support sales campaigns
- Launch of a new e-mail web client (read use case) for GMX and WEB.DE
- Extension of the AI-based categorized mail inbox (One Inbox)

- Launch of "Account Recovery Assistant" that provides customers with highly automated support in the event of access problems
- Implementation of "Effective Settings", a centralized high-load platform for applying business rules to products and advertising across the company, based on consent, contract data, and legal frameworks
- Conversion of the cashback platform from WebCents to EUR cents and addition of a credit card that users can also use offline to collect cents
- Optimization of advertising by using AI to calculate prospecting scores
- Launch of a lead generation system to enable customers to sign up for new newsletters from their inbox

Business Applications

- Extension of "Database-as-a-Service" with MongoDB as document-based NoSQL database
- Replacement of HDD storage with SSD products for higher storage performance, efficiency and packing density
- Extension of Virtual Network Services with Managed NAT Gateway, Managed Network Load Balancer, Managed Application Load Balancer and Cloud DNS
- Launch of IPv6 in native network stack
- Launch of open source solution "Managed Stackable" (by IONOS and Stackable) as first Managed Big Data product
- Launch of STRATO Virtual Dedicated Server based on IONOS Cloud Compute
- Launch of STRATO V-Server based on IONOS Cloud (CoreVPS/Cubes)
- Launch of HiDrive4You as new STRATO cloud storage tariff
- Introduction of AI solutions in website builder and domain search
- Launch of virtual CPUs as new compute type
- Introduction of Red Hat Enterprise Linux as first commercial Linux operating system
- Launch of new platform services: Private Node Pools for Managed Kubernetes, Container Registry Vulnerability Scanning, and Logging-as-a-Service
- Launch of a new managed server generation based on Alma Linux at STRATO
- Introduction of ServerGuard24 for STRATO server products

2. ECONOMIC REPORT

2.1 General economic and sector conditions

General economic development

The International Monetary Fund (IMF) upgraded its forecast for 2023 slightly during the course of the year. In its latest economic outlook (World Economic Outlook, Update January 2024), the IMF reported growth of 3.1% for the **global economy** in 2023, based on preliminary calculations. Growth was thus below the prior-year level (3.5%) but at the same time 0.2 percentage points above the IMF's original outlook of January 2023 (2.9%).

In the United Internet Group's target markets in North America, growth rates varied somewhat. The IMF anticipates growth of 2.5% for the **USA** (prior year: 1.9%), and thus 1.1 percentage points more than in its January outlook for 2023 (1.4%). However, the calculated growth of 1.1% for **Canada** (prior year: 3.8%) is 0.4 percentage points less than originally expected (1.5%). And for **Mexico**, the IMF forecasts an increase in economic output of 3.4% (prior year: 3.9%), and thus 1.7 percentage points more than anticipated at the beginning of the year (1.7%).

The picture is much gloomier in the **eurozone** region, where all countries of importance for United Internet displayed much weaker growth than in 2022. The IMF now expects overall growth of 0.5% (prior year: 3.4%) for the eurozone and thus a further 0.2 percentage points less than it forecast in January (0.7%). Growth of 0.8% was calculated for **France** (prior year: 2.5%), 0.7% for **Italy** (prior year: 3.7%), and 2.4% for **Spain** (prior year: 5.8%). This corresponds to an improvement of 0.1 percentage points each for France and Italy, and 1.3 percentage points for Spain, compared to the January outlook (France: 0.7%; Italy: 0.6%; Spain: 1.1%). And for **Poland**, the IMF **expects growth** of 0.6% (prior year: 5.3%).

For the **UK**, a non-EU country, the IMF expects growth of 0.5% (prior year: 4.3%), and thus 1.1 percentage point more than at the beginning of the year (-0.6%).

The economic development in **Germany** – United Internet's most important market by far (sales share 2023: around 89%) – was much slower than in the previous year and also below the IMF's original expectations. The IMF has calculated that economic output in Germany decreased by -0.3% (prior year: 1.8%) and was thus a further -0.4 percentage points below expectations at the beginning of the year (0.1%).

The IMF's calculations for Germany are therefore in line with the preliminary figures of the country's Federal Statistical Office (Destatis), which – at its "GDP 2023" press conference on January 15, 2024 – also announced a decline in (price-adjusted) gross domestic product (GDP) of -0.3% for 2023. This is 2.1 percentage points less than in 2022 (1.8%). According to the Federal Statistical Office, this was due to further inflation-related high prices throughout the economy, unfavorable borrowing conditions caused by rising interest rates and an overall decline in both domestic and foreign demand.

Changes in growth forecasts made during 2023 for United Internet's key target countries and regions

	January forecast 2023	April forecast 2023	July forecast 2023	October forecast 2023	Actual 2023	Change on January forecast
World	2.9%	2.8%	3.0%	3.0%	3.1%	+0.2%-points
USA	1.4%	1.6%	1.8%	2.1%	2.5%	+1.1%-points
Canada	1.5%	1.5%	1.7%	1.3%	1.1%	-0.4%-points
Mexico	1.7%	1.8%	2.6%	3.2%	3.4%	+1.7%-points
Eurozone	0.7%	0.8%	0.9%	0.7%	0.5%	-0.2%-points
France	0.7%	0.7%	0.8%	1.0%	0.8%	+0.1%-points
Spain	1.1%	1.5%	2.5%	2.5%	2.4%	+1.3%-points
Italy	0.6%	0.7%	1.1%	0.7%	0.7%	+0.1%-points
UK	-0.6%	-0.3%	0.4%	0.5%	0.5%	+1.1%-points
Germany	0.1%	-0.1%	-0.3%	-0.5%	-0.3%	-0.4%-points

Source: International Monetary Fund, World Economic Outlook (Update), January 2023, April 2023, July 2023, October 2023 and January 2024

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

	2019	2020	2021	2022	2023	YoY change
World	2.8%	-3.1%	6.2%	3.5%	3.1%	-0.4%-points
USA	2.2%	-3.4%	5.9%	1.9%	2.5%	+0.6%-points
Canada	1.9%	-5.2%	5.0%	3.8%	1.1%	-2.7%-points
Mexico	-0.1%	-8.2%	4.7%	3.9%	3.4%	-0.5%-points
Eurozone	1.3%	-6.4%	5.3%	3.4%	0.5%	-2.9%-points
France	1.5%	-8.0%	6.8%	2.5%	0.8%	-1.7%-points
Spain	2.0%	-10.8%	5.5%	5.8%	2.4%	-3.4%-points
Italy	0.3%	-8.9%	6.7%	3.7%	0.7%	-3.0%-points
Poland	4.4%	-2.0%	6.9%	5.3%	0.6%	-4.7%-points
UK	1.4%	-9.4%	7.6%	4.3%	0.5%	-3.8%-points
Germany	0.6%	-4.6%	2.6%	1.8%	-0.3%	-2.1%-points

Source: International Monetary Fund, World Economic Outlook (Update), January 2020, 2021, 2022, 2023 and 2024

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

	2019	2020	2021	2022	2023	YoY change
GDP	1.1%	-3.8%	3.2%	1.8%	-0.3%	-2.1%-points

Source: Destatis, January 2024

Development of sector / core markets

At its annual press conference on January 10, 2024, the industry association Bitkom assumed growth of 2.0% (prior year: 6.8%) to € 215.0 billion for the German **ICT market** in 2023. At the beginning of 2023, the association was still anticipating revenue growth of 3.8% for 2023. Nevertheless, the digital sector is proving highly robust once again – despite the adverse macroeconomic environment dominated by geopolitical crises, disrupted supply chains, and skilled labor shortages.

The increase in the overall ICT market resulted in particular from growth in sales of **information technology**. According to Bitkom's 2023 forecast, sales in this largest submarket – and of particular importance for United Internet – rose by 2.2% (prior year: 8.7%) to € 142.9 billion, compared to a growth forecast of 6.3% at the beginning of 2023. The various segments of this sub-market made varied progress: software grew by 9.6% (prior year: 15.0%) and IT services by 5.1% (prior year: 8.5%), while IT hardware fell by -5.4% (prior year: 4.8%) following the disproportionately high level of investment during the pandemic.

There was also good progress in the **telecommunications** submarket. For this second core market of United Internet, the industry association expects growth in 2023 of 1.7% (prior year: 3.4%) to € 72.1 billion – compared to its forecast at the beginning of 2022 of 0.9%. Growth in the individual segments of the telecommunications market was also quite varied: whereas the infrastructure business (driven by the 5G network rollout) grew by 4.4% (prior year: 14.2%) and telecommunication services by 1.9% (prior year: 2.1%), sales of user devices fell by -0.7% (prior year: 2.4%).

The smallest sub-market, consumer electronics (of no significance for United Internet), continued its decline and decreased by -2.1% (prior year: -7.2%) to € 8.1 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-based broadband connections in Germany has slowed in recent years. With expected growth of 0.2 million, or 0.5%, to 37.0 million in 2023, the number of new connections was again at a moderate level. 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 "25th TC Market Analysis for Germany 2023" (November 2023). 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 0.4 million to 24.3 million, fiber-optic connections grew by 0.8 million to 4.2 million. The number of cable connections also fell by 0.2 million to 8.5 million.

According to estimates of Dialog Consult/VATM, revenues generated in the landline business in 2023 were unchanged from the previous year at € 32.6 billion. In addition to retail sales, these revenue figures also include wholesale, interconnection, and terminal device revenues.

At the same time, however, calculations of Dialog Consult/VATM indicate that 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 16.1% to 320.9 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 (downstream) speeds of at least 50 Mbit/s increased by 3.2 percentage points, from 58.7% in the previous year to 61.9% (of all broadband connections) in 2023. There was even stronger growth in fixed-line connections with speeds of at least 250 Mbit/s, which raised their share by 5.1 percentage points to 23.0% (of all broadband connections).

Key market figures: fixed-line in Germany

	2023	2022	Change
Fixed-line revenues (in € billion)	32.6	32.6	0.0%

Source: Dialog Consult / VATM, TC Market Analysis for Germany 2023, November 2023

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 12.9 million, or 7.6%, to 181.9 million in 2023. 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 12.0 million to 70.3 million. The number of active personal SIMs (active = used in the last three months) rose only slightly by 0.5 million to 104.9 million – thus indicating a largely saturated market, as the figures for the past few years have shown.

Dialog Consult / VATM calculates that total revenues in the German mobile communications market increased by 0.4% from € 27.5 billion to € 27.6 billion in 2023 (including interconnection, wholesale, and user device revenues). Service revenues rose by 1.0% to € 21.1 billion, while other revenues (which include interconnection, wholesale, and user device revenues) decreased by 3.0% to € 6.4 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 active personal SIM cards and mobile revenues by 22.1% to 6.57 GB.

Key market figures: mobile communications in Germany

	2023	2022	Change
Mobile revenues (in € billion)	27.6	27.5	+ 0.4%
thereof service sales	21.1	20.9	+ 1.0%
thereof other sales	6.4	6.6	- 3.0%

Source: Dialog Consult / VATM, TC Market Analysis for Germany 2023, November 2023

Global cloud computing market

There was further dynamic growth in the cloud computing market in 2023. In its "Public Cloud Services, Worldwide, 2021-2027, 3Q23 Update" (November 2023), Gartner Inc. forecasts global growth for public cloud services of 17.8% in 2023, from USD 478.32 billion to USD 563.59 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	2023	2022	Change
Global sales of public cloud services	563.59	478.32	+ 17.8%
thereof Application Infrastructure Services (PaaS)	145.32	119.58	+ 21.5%
thereof Application Services (SaaS)	205.22	174.42	+ 17.7%
thereof Business Process Services (BPaaS)	66.34	61.56	+ 7.8%
thereof Desktop as a Service (DaaS)	2.78	2.43	+ 14.6%
thereof System Infrastructure Services (IaaS)	143.93	120.33	+ 19.6%

Source: Gartner, Public Cloud Services, Worldwide, 2021-2027, 3Q23 Update, November 2023

German online advertising market

In its study "German Entertainment and Media Outlook 2023 - 2027" (September 2023), 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 7.0% from € 12.58 billion to € 13.47 billion for 2023 – following growth of 6.0% in 2022.

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

in € billion	2023	2022	Change
Online advertising revenues	13.47	12.58	+ 7.0%

Source: PricewaterhouseCoopers, German Entertainment and Media Outlook 2023 – 2027, September 2023

The Online Marketing Group (OVK) of the German Association for the Digital Economy (BVDW) is somewhat 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 in September 2023, the OVK anticipates – in its OVK Report 2023/02 – an increase in net revenues of the display advertising market from € 5.18 billion in the previous year to € 5.47 billion. This represents an increase of 5.6%, compared to growth of 1.1% in the previous year. In spring 2023, the Online Marketing Group (OVK) had forecast an increase in net revenues of 4.6%.

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

in € billion	2023	2022	Change
Display advertising revenues	5.47	5.18	+ 5.6%

Source: Online-Vermarkterkreis (OVK), OVK-Report 2023/02, September 2023

Legal conditions / significant events

The legal parameters for United Internet's business activities remained largely unchanged from the previous year in 2023 and had no significant influence on the development of the United Internet Group.

Legal conditions

One of the factors determining the future success of United Internet subsidiary 1&1 as a mobile network operator is the future allocation of mobile communication frequencies (spectrum). As part of the German Federal Network Agency's spectrum auction in 2019, 1&1 acquired 5G spectrum in the 2 GHz and 3.6 GHz bands. The frequency blocks in the 3.6 GHz band are already available and are being used for mobile network operations, while the frequencies in the 2 GHz band will be available from 2026. In order to bridge this period, 1&1 has leased further spectrum in the 2.6 GHz band from Telefónica.

In order to be able to operate its mobile network competitively and efficiently, 1&1 – as well as all other mobile network operators – not only requires high-frequency spectrum but also so-called low-band frequencies, which are essential for indoor coverage. Around 80% of data traffic is handled in this band.

In September 2023, the Federal Network Agency once again addressed the topic of awarding low-band frequencies in the 800 MHz spectrum, which are due to expire in 2025. In a so-called consultation paper, it advocated a prolongation of the frequencies to the three incumbent network operators. In the past, spectrum was awarded exclusively via non-discriminatory auctions in Germany, and such a prolongation would be a novelty. In the event of such an award, 1&1 would not receive access to the low-band frequencies.

The German Federal Cartel Office also commented on the spectrum award situation in November 2023. In a position paper, the Federal Cartel Office stated that an extension of the frequencies without taking 1&1 into account would expose 1&1, as a market newcomer, to serious competitive disadvantages compared to the established mobile network operators. In its position paper, the Federal Cartel Office also points out, with reference to other European countries, that the available spectrum is sufficient for four mobile network operators.

Various studies published by 1&1 on the spectrum situation in Germany came to the same conclusion. They argue that the low-band frequencies are not always being used efficiently by the three other mobile network operators and that there is no discernible correlation between a high level of spectrum held by individual mobile network operators and the performance of their mobile networks, meaning that low-band frequencies could be allocated to all four mobile network operators without any loss of quality.

In an expert opinion commissioned by 1&1, the former Federal Constitutional Court judge and renowned legal expert, Prof. Udo Di Fabio, also clearly stated that the auctioning of the first 5G spectrum to a market newcomer in 2019 resulted in additional regulatory responsibility. Prolonging the spectrum usage rights of established network operators without taking 1&1 into account as a newcomer would violate the protection of legitimate expectations principle and the equality principle and would even be unconstitutional from several points of view.

The Federal Network Agency is expected to provide further information on the exact award modalities in 2024.

Significant events

IPO of IONOS

On January 17, 2023, IONOS Group SE announced concrete plans for the IPO of IONOS as part of an "intention to float" (ITF) and completed its IPO on February 8, 2023. The shares of IONOS Group SE have since been listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard) under ISIN: DE000A3E00M1, WKN: A3E00M, ticker symbol: IOS. United Internet received gross proceeds of around € 292 million from the sale of shares, while the entire placement volume amounted to around € 389 million. Following the IPO of IONOS Group SE, United Internet holds 63.8% and Warburg Pincus 21.2% of IONOS shares. 15.0% of shares are in free float.

Acquisition of fiber-optic city networks from BT

In early July 2023, 1&1 Versatel acquired four fiber-optic city networks from BT. The acquisition of the BT city networks in Munich, Frankfurt, Düsseldorf, and Stuttgart with a total length of 1,590 km is in line with 1&1 Versatel's strategy of steadily expanding its own fiber-optic network. The purchase price amounted to around € 42 million.

Conclusion of binding heads of terms for a long-term exclusive national roaming partnership with Vodafone

In August 2023, 1&1 concluded binding heads of terms with Vodafone for a long-term exclusive national roaming partnership.

The national roaming cooperation includes the non- discriminatory provision of national roaming services in areas not yet covered by the new 1&1 mobile network and comprises in particular access to Vodafone's 5G network including the mobile standards 2G and 4G, as well as future mobile standards and technologies.

The starting date for the Vodafone national roaming services will be one year after concluding the final national roaming cooperation, however no later than October 1, 2024. The basic term of the national roaming cooperation will be 5 years from that point on. 1&1 Mobilfunk will have the right to prolong the term of the national roaming cooperation up to twice by five further years each time – i.e., by up to an additional 10 years. The end of the contract term will be followed by a transition period of three years.

The calculation basis is a so-called capacity model, under which 1&1 will pay a fixed price per percentage point for the percentage share of the Vodafone network used by its customers. This fixed price changes from time to time in line with the percentage cost development of the Vodafone network. The conditions are thus geared to future market developments and enable 1&1 to make competitive offers over the long term.

Addition of 5G to national roaming agreement with Telefónica

In November 2023, 1&1 expanded the national roaming agreement it concluded with Telefónica Germany in May 2021 with the addition of 5G.

Wherever the 5G network currently under construction does not yet have its own coverage, 1&1 customers will automatically have access to Telefónica Germany's 2G/4G/5G network as part of the national roaming agreement expanded to include 5G. From October 2024 at the latest, 1&1 will use national roaming from Vodafone as planned and gradually reduce its advance services from Telefónica Germany.

1&1 O-RAN: launch of mobile services in Europe's most modern 5G network

Following the launch of "1&1 5G at home" in December 2022, 1&1 activated its mobile services on December 8, 2023. Germany's fourth mobile network is thus now fully functional and can also be used with smartphones on the move.

A condition for the activation of mobile services was the previously completed provision of 5G national roaming by Telefónica Germany. This means that 1&1 customers can now access Telefónica's 5G network wherever the 1&1 network, which is currently being set up, does not yet have its own coverage – automatically and without interruption. Vodafone is scheduled to provide 5G national roaming from summer 2024.

1&1 is the first network operator in Europe to rely entirely on the new Open RAN technology. At the heart of the 1&1 network ("1&1 O-RAN") is a private cloud operated in hundreds of cities through decentralized edge data centers. All network functions are controlled by software running on conventional servers. 1&1 plans to use Gigabit antennas at all antenna locations, which are connected via fiber-optic cable to the 1&1 edge data centers. This network architecture enables minimal latency, which is essential for future real-time applications.

Unlike traditional networks based on proprietary technology from specialized network suppliers, such as Huawei, the 1&1 O-RAN has a large number of standardized interfaces. This means that software and hardware components from the most innovative and secure providers can be flexibly combined. At the same time, it also eliminates 1&1's dependence on individual suppliers.

Partial repayment of the shareholder loan by IONOS Group SE

In December 2023, IONOS Group SE concluded a loan of € 800 million with a banking syndicate to partially refinance its existing shareholder loan with United Internet AG. The refinancing is at a fixed annual interest rate of 4.67%. The syndicated loan has a term until December 15, 2026 and is due at maturity. Following the partial repayment, the shareholder loan with United Internet amounts to € 350 million and is subordinated. The shareholder loan continues to have a fixed annual interest rate of 6.75%, a term until December 15, 2026, and is to be gradually repaid before this date.

There were no other significant events in fiscal 2023 which had a material effect on the development of business.

2.2 Business development

Segment reporting changed from "controlling view" to "accounting view"

In the course of preparing the Interim Financial Statements as at March 31, 2023, the Management Board decided to make a significant adjustment to its internal reporting system. As a consequence, this change also led to a revision of segment reporting with a shift in focus from the previous "controlling view" to the "accounting view". This decision was intended to strengthen the harmonization of the Company's internal controlling and external reporting. The change resulted in reconciliation effects/shifts in key sales and earnings figures among the segments.

- Reconciliation effects on sales: certain intercompany sales are no longer consolidated at segment level (as previously in the controlling view), but only at Group level (accounting view).

- Reconciliation effects on EBITDA and EBIT: depreciation allocations and profit margins for intercompany services are no longer "netted" between segments (as was previously the case for internal service charging in the controlling view) but are disclosed (accounting view) – as if "booked" at segment level.

Overall, the change has no effect on the Group's sales and earnings figures, as reporting at Group level was already based on the "accounting view".

By making this change at segment level, United Internet is also taking account of the increasing independence of its segments (subgroups) and aligning segment reporting with the reporting of its listed and thus also reportable subgroups 1&1 AG (Consumer Access segment) and IONOS Group SE (Business Applications segment).

A reconciliation of sales, as well as operating EBITDA and EBIT, for the preceding quarters Q1 2022 - Q4 2022 and the fiscal years 2019 - 2022 is presented in the Notes on the Interim Statement Q1 2023 (page 28 et seq.).

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.

By contrast, expenses for the 1&1 network rollout or start-up costs for new business fields of 1&1 Versatel are not adjusted but disclosed – should there be 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.

The most important key financial figures for managing the Group are sales and operating EBITDA according to IFRS.

Actual and forecast development 2023

United Internet AG maintained its growth trajectory in the fiscal year 2023 and reached its guidance for the fiscal year 2023, as issued in March 2023 and updated in November 2023.

Forecast development

In an ad-hoc announcement on March 29, 2023, United Internet published its guidance for the fiscal year 2023 and updated it during the year as follows:

	Forecast 2023 (March 2023)	Specification (November 2023)
Sales	approx. € 6.2 billion (2022: € 5.915 billion)	approx. € 6.2 billion (2022: € 5.915 billion)
EBITDA	at the previous year's level[1] (2022: € 1.272 billion)	slight increase[1] (2022: € 1.272 billion)

(1) This includes around € -120 million (2022: € -52.4 million) for the expansion of the 1&1 mobile network

Actual development

In the fiscal year 2023, **consolidated sales** rose by 5.0%, from € 5.915 billion in the previous year to € 6.213 billion and were thus slightly above the sales forecast (March 2023: approx. € 6.2 billion).

Without consideration of non-cash valuation effects from derivatives (€ -0.5 million in the previous year; € -6.3 million in 2023) and additionally adjusted for IPO costs in connection with the IPO of Group subsidiary IONOS Group SE (€ -8.8 million in the previous year; € -1.7 million in 2023), **operating EBITDA for the Group** in the fiscal year 2023 amounted to € 1.300 billion and was thus 2.2% above the comparable prior-year figure (€ 1.272 billion). As a result, EBITDA was above the original EBITDA forecast ("on a par with the previous year") and within the range of the EBITDA update ("slight increase") – despite higher expenses (€ -132.4 million) for the rollout of 1&1's mobile network than originally anticipated (approx. € -120 million).

Summary: actual and forecast development of business in 2023

	Forecast 2023 (March 2023)	Specification (November 2023)	Actual 2023
Sales	approx. € 6.2 billion (2022: € 5.915 billion)	approx. € 6.2 billion (2022: € 5.915 billion)	€ 6.213 billion
EBITDA	at the previous year's level[1] (2022: € 1.272 billion)	slight increase[1] (2022: € 1.272 billion)	€ 1.300 billion[2]

(1) This includes around € -120 million (2022: € -52.4 million) for the expansion of the 1&1 mobile network
(2) This includes € -132.4 million (2022: € -52.4 million) for the expansion of the 1&1 mobile network

Net income of United Internet AG (parent company) for the fiscal year 2023 amounted to € 274.0 million (including a special item of € 219.1 million from income from the disposal of financial assets as a result of the sale of shares in Group subsidiary IONOS Group SE as part of the IONOS IPO). Without this special item, the parent company's net income for the year was "in the mid-double-digit million range" as forecast.

Development of divisions and segments

The Group's operating activities are divided into the 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 launch of mobile services in the 1&1 mobile network, the Consumer Access segment once again focused on adding further valuable broadband and mobile internet contracts in the fiscal year 2023.

The total number of **fee-based contracts** in the Consumer Access segment rose by 480,000 contracts to 16.26 million in 2023. As expected, the number of broadband connections decreased by -90,000 to 4.01 million, but stabilized in the fourth quarter of 2023. In the reporting period, mobile internet contracts increased by 570,000 to 12.25 million.

Development of Consumer Access contracts in the fiscal year 2023

in million	Dec. 31, 2023	Dec. 31, 2022	Change
Consumer Access, total contracts	16.26	15.78	+ 0.48
thereof Mobile Internet	12.25	11.68	+ 0.57
thereof broadband connections	4.01	4.10	- 0.09

Development of Consumer Access contracts in the fourth quarter of 2023

in million	Dec. 31, 2023	Sept. 30, 2023	Change
Consumer Access, total contracts	16.26	16.11	+ 0.15
thereof Mobile Internet	12.25	12.10	+ 0.15
thereof broadband connections	4.01	4.01	0.00

Sales of the Consumer Access segment rose by 3.4% in the fiscal year 2023, from € 3,963.7 million in the previous year to € 4,096.7 million.

Due to good contract growth on the whole, high-margin **service revenues** – which represent the core business of the segment – rose by 2.1% from € 3,175.4 million in the previous year to € 3,243.2 million in 2023. Low-margin **hardware sales** rose by 8.3%, or € 65.2 million, from € 788.3 million to € 853.5 million. Hardware sales 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 the case, however, it would have no significant impact on the segment's EBITDA trend.

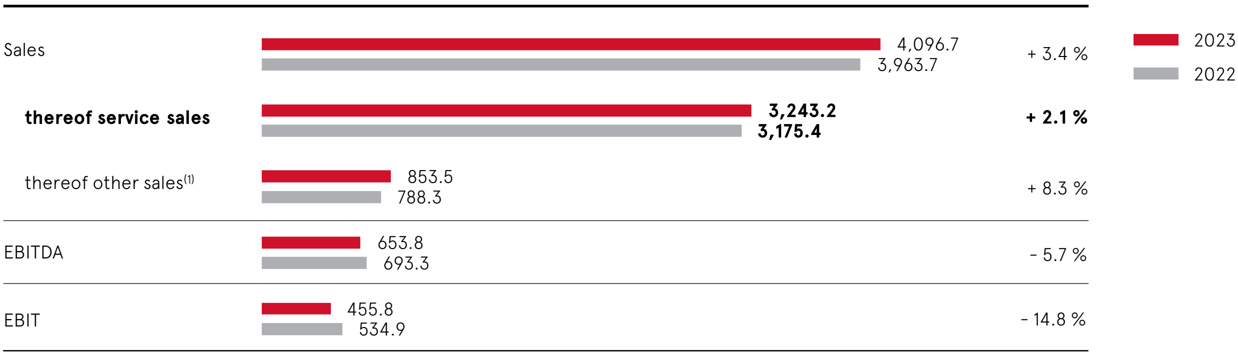
Mainly as a result of the planned increase in costs for the rollout of 1&1's mobile communications network, **segment EBITDA** of € 653.8 million was 5.7% or € 39.5 million down on the previous year (€ 693.3 million). The expenses for network rollout included in this calculation amounted to € -132.4 million, compared to € -52.4 million in the previous year – corresponding to a year-on-year increase of € -80.0 million.

In addition, **segment EBIT** was impacted by increased depreciation due to investments in the rollout of the 1&1 mobile network (€ -46.2 million). On the whole, segment EBIT of € 455.8 million was 14.8%, or € 79.1 million, below the prior-year figure (€ 534.9 million). Since the beginning of 2024, the increase in depreciation on investments – mainly due to the operational launch of 1&1's mobile network – is being offset by steadily increasing cost savings on advance services.

There was a corresponding decline in the **EBITDA margin** and **EBIT margin** from 17.5% in the previous year to 16.0% and from 13.5% in the previous year to 11.1%, respectively.

The number of **employees** increased by 5.0% in 2023 to 3,320 (prior year: 3,163).

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



(1) Mainly hardware sales

Quarterly development; change over prior-year quarter[1]

in € million	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q4 2022	Change
Sales	1,021.0	972.1	1,038.7	1,064.9	1,013.4	+ 5.1%
thereof service sales	**788.9**	**795.7**	**834.3**	**824.3**	**788.7**	**+ 4.5%**
thereof other sales[2]	232.1	176.4	204.4	240.6	224.7	+ 7.1%
EBITDA	182.1	169.9	159.1	142.7	144.3	- 1.1%
EBIT	133.4	120.7	109.6	92.1	106.1	- 13.2%

(1) Unaudited; see note "unaudited disclosures" on page 3
(2) Mainly hardware sales

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

in € million	2019	2020	2021	2022	2023
Sales	3,674.9	3,786.8	3,909.7	3,963.7	4,096.7
thereof service sales	**2,943.0**	**3,020.0**	**3,123.4**	**3,175.4**	**3,243.2**
thereof other sales[1]	731.9	766.8	786.3	788.3	853.5
EBITDA	683.5	637.8[2]	671.9[3]	693.3	653.8
EBITDA margin	18.6%	16.8%	17.2%	17.5%	16.0%
EBIT	528.5	482.4[2]	507.3[3]	534.9	455.8
EBIT margin	14.4%	12.7%	13.0%	13.5%	11.1%

(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)

Besides the segment’s operating business, the main focus during the year was on preparations for the launch of mobile services in the 1&1 network in December 2023. Among other things, the network was connected with all national and international networks and the functionality of mobile services was checked with external customer groups.

In August 2023, 1&1 also agreed a long-term national roaming partnership with Vodafone. On the basis of this agreement, the national roaming services currently provided by Telefónica are to be gradually replaced from summer 2024. National roaming is required to provide coverage for over twelve million 1&1 mobile customers during the construction phase of the network in those areas where 1&1 does not yet have its own network coverage.

The 1&1 network is based on innovative OpenRAN technology. Hardware, software and services from a variety of partner companies are used in the 1&1 O-RAN. This makes 1&1 independent of dominant manufacturers such as Huawei. And unlike conventional networks, the 1&1 network is operated in a private cloud that is spread across hundreds of far edge data centers throughout Germany. 112 regional far edge data centers are already in operation, as are 23 decentralized edge data centers and two core data centers. All network functions are controlled by software running on market-standard servers. Gigabit antennas are used at all locations and connected to the regional far edge data centers via fiber-optic cable. This architecture enables minimal latency, which is essential for future real-time applications.

1&1 is also making good progress with the construction of its antenna locations: the initial backlog caused by delivery shortfalls of its main supplier is now being gradually made up in cooperation with additionally commissioned expansion partners. At the end of 2023, 1&1 had 1,062 antenna locations (passive architecture). By the end of 2024, this figure is set to rise to approx. 3,000 locations for the installation of 5G high-performance antennas and connection to fiber-optic cable.

Business Access segment

Sales in the Business Access segment rose by 3.8% from € 543.4 million in the previous year to € 564.0 million in the fiscal year 2023.

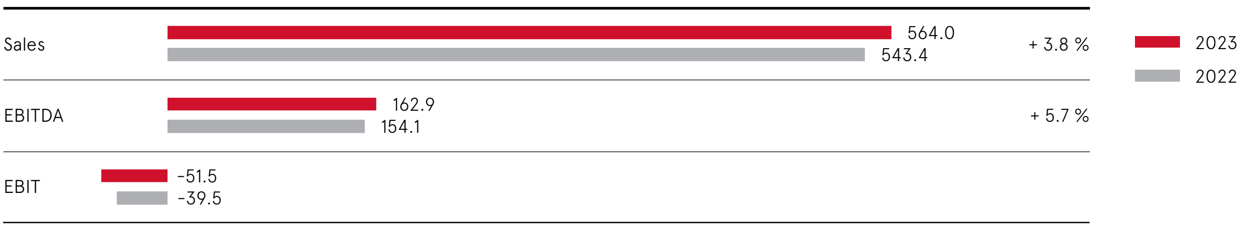
Despite start-up costs for new business fields, **segment EBITDA** improved by 5.7% from € 154.1 million in the previous year to € 162.9 million in 2023. As a result, the **EBITDA margin** rose from 28.4% to 28.9%.

In the new "5G" business field, 1&1 Versatel is responsible for setting up data centers and fiber-optic connections for the antenna locations of 1&1's mobile network and providing them to 1&1 on a rental basis as part of an intercompany agreement. In its second new business field "Expansion of business parks", 1&1 Versatel uses newly constructed regional expansion clusters to provide fiber-optic connections for companies in business parks. In the fiscal year 2023, total start-up costs for the new business fields amounted to € -21.5 million (prior year: € -10.8 million) for EBITDA and € -65.2 million (prior year: € -20.6 million) for EBIT.

As a result of the aforementioned start-up costs for new business fields, as well as increased depreciation for the associated investments in network infrastructure, **segment EBIT** decreased from € -39.5 million in the previous year to € -51.5 million. Without consideration of the new business fields, segment EBIT improved from € -18.9 million in the previous year to € 13.7 million in 2023.

The number of **employees** increased by 13.9% in 2023 to 1,522 (prior year: 1,336).

Key sales and earnings figures in the Business Access segment



Quarterly development; change over prior-year quarter[1]

in € million	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q4 2022	Change
Sales	136.1	134.7	142.6	150.6	144.2	+ 4.4%
EBITDA	34.8	42.4	41.0	44.7	41.9	+ 6.7%
EBIT	-15.4	-8.8	-12.7	-14.6	-8.1	

(1) Unaudited; see note "unaudited disclosures" on page 3

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

in € million	2019	2020	2021	2022	2023
Sales	476.6	493.3	514.4	543.4	564.0
EBITDA	146.5	148.6	158.8	154.1	162.9
EBITDA margin	30.7%	30.1%	30.9%	28.4%	28.9%
EBIT	-51.3	-48.2	-22.9	-39.5	-51.5
EBIT margin	-	-	-	-	-

In addition to its operating business, 1&1 Versatel acquired four fiber-optic city networks from BT in early July 2023 – in Munich, Frankfurt, Düsseldorf, and Stuttgart – with a total length of 1,590 km. The acquisition of these city networks is in line with 1&1 Versatel's strategy of steadily expanding its own fiber-optic network. The purchase price amounted to around € 42 million.

Consumer Applications segment

The number of fee-based pay accounts (contracts) rose by 200,000 to 2.84 million in the fiscal year 2023. Ad-financed free accounts were 0.9% or 380,000 accounts down on December 31, 2022, due in particular to the successful conversion to fee-based customer relationships (200,000). As a result, the total number of **Consumer Applications accounts** decreased slightly by 0.4% or 180,000 accounts to 42.77 million in 2023.

Development of Consumer Applications accounts in the fiscal year 2023

in million	Dec. 31, 2023	Dec. 31, 2022	Change
Consumer Applications, total accounts	42.77	42.95	- 0.18
thereof with Premium Mail subscription (contracts)	2.05	1.89	+ 0.16
thereof with Value-Added subscription (contracts)	0.79	0.75	+ 0.04
thereof free accounts	39.93	40.31	- 0.38

Development of Consumer Applications accounts in the fourth quarter of 2023

in million	Dec. 31, 2023	Sept. 30, 2023	Change
Consumer Applications, total accounts	42.77	42.55	+ 0.22
thereof with Premium Mail subscription (contracts)	2.05	2.00	+ 0.05
thereof with Value-Added subscription (contracts)	0.79	0.78	+ 0.01
thereof free accounts	39.93	39.77	+ 0.16

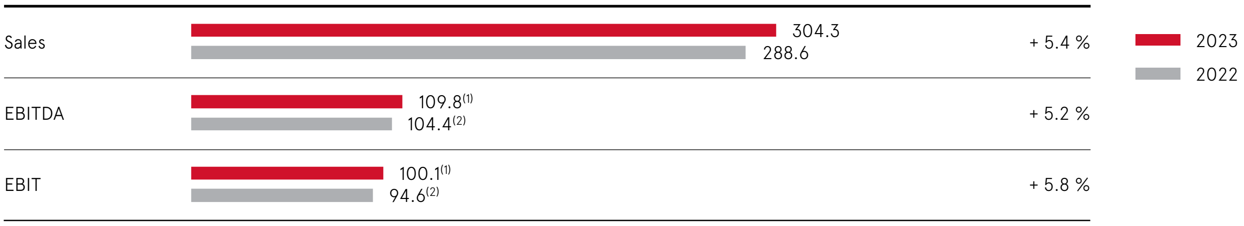
Rising advertising revenue and the growth in pay contracts led to a year-on-year increase in sales of the **Consumer Applications segment** of 5.4% to € 304.3 million (prior year: € 288.6 million).

There was also growth in the segment's key earnings figures: adjusted for non-cash valuation effects from derivatives of € -0.5 million in the previous year and € -6.3 million in 2023, **operating segment EBITDA** rose by 5.2% from € 104.4 million in the previous year to € 109.8 million in 2023 and **operating segment EBIT** by 5.8% from € 94.6 million to € 100.1 million.

The **operating EBITDA margin** and **operating EBIT margin** remained largely unchanged at 36.1% (prior year: 36.2%) and 32.9% (prior year: 32.8%), respectively.

The number of **employees** increased by 3.5% in 2023 to 1,072 (prior year: 1,036).

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: € -6.3 million)
(2) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € -0.5 million)

Quarterly development; change over prior-year quarter[1]

in € million	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q4 2022	Change
Sales	70.0	71.0	74.3	89.0	77.0	+ 15.6%
EBITDA	20.1[2]	27.6[2]	26.1[2]	36.0[2]	34.0[2]	+ 5.9%
EBIT	17.8[2]	25.1[2]	23.6[2]	33.6[2]	31.7[2]	+ 6.0%

(1) Unaudited; see note "unaudited disclosures" on page 3
(2) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € -12.7 million in Q4 2022; € -4.5 million in Q1 2023; € +0.1 million in Q2 2023; € -0.9 million in Q3 2023; € -1.0 million in Q4 2023)

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

in € million	2019	2020	2021	2022	2023
Sales	260.3	257.5	285.2	288.6	304.3
EBITDA	89.4	85.5	102.4[1]	104.4[2]	109.8[3]
EBITDA margin	34.3%	33.2%	35.9%	36.2%	36.1%
EBIT	83.9	77.8	93.3[1]	94.6[2]	100.1[3]
EBIT margin	32.2%	30.2%	32.7%	32.8%	32.9%

(1) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +4.9 million) and the intercompany disposal of AWIN AG (EBITDA and EBIT effect: € +50.1 million)
(2) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € -0.5 million)
(3) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € -6.3 million)

Business Applications segment

Fee-based Business Applications contracts grew by 350,000 in the fiscal year 2023. This growth resulted from 160,000 contracts in Germany and 190,000 contracts abroad. As a result, the total number of contracts rose to 9.39 million.

Development of Business Applications contracts in the fiscal year 2023

in million	Dec. 31, 2023	Dec. 31, 2022	Change
Business Applications, total contracts	9.39	9.04	+ 0.35
thereof in Germany	4.59	4.43	+ 0.16
thereof abroad	4.80	4.61	+ 0.19

Development of Business Applications contracts in the fourth quarter of 2023

in million	Dec. 31, 2023	Sept. 30, 2023	Change
Business Applications, total contracts	9.39	9.30	+ 0.09
thereof in Germany	4.59	4.56	+ 0.03
thereof abroad	4.80	4.74	+ 0.06

As a result of customer growth, successful up- and cross-selling, and good after-market business, **sales of the Business Applications segment** rose by 10.1% in the fiscal year 2023, from € 1,293.0 million in the previous year to € 1,423.7 million.

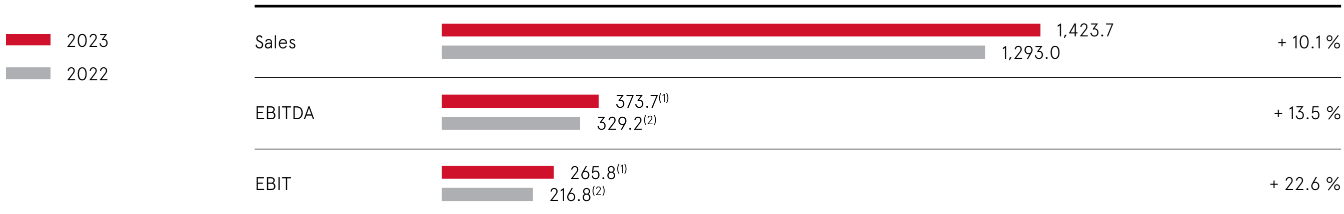
Segment earnings in both 2022 and 2023 were impacted by special items in connection with the IPO of IONOS Group SE. Whereas IPO costs of € -8.8 million were incurred by the segment in the previous year, there was total net income of € +11.7 million in 2023. IPO costs in the reporting period 2023 were offset by income from the contractually agreed assumption of total IPO costs by the IONOS shareholders United Internet and Warburg Pincus.

Adjusted for these special items, **operating segment EBITDA** increased by 13.5% from € 329.2 million in the previous year to € 373.7 million in 2023. Due to lower PPA writedowns, there was an even stronger increase in **operating segment EBIT** of 22.6%, from € 216.8 million to € 265.8 million.

The **operating EBITDA margin** improved accordingly from 25.5% to 26.2% and the **operating EBIT margin** from 16.8% to 18.7%.

The number of **employees** increased by 2.8% in 2023 to 4,364 (prior year: 4,247).

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



(1) Excluding IPO costs (EBITDA and EBIT effect: € +11.7 million net (IPO costs and offsetting assumption of costs by IONOS shareholders))
(2) Excluding IPO costs (EBITDA and EBIT effect: € -8.8 million)

Quarterly development; change over prior-year quarter[1]

in € million	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q4 2022	Change
Sales	353.8	354.8	350.1	365.0	339.3	+ 7.6%
EBITDA	81.5[2]	110.8[2]	101.4	80.0	67.1[2]	+ 19.2%
EBIT	54.6[2]	84.1[2]	74.5	52.6	39.5[2]	+ 33.2%

(1) Unaudited; see note "unaudited disclosures" on page 3
(2) Excluding IPO costs (EBITDA and EBIT effect: € -5.6 million in Q4 2022; € +11.3 million net (IPO costs and offsetting assumption of costs by IONOS shareholders) in Q1 2023; € +0.4 million net in Q2 2023)

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

in € million	2019	2020	2021	2022	2023
Sales	924.1	988.2	1,103.3	1,293.0	1,423.7
EBITDA	319.5	340.4	329.3[2]	329.2[3]	373.7[4]
EBITDA margin	34.6%	34.4%	29.8%	25.5%	26.2%
EBIT	202.3[1]	229.5	216.7[2]	216.8[3]	265.8[4]
EBIT margin	21.9%	23.2%	19.6%	16.8%	18.7%

(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)
(4) Excluding IPO costs (EBITDA and EBIT effect: € +11.7 million net (IPO costs and offsetting assumption of costs by IONOS shareholders))

Concrete plans for the IONOS IPO were announced on January 17, 2023 as part of an "intention to float" (ITF) and the IPO was completed on February 8, 2023.

The shares of IONOS Group SE have since been listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard) under ISIN: DE000A3E00M1, WKN: A3E00M, ticker symbol: IOS.

United Internet received gross proceeds of around € 292 million from the sale of shares, while the entire placement volume amounted to around € 389 million.

Following the IPO of IONOS Group SE, United Internet holds 63.8% and Warburg Pincus 21.2% of IONOS shares. 15.0% of shares are in free float.

Group investments

Significant changes in investments

Investment in Kublai
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 are held by Morgan Stanley Infrastructure Partners.

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, 2023, 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, 2023, United Internet's share of voting rights amounted to 25.39%. United Internet expects Open-Xchange to post increased revenues and a slightly negative EBITDA for the fiscal year 2023.

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, 2023, the share of voting rights held by United Internet amounted to 25.10%. For 2023, United Internet anticipates increased sales of uberall with a slightly positive EBITDA result.

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, 2023, the share of voting rights amounted to 31.52%. United Internet expects rankingCoach to achieve sales growth in 2023 and a slightly positive EBITDA result.

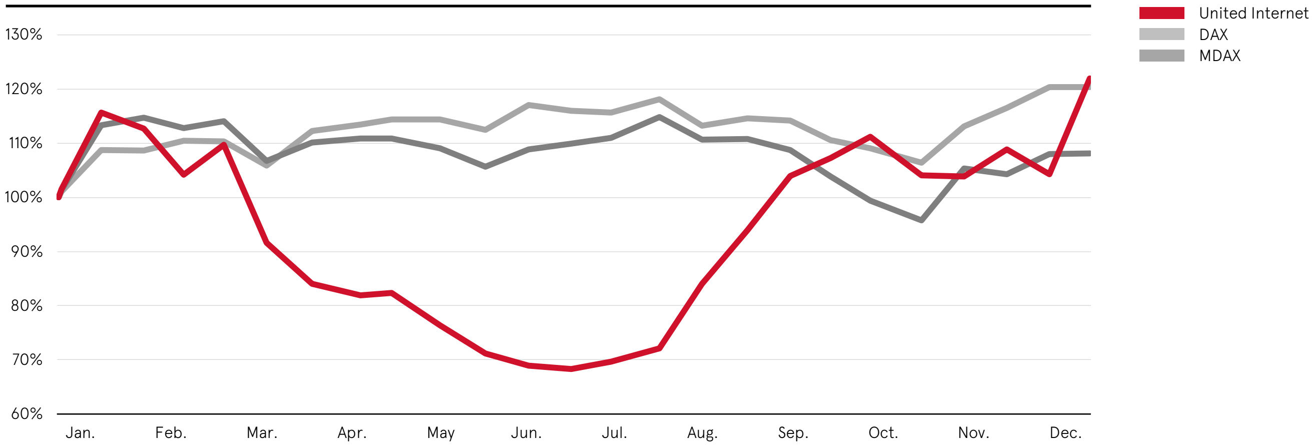
Following the contribution of affilinet GmbH to AWIN in October 2017, United Internet also holds a stake in **AWIN AG** (main activity: affiliate marketing). Several United Internet subsidiaries are currently working together with AWIN and using the company's affiliate network as part of their marketing mix. As of December 31, 2023, United Internet's share of voting rights amounted to 20.00%. United Internet expects further strong sales growth for AWIN in its fiscal year 2023 and a strongly positive EBITDA result.

Share and dividend

Share

In the fiscal year 2023, the United Internet share price rose strongly by 22.0% to € 23.04 as of December 31, 2023 (December 31, 2022: € 18.89). The share thus outperformed its comparative indices, which also rose year on year (DAX 20.3%; MDAX 8.0%).

Share performance 2023, indexed



There was a corresponding increase in the **market capitalization** of United Internet AG from around € 3.66 billion in the previous year to around € 4.42 billion as of December 31, 2023.

In the fiscal year 2023, average daily trading via the XETRA electronic computer trading system amounted to around 410,000 shares (prior year: around 220,000) with an average value of € 7.1 million (prior year: € 5.8 million).

Multi-period overview: share performance
(as of: December 31, 2023; in €; all stock exchange figures based on Xetra trading)

	2019	2020	2021	2022	2023
Closing price	29.28	34.43	34.94	18.89	23.04
Performance	-23.4%	+ 17.6%	+ 1.5%	-45.9%	+ 22.0%
Year-high	40.42	43.88	39.34	35.45	23.06
Year-low	24.21	20.76	31.63	18.14	12.54
Average daily turnover	16,415,087	13,355,218	8,149,290	5,777,474	7,078,087
Average daily turnover (units)	522,809	414,786	233,717	221,596	413,556
Number of shares (units)	205 million	194 million	194 million	194 million	192 million
Market value	6.00 billion	6.68 billion	6.78 billion	3.66 billion	4.42 billion
EPS(1)	2.13	1.55	2.23	1.97	1.35
Adjusted EPS(2)	1.88	1.87	2.11	2.00	1.41

(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: December 31, 2023)

Shareholder	Shareholding
Ralph Dommermuth - Ralph Dommermuth GmbH & Co. KG Beteiligungsgesellschaft (45.91%) - Ralph Dommermuth GmbH (1.98%) - RD Holding GmbH & Co. KG (1.04%)	48.94%
United Internet (treasury stock)	9.99%
Bank of America	4.93%
Wellington	3.01%
Free float	33.13%

Presentation of the total positions shown above based on the most recent notification of voting rights in accordance with sections 33 et seq. 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 Bank of America to 5.48%, the proportion of shares with voting rights held by Wellington to 3.35%, and the proportion of shares with voting rights in free float to 36.80%.

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 Annual Shareholders' Meeting of United Internet AG held on May 17, 2023, 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 2022, was approved with a majority of 99.93% of votes cast. As a consequence, a total of € 86.4 million (prior year: € 93.4 million) was distributed on May 23, 2023. The **payout ratio** was thus 23.5% of the adjusted consolidated net income after minority interests for 2022 (€ 374.1 million) and – in view of the investments already made and still due to be made in the Company’s own mobile communications network and in the expansion of its own fiber-optic network – therefore within the range targeted by the dividend policy.

For the fiscal year 2023, 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 20, 2024 (and thus after the preparation deadline for this Management Report). The Annual Shareholders' Meeting of United Internet AG on May 17, 2024 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 December 31, 2023), the total **dividend payment** for fiscal year 2023 would amount to € 86.4 million. The **dividend payout ratio** would therefore be 35.6% of adjusted consolidated net income after minority interests for 2023 (€ 243.0 million) and thus lie – despite the investments already made and still due to be made in the Company’s own mobile communications network and in the expansion of its own fiber-optic network – within the upper range of the dividend policy. Based on the closing price of the United Internet share on December 31, 2023, the **dividend yield** would be 2.2%.

Multi-period overview: dividend development

	For 2019	For 2020	For 2021	For 2022	For 2023(1)
Dividend per share (in €)	0.50	0.50	0.50	0.50	0.50
Dividend payment (in € million)	93.9	93.6	93.4	86.4	86.4
Payout ratio	22.2%	32.2%	22.4%	23.5%	37.1%
Adjusted payout ratio(2)	23.6%	26.7%	23.7%	23.1%	35.6%
Dividend yield(3)	1.7%	1.5%	1.4%	2.6%	2.2%

(1) Subject to approval of Supervisory Board and Annual Shareholders' Meeting 2024
(2) Without special items
(3) As of: December 31

Annual Shareholders' Meeting 2023

The Annual Shareholders' Meeting of United Internet AG was held in Frankfurt am Main on May 17, 2023.

Of the Company’s registered capital stock of € 192,000,000.00, divided into192,000,000 no-par value shares, of which 19,183,705 treasury shares without voting rights, a total of 135,921,273 no-par value shares with the same number of voting rights were represented. Including the postal votes received for 956,726 no-par value shares, this corresponded to a total of 136,877,999 no-par value shares or 71.29% of the registered capital stock, or 79.20% of the registered capital stock less treasury shares.

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 held 7,284,109 treasury shares**.** This corresponded to approx. 3.75% of the capital stock at the time 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 two 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 two million shares, from 194 million shares to 192 million shares. The pro-rata amount of capital stock per issued share remained 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 current 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 above mentioned capital reduction by cancellation of 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 holds 19,183,705 **treasury shares** as of December 31, 2023, 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. For further details, please refer to note 39 of the Notes to the Consolidated Financial Statements.

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 2023. 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. 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 and conferences in Europe and North America. In addition, over 15 national and international investment banks are in contact with the Company's Investor Relations department and regularly publish studies and comments on the Company's progress and share performance.

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 2023. 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 2023, the number of employees increased year on year by 4.7%, or 488 employees, to 10,962 (prior year: 10,474). This increase was in line with the development of business and resulted mainly from the Consumer Access and Business Access segments due to the strong increase in headcount for the rollout of 1&1's mobile network and the expansion of 1&1 Versatel's fiber-optic network.

Headcount in Germany rose by 5.0% or 431 employees, to 8,981 as of December 31, 2023 (prior year: 8,550). The number of employees at the Group's non-German subsidiaries grew by 3.0%, or 57 employees, to 1,981 (prior year: 1,924).

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

	2019	2020	2021	2022	2023	Change
Employees, total	9,374	9,638	9,975	10,474	10,962	+ 4.7%
thereof in Germany	7,761	7,929	8,199	8,550	8,981	+ 5.0%
thereof abroad	1,613	1,709	1,776	1,924	1,981	+ 3.0%

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

From the segment perspective, there were 3,320 employees in the Consumer Access segment (prior year: 3,163), 1,522 in the Business Access segment (prior year: 1,336), 1,072 in the Consumer Applications segment (prior year: 1,036), and 4,364 in the Business Applications segment (prior year: 4,247). A further 684 people (prior year: 692) were employed at the Group's headquarters (Corporate/HQ).

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

	2019	2020	2021	2022	2023	Change
Employees, total	9,374	9,638	9,975	10,474	10,962	+ 4.7%
thereof Consumer Access	3,163	3,191	3,167	3,163	3,320	+ 5.0%
thereof Business Access	1,184	1,188	1,238	1,336	1,522	+ 13.9%
thereof Consumer Applications	1,007	1,005	1,004	1,036	1,072	+ 3.5%
thereof Business Applications	3,416	3,631	3,998	4,247	4,364	+ 2.8%
thereof Corporate/Shared Services	604	623	568	692	684	- 1.2%

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

Due to the rise in headcount, as well as salary adjustments to compensate for high inflation, **personnel expenses** rose by 12.5% to € 760.0 million in the fiscal year 2023 (prior year: € 675.5 million). As a result, the **personnel expense ratio** increased to 12.2%.

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

in € million	2019	2020	2021	2022	2023	Change
Personnel expenses	552.8	592.3	645.4	675.5	760.0	+ 12.5%
Personnel expense ratio	10.6%	11.0%	11.4%	11.4%	12.2%	

Sales per employee, based on annual average headcount, amounted to approx. € 580k in fiscal year 2023 (prior year: approx. € 579k).

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]

	2019	2020	2021	2022	2023
Women	32%	32%	33%	32%	33%
Men	68%	68%	67%	68%	67%

(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 2023 was around 40 (prior year: 39).

Multi-period overview: employee age profile[1]

	2019	2020	2021	2022	2023
< 30	23%	23%	22%	23%	20%
30 – 39	34%	33%	33%	31%	32%
40 – 49	27%	27%	27%	27%	28%
≥ 50	16%	17%	18%	19%	20%

(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]

	2019	2020	2021	2022	2023
Employees, total	9,374	9,638	9,975	10,474	10,962
thereof Germany	7,761	7,929	8,199	8,550	8,981
thereof France	3	3	4	7	8
thereof UK	233	251	251	246	273
thereof Austria	43	44	65	67	72
thereof Philippines	360	395	392	468	464
thereof Poland	309	299	333	352	339
thereof Romania	195	217	229	242	261
thereof Spain	330	340	381	422	445
thereof USA	140	160	121	120	119

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

For further information on topics such as "Working Conditions and HR Strategy", "Training and Education", "Recruiting and Retaining Young Talent", "Diversity and Equal Opportunities", and "Occupational Health and Safety, and Health Management", please refer to the chapter "Social Responsibility" in the Sustainability Report 2023 of United Internet AG, which will be published in late March 2024 (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, as well as optimal debt management to reduce interest costs.

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, 2023, the Group's **bank liabilities** amounted to € 2,464.3 million (prior year: € 2,155.5 million) and mainly comprise promissory note loans, syndicated loans, and bilateral credit agreements / credit facilities.

Promissory note loans

In the fiscal year 2023, United Internet AG successfully placed a promissory note loan ("Schuldscheindarlehen") – as in the years 2017 and 2021 – with an amount of € 300 million. The proceeds from this transaction are used for general company funding. There are no covenants attached to the new promissory note loan.

Moreover, two promissory note loan tranches totaling € 238.0 million were redeemed on schedule in the fiscal year 2023.

At the end of the reporting period on December 31, 2023, total liabilities from the promissory note loans 2017, 2021, and 2023 with maximum terms until May 2030 therefore amounted to € 1,162.0 million (prior year: € 1,100.0 million).

Partial repayment of the shareholder loan by IONOS Group SE

In December 2023, IONOS Group SE concluded a loan of € 800 million with a banking syndicate to partially refinance its existing shareholder loan with United Internet AG. The refinancing is at a fixed annual interest rate of 4.67%. The syndicated loan has a term until December 15, 2026 and is due at maturity.

Following the partial repayment, the shareholder loan with United Internet amounts to € 350 million and is subordinated. The shareholder loan continues to have a fixed annual interest rate of 6.75%, a term until December 15, 2026, and is to be gradually repaid before this date.

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, 2023, € 150 million of the revolving syndicated loan facility had been drawn (prior year: € 550 million). As a result, funds of € 660 million (prior year: € 260 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 € 50 million (prior year: € 200 million). The term expires at the latest on August 12, 2024. As of the balance sheet date on December 31, 2023, these bilateral credit agreements were used in full (as in the previous year).

In addition, various bilateral credit facilities amounting to € 475 million (prior year: € 400 million) are available to the Company. These have been granted in part until further notice and in part have terms until March 31, 2025. Drawings of € 295 million (prior year: € 300 million) had been made from these credit facilities as at the end of the reporting period on December 31, 2023.

United Internet therefore had **free credit lines** from syndicated loan facilities and bilateral credit agreements totaling € 840 million (prior year: € 360 million) as at the end of the reporting period on December 31, 2023.

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 € 591.4 million (prior year: € 370.8 million). In addition, there are purchase commitments for intangible assets (especially software) totaling € 68.0 million (prior year: € 143.9 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 2023. There were also only **minor negative currency effects** at Group and segment level (mainly Business Applications segment) amounting to € 9.6 million for sales and € 2.5 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 2023, the total number of **fee-based customer contracts** in the United Internet Group was raised by a total of 1.03 million contracts, from 27.46 million to 28.49 million contracts.

Consolidated sales increased by 5.0% in the fiscal year 2023, from € 5,915.1 million in the previous year to € 6,213.2 million. **Sales outside Germany** improved by 5.0% from € 625.5 million to € 656.9 million (despite negative currency effects of € 9.6 million).

The **cost of sales** increased from € 3,906.3 million to € 4,145.1 million in the reporting period. Consequently, the cost of sales ratio rose from 66.0% (of sales) in the previous year to 66.7% (of sales) in 2023. This was due in part to a strong year-on-year increase in low-margin hardware sales in the Consumer Access segment. As a result, the **gross margin** fell from 34.0% to 33.3% and consequently the growth in **gross profit** of 3.0% from € 2,008.7 million to € 2,068.1 million fell short of sales growth (5.0%).

The rise in **sales and marketing expenses** was slightly below that of sales, from € 907.2 million (15.3% of sales) in the previous year to € 943.2 million (15.2% of sales), while the increase in **administrative expenses** from € 248.5 million (4.2% of sales) to € 275.9 million (4.4% of sales) was slightly in excess of sales growth.

This disproportionately strong rise in some of the above mentioned cost items results in part from increased expenditure for the rollout of 1&1's mobile communications network, higher depreciation and amortization due to investments in the expansion of the fiber-optic network and mobile network, and strong increases in personnel expenses following an expansion of headcount as well as significant salary adjustments to keep pace with high inflation.

Multi-period overview: Development of key cost items

in € million	2019	2020	2021	2022	2023
Cost of sales	3,427.0	3,769.3	3,684.9 (1)	3,906.3	4,145.1
Cost of sales ratio	66.0%	70.2%	65.3%	66.0%	66.7%
Gross margin	34.0%	29.8%	34.7%	34.0%	33.3%
Selling expenses	741.8	767.9	835.7	907.2	943.2
Selling expenses ratio	14.3%	14.3%	14.8%	15.3%	15.2%
Administrative expenses	205.9	206.0	243.0	248.5	275.9
Administrative expenses ratio	4.0%	3.8%	4.3%	4.2%	4.4%

(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 decreased from € 46.5 million in the previous year to € 33.3 million in 2023 and **other operating income** from € 92.3 million to € 60.6 million. Due to an increase in payment defaults, **impairment losses on receivables and contract assets** rose from € 117.4 million in the previous year to € 122.3 million in 2023.

Key earnings figures were influenced by two **special items** in the fiscal years 2023 and 2022:

- The special item **"IPO costs IONOS"** results from one-off costs in connection with the IPO of IONOS Group SE, as well as – with an opposing effect in 2023 – the partial assumption of costs by IONOS co-owner Warburg Pincus, and had an overall **negative** impact on EBITDA, EBIT, EBT, net income, and EPS in the fiscal years 2023 and 2022.

- The special item **"non-cash valuation effect from derivatives"** results from quarterly revaluations of derivatives and had a **negative** impact on EBITDA, EBIT, EBT, net income, and EPS in the fiscal years 2023 and 2022.

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

in € million; EPS in €	Fiscal year 2023	Fiscal year 2022
EBITDA	1,292.1	1,262.5
IPO costs IONOS	1.7	8.8
Non-cash valuation effect from derivatives	6.3	0.5
EBITDA adjusted for special items (operating)	**1,300.1**	**1,271.8**
EBIT	754.0	781.4
IPO costs IONOS	1.7	8.8
Non-cash valuation effect from derivatives	6.3	0.5
EBIT adjusted for special items (operating)	**762.0**	**790.7**
EBT	597.6	711.5
IPO costs IONOS	1.7	8.8
Non-cash valuation effect from derivatives	6.3	0.5
EBT adjusted for special items (operating)	**605.6**	**720.8**
Net income	362.2	464.7
IPO costs IONOS	1.7	8.7
Non-cash valuation effect from derivatives	4.4	0.4
Net income adjusted for special items (operating)	**368.3**	**473.8**
Net income "Shareholders United Internet"	232.7	367.2
IPO costs IONOS	5.9	6.5
Non-cash valuation effect from derivatives	4.4	0.4
Net income "Shareholders United Internet" adjusted for special items (operating)	**243.0**	**374.1**
EPS	1.35	1.97
IPO costs IONOS	0.03	0.03
Non-cash valuation effect from derivatives	0.03	0.00
EPS adjusted for special items (operating)	**1.41**	**2.00**

Adjusted for the above mentioned special items, the key performance measures EBITDA, EBIT, EBT, net income, and EPS for the fiscal year 2023 developed as follows:

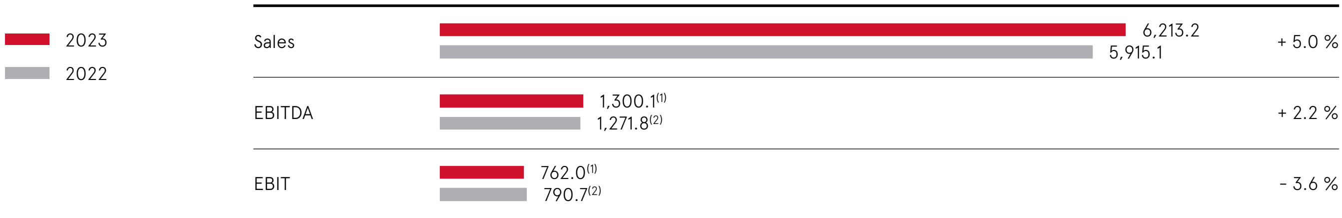
Consolidated operating EBITDA rose by € 28.2 million (2.2%), from € 1,271.8 million in the previous year to € 1,300.1 million. This at first glance only moderate EBITDA growth was due in particular to planned increased costs for the construction of 1&1's mobile communications network. In 2023, these rose to € -132.4 million, after € -52.4 million in the previous year.

Consolidated operating EBIT was additionally burdened by increased depreciation, especially for investments in the fiber-optic network and the mobile network (€ -71.3 million). As a result, it fell by € -28.7 million (-3.6%) from € 790.7 million to € 762.0 million. Since the beginning of 2024, the increase in depreciation on investments – mainly due to the operational launch of 1&1's mobile network – is being offset by steadily increasing cost savings on advance mobile services.

There was a corresponding fall in the **operating EBITDA margin** and the **operating EBIT margin** from 21.5% to 20.9% and from 13.4% to 12.3%, respectively.

The number of Group **employees** rose by 4.7% to 10,962 in 2023 (prior year: 10,474).

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



(1) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € -6.3 million) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -1.7 million net (IPO costs and offsetting pro rata assumption of costs by the IONOS co-shareholder))
(2) 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)

Quarterly development; change over prior-year quarter[1]

in € million	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q4 2022	Change
Sales	1,538.3	1,489.8	1,560.8	1,624.3	1,530.8	+ 6.1%
EBITDA[2]	319.0	351.1	325.8	304.2	285.3	+ 6.6%
EBIT[2]	188.9	219.6	191.0	162.5	165.5	- 1.8%

(1) Unaudited; see note "unaudited disclosures" on page 3
(2) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € -12.7 million in Q4 2022; € -4.5 million in Q1 2023; € +0.1 million in Q2 2023; € -0.9 million in Q3 2023; € -1.0 million in Q4 2023) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -5.6 million in Q4 2022; € +0.5 million net (IPO costs and offsetting pro rata assumption of costs by the IONOS co-shareholder) in Q1 2023; € -2.1 million net in Q2 2023; € -0.1 million net in Q4 2023)

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

in € million	2019	2020	2021	2022	2023
Sales	5,194.1	5,367.2	5,646.2	5,915.1	6,213.2
EBITDA	1,244.2(1)	1,218.2(2)	1,262.4(3)	1,271.8(4)	1,300.1(5)
EBITDA margin	24.0%	22.7%	22.4%	21.5%	20.9%
EBIT	770.2(1)	744.2(2)	788.6(3)	790.7(4)	762.0(5)
EBIT margin	14.8%	13.9%	14.0%	13.4%	12.3%

(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)
(5) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € -6.3 million) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -1.7 million net (IPO costs and offsetting pro rata assumption of costs by the IONOS co-shareholder))

Due to the decline in operating EBIT as explained above, **operating earnings before taxes (EBT)** of € 605.6 million were also down on the previous year (€ 720.8 million). Likewise, **operating consolidated net income** and **operating consolidated net income attributable to shareholders of United Internet AG** fell from € 473.8 million to € 368.3 million and from € 374.1 million to € 243.0 million, respectively. In addition to the lower EBIT result (€ -28.7 million), this decline in the key operating figures was mainly due to a year-on-year decrease in the result from associated companies (€ -26.4 million) and the financial result (€ -60.0 million). The latter was impacted by the increase in interest rates.

Without consideration of the valuation effects from derivatives and the IONOS IPO costs (total EPS effect: € -0.06; prior year: € -0.03), operating EPS in the fiscal year 2023 declined from € 2.00 in the prior-year period to € 1.41. In addition to the decrease in EBIT (EPS effect: € -0.13), this was also due to a lower result from associated companies (EPS effect: € -0.16), and the lower financial result (EPS effect: € -0.30).

Group's financial position

Despite the decline in net income, **operative cash flow** rose slightly from € 1,010.7 million[1] in the previous year to € 1,018.0 million in the fiscal year 2023.

Cash flow from operating activities increased to € 828.5 million (prior year: € 616.4 million[1] – incl. phasing effects of € -97.2 million from Q4 2021). The increase mainly results from the change in trade accounts payable.

Cash flow from investing activities in the reporting period led to a net outflow of € -798.2 million (prior year: € -701.6 million[1]). This resulted mainly from capital expenditures of € -797.9 million (prior year: € -681.4 million).

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. **Free cash flow** in the fiscal year 2023 amounted to € 36.4 million (prior year: € -60.5 million[1] – incl. phasing effects). 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 (after leasing)** amounted to € -85.0 million (prior year: € -173.2 million[1]).

Cash flow from financing activities in the fiscal year 2023 was dominated by the purchase of treasury shares (€ -291.9 million; prior year: € 0), the net assumption of loans (€ +305.2 million; prior year: € +328.6 million[1]), payments for interest (€ -91.0 million; prior year: € -30,2 million[1]), the redemption of lease liabilities (€ -121.3 million; prior year: € -112.6 million), dividend payments (€ -86.4 million; prior year: € -93.4 million), and payments received from minority shareholders (€ 305.0 million; prior year: € -15.2 million disbursement) in connection with the IPO of IONOS Group SE as well as from purchase price payments made by Warburg Pincus.

As of December 31, 2023, **cash and cash equivalents** amounted to € 27.7 million – compared to € 40.5 million on the same date last year.

Development of key cash flow figures

in € million	2023	2022[1]	Change
Operative cash flow	1,018.0	1,010.7	+ 7.3
Cash flow from operating activities	828.5	616.4	+ 212.1
Cash flow from investing activities	-798.2	-701.6	- 96.6
Free cash flow[2]	-85.0[3]	-173.2[4]	+ 88.2
Cash flow from financing activities	-43.6	14.2	- 57.8
Cash and cash equivalents on December 31	27.7	40.5	- 12.8

(1) With regard to the changes in the presentation of the cash flow statement, reference is made to the explanations in the notes to the consolidated financial statements under note 46
(2) 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) 2023 including the repayment portion of lease liabilities (€ 121.3 million), which have been reported under cash flow from financing activities since the fiscal year 2019 (IFRS 16)
(4) 2022 including the repayment portion of lease liabilities (€ 112.6 million), 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 € 10.358 billion as of December 31, 2022 to € 11.246 billion on December 31, 2023.

Development of current assets

in € million	Dec. 31, 2023	Dec. 31, 2022	Change
Cash and cash equivalents	27.7	40.5	- 12.8
Trade accounts receivable	508.9	418.8	+ 90.1
Contract assets	676.1	648.4	+ 27.7
Inventories	178.1	120.6	+ 57.5
Prepaid expenses	303.8	282.1	+ 21.7
Other financial assets	96.9	106.6	- 9.7
Income tax claims	34.8	34.7	+ 0.0
Other non-financial assets	13.8	19.7	- 5.9
Total current assets	**1,840.1**	**1,671.4**	**+ 168.7**

Current assets rose from € 1,671.4 million as of December 31, 2022 to € 1,840.1 million on December 31, 2023. However, **cash and cash equivalents** disclosed under current assets decreased from € 40.5 million to € 27.7 million due to closing-date effects. Likewise, **trade accounts receivable** fell from € 418.8 million to € 508.9 million due to closing-date effects. As a result of customer growth, the item current **contract assets** rose from € 648.4 million to € 676.1 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 € 120.6 million to € 178.1 million. Due to prepayments made to advance service providers and closing-date effects, **current prepaid expenses** increased from € 282.1 million to € 303.8 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, 2023	Dec. 31, 2022	Change
Shares in associated companies	373.2	429.3	- 56.1
Other financial assets	8.3	10.7	- 2.4
Property, plant and equipment	2,405.3	1,851.0	+ 554.3
Intangible assets	2,001.6	2,029.3	- 27.7
Goodwill	3,628.8	3,623.4	+ 5.4
Trade accounts receivable	34.8	41.4	- 6.6
Contract assets	206.6	216.7	- 10.1
Prepaid expenses	679.8	429.0	+ 250.8
Deferred tax assets	67.1	56.3	+ 10.8
Total non-current assets	**9,405.6**	**8,687.1**	**+ 718.5**

Non-current assets rose strongly from € 8,687.1 million as of December 31, 2022 to € 9,405.6 million on December 31, 2023. Due in particular to the deterioration in the pro rata result of investments (mainly Kublai / Tele Columbus), **shares in associated companies** fell from € 429.3 million to € 373.2 million. Capital expenditures in the reporting period (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 € 1,851.0 million to € 2,405.3 million, while **intangible assets** declined from € 2,029.3 million to € 2,001.6 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 € 429.0 million to € 679.8 million. The items non-current **other financial assets**, **goodwill**, non-current **trade accounts receivable,** non-current **contract assets**, and **deferred tax assets** were largely unchanged.

Development of current liabilities

in € million	Dec. 31, 2023	Dec. 31, 2022	Change
Trade accounts payable	699.2	561.5	+ 137.7
Liabilities due to banks	582.4	656.7	- 74.3
Income tax liabilities	88.0	52.7	+ 35.3
Contract liabilities	175.0	157.1	+ 17.9
Other accrued liabilities	26.4	5.1	+ 21.3
Other financial liabilities	322.0	333.6	- 11.6
Other non-financial liabilities	129.6	69.0	+ 60.7
Total current liabilities	**2,022.7**	**1,835.6**	**+ 187.1**

Current liabilities increased from € 1,835.6 million as of December 31, 2022 to € 2,022.7 million on December 31, 2023. Due to closing-date effects, current **trade accounts payable** increased from € 561.5 million to € 699.2 million. There was a decrease in current **liabilities due to banks** from € 656.7 million to € 582.4 million as a result of the reduction of short-term liabilities. Current **other non-financial liabilities** increased from € 69.0 million to € 129.6 million and mainly include liabilities due to tax authorities as of the respective balance sheet date. The items **income tax liabilities** and 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, 2023	Dec. 31, 2022	Change
Liabilities due to banks	1,881.9	1,498.8	+ 383.0
Deferred tax liabilities	293.0	309.7	- 16.7
Trade accounts payable	3.4	4.3	- 0.9
Contract liabilities	32.7	31.3	+ 1.4
Other accrued liabilities	68.7	67.1	+ 1.6
Other financial liabilities	1,388.3	1,313.3	+ 75.0
Total non-current liabilities	**3,667.9**	**3,224.5**	**+ 443.4**

Non-current liabilities increased from € 3,224.5 million as of December 31, 2022 to € 3,667.9 million on December 31, 2023. This was mainly due to non-current **liabilities due to banks**, which rose from € 1,498.8 million to € 1,881.9 million, largely as a result of the assumption of a promissory note loan totaling € 300 million. As a result of higher leasing additions (IFRS 16), **other financial liabilities** rose from € 1,313.3 million to € 1,388.3 million. The items **deferred tax liabilities**, non-current **trade accounts payable**, non-current **contract liabilities**, as well as non-current **other accrued liabilities** were largely unchanged.

Development of equity

in € million	Dec. 31, 2023	Dec. 31, 2022	Change
Capital stock	192.0	194.0	- 2.0
Capital reserves	2,197.7	1,966.2	+ 231.6
Accumulated profit	2,980.5	2,835.8	+ 144.7
Treasury shares	-459.8	-231.5	- 228.3
Revaluation reserves	0.1	1.3	- 1.2
Currency translation adjustment	-12.5	-15.7	+ 3.2
Equity attributable to shareholders of the parent company	**4,898.0**	**4,750.1**	**+ 147.9**
Non-controlling interests	657.0	548.3	+ 108.7
Total equity	**5,555.1**	**5,298.4**	**+ 256.7**

Consolidated **equity capital** rose from € 5,298.4 million as of December 31, 2022 to € 5,555.1 million on December 31, 2023. The Group's **accumulated profit** – comprising the past profits of the consolidated companies, insofar as they were not distributed – rose from € 2,835.8 million to € 2,980.5 million in the fiscal year 2023. At the same time, capital reserves rose from € 1,966.2 million to € 2,197.7 million due to the sale of shares during the IONOS IPO with an opposing effect from the cancellation of treasury shares. As a result of the share buyback explained below, there was an increase in the value of treasury shares from € -231.5 million to € -459.8 million. Treasury shares are deducted from equity capital. The consolidated **equity ratio** fell slightly from 51.2% to 49.4%.

As of December 31, 2022, United Internet AG held a total of 7,284,109 treasury shares, corresponding to approx. 3.75% of the capital stock at the time 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 two million treasury shares and to reduce the **capital stock** of United Internet AG from € 194 million to € 192 million. The number of shares issued decreased accordingly from 194 million shares to 192 million shares. The pro-rata amount of capital stock per issued share remained unchanged at € 1. 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 current 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 above mentioned capital reduction by means of canceling two 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 holds 19,183,705 **treasury shares** as of December 31, 2023, 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 and thus corresponded approximately to the sales proceeds of United Internet from the IONOS IPO.

Due mainly to investments in intangible assets and property, plant and equipment (€ -797.9 million, of which € -41.9 million for the acquisition of the BT city networks), as well as the contingent payment for advance services to Deutsche Telekom (€ -276.5 million), and the dividend payment (€ -86.4 million), **net bank liabilities** (i.e., the balance of bank liabilities and cash and cash equivalents) increased from € 2,115.0 million as of December 31, 2022 to € 2,436.6 million on December 31, 2023.

In the second quarter of 2023, United Internet AG successfully placed a promissory note loan totaling € 300 million. The proceeds from this transaction are used for general company funding. Moreover, in December 2023, the subsidiary IONOS Group SE concluded a loan of € 800 million with a banking syndicate to partially refinance its existing shareholder loan with United Internet AG. Following the partial repayment, the shareholder loan with United Internet amounts to € 350 million.

Multi-period overview: development of relative indebtedness

	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Net bank liabilities[1] / EBITDA	1.28	1.27	1.31	1.68	1.89

(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, 2019	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Total assets	9,128.8	9,230.8	9,669.1	10,358.5	11,245.6
Cash and cash equivalents	117.6	131.3	110.1	40.5	27.7
Shares in associated companies	196.0	89.6[1]	431.6[1]	429.3	373.2
Other financial assets	90.4	9.9[2]	11.6	10.7	8.3
Property, plant and equipment	1,160.6	1,271.6	1,379.6	1,851.0	2,405.3
Intangible assets	2,167.4	2,197.8	2,059.4	2,029.3	2,001.6
Goodwill	3,616.5	3,609.4	3,627.8	3,623.4	3,628.8
Liabilities due to banks	1,738.4	1,466.1	1,822.7	2,155.5	2,464.3
Capital stock	205.0	194.0[3]	194.0	194.0	192.0[3]
Equity	4,614.7	4,911.2	4,923.2	5,298.4	5,555.1
Equity ratio	50.6%	53.2%	50.9%	51.2%	49.4%

(1) Decrease due to reclassification Tele Columbus (2020); increase due to stake in Kublai (2021)
(2) Decrease due to sale of Afilias shares (2020)
(3) Decrease due to withdrawal of treasury shares (2020 and 2023)

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

The International Monetary Fund (IMF) upgraded its forecast for 2023 slightly during the course of the year. In its latest economic outlook, the IMF reported growth of 3.1% for the global economy in 2023, based on preliminary calculations. Growth was thus below the prior-year level (3.5%) but at the same time 0.2 percentage points above the IMF's original outlook in January 2023 (2.9%).

The IMF's calculations for Germany are in line with the preliminary figures of the country's Federal Statistical Office (Destatis), which – at its "GDP 2023" press conference on January 15, 2024 – announced a decline in (price-adjusted) gross domestic product (GDP) of -0.3% for 2023. This is 2.1 percentage points less than in 2022 (1.8%). According to the Federal Statistical Office, this was due to further inflation-related high prices throughout the economy, unfavorable borrowing conditions caused by rising interest rates and an overall decline in both domestic and foreign demand.

Thanks to its stable and largely non-cyclical business model, United Internet made good progress again in the fiscal year 2023 – 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 over 1 million to 28.49 million and sales growth of 5.0% to € 6.213 billion. At the same time, there was a further improvement in operating EBITDA – despite heavy investment in future topics – with an increase of 2.2% to around € 1.300 billion. This at first glance only moderate EBITDA growth was due in particular to planned increased costs for the construction of 1&1's mobile communications network. These rose to € -132.4 million, compared to € -52.4 million in the previous year – a year-on-year increase of € -80.0 million.

The positive performance once again highlights the benefits of United Internet's business model based predominantly on electronic subscriptions with fixed monthly payments. 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 2023, 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 2023, 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 2023, **sales** of the parent company amounted to € 1.1 million (prior year: € 0.7 million) and result mainly from services rendered to the Group's subsidiaries.

Other operating income amounted to € 221.4 million (prior year: € 4.2 million). In addition to minimal income from internal charges to Group companies and the release of accruals, this mainly resulted from the disposal of financial investments of € 219.1 million from the sale of shares in Group subsidiary IONOS Group SE in the course of the IONOS IPO.

Other operating expenses amounted to € 31.3 million (prior year: € 20.2 million) and mainly include expenses relating to internal charges for services rendered to Group companies, legal, auditing, and consulting fees, as well as non-period expenses.

Income from profit transfer agreements of € 101.9 million (prior year: € 90.6 million) resulted from profit transfers of 1&1 Mail & Media Applications SE amounting to € 98.9 million (prior year: € 87.1 million), United Internet Corporate Services GmbH amounting to € 2.8 million (prior year: € 3.4 million), and United Internet Service SE amounting to € 0.1 million (prior year: € 0.1 million).

Income from investments amounted to € 0 (prior year: € 13.8 million). In the previous year, this item mainly comprised the dividends of 1&1 AG for 2021 and – due to the requirement at the time for same-period profit recognition – for 2022.

Expenses for loss assumptions of € 19.2 million (prior year: € 6.2 million) related to the compensation expense of United Internet Investments Holding SE, United Internet Management Holding SE, and United Internet Corporate Holding SE.

Including the special items from the above mentioned sale of IONOS shares, the parent company's **result before taxes** amounted to € 318.1 million (prior year: € 170.4 million).

Income taxes amounted to € 44.1 million (prior year: € 49.7 million).

Net income in the separate financial statements of United Internet AG for the fiscal year 2023 – including special items (IONOS IPO) – amounted to € 274.0 million (prior year: € 120.7 million).

Assets and financial position of United Internet AG

The parent company's **balance sheet total** decreased from € 6,563.9 million as of December 31, 2022 to € 5,865.6 million on December 31, 2023.

Non-current assets of the parent company amounting to € 4,832.2 million (prior year: € 5,816.9 million) were dominated by **financial assets**. Due to the sale of IONOS shares, **shares in affiliated companies** fell to € 4,132.2 million (prior year: € 4,221.9 million). **Loans to affiliated companies** declined to € 700.0 million (prior year: € 1,595.0 million), due in particular to the partial refinancing of the existing shareholder loan between United Internet AG and IONOS by means of a syndicated loan amounting to € 800 million. After consideration of further repayments during the fiscal year 2023 totaling € 95 million, the outstanding loan as at December 31, 2023 amounted to € 350 million.

Current assets of the parent company amounting to € 1,033.4 million (prior year: € 746.9 million) comprise receivables due from affiliated companies and other assets. The **receivables due from affiliated companies** increased to € 1,010.6 million (prior year: € 724.8 million). Contrary to the previous year (comparable amount: € 618.0 million), these receivables are disclosed net in the balance sheet as of the fiscal year 2023. They mainly comprise receivables from sales tax grouping as part of the cash management system, as well as from profit transfer agreements. The rise in receivables due from affiliated companies is mainly the result of receivables due from the subsidiary 1&1 Versatel GmbH from cash management and reflects the company's increased investments in the fiber-optic network. **Other assets** amounting to € 22.7 million (prior year: € 19.3 million) consist mainly of receivables due from the tax office relating to audits of previous years.

Shareholders' equity of the parent company amounted to € 3,517.4 million as of December 31, 2023 (prior year: € 3,621.7 million). The decrease in equity during the reporting period is mainly due to the dividend payout of € 86.4 million and the purchase of treasury shares amounting to € 291.9 million, which are deducted from equity. There was an opposing effect from net income of € 274.0 million. The equity ratio rose from 55.2% in the previous year to 60.0% as of December 31, 2023.

The parent company's **accruals** of € 7.7 million (prior year: € 8.1 million) mainly comprise **accrued taxes** amounting to € 5.0 million (prior year: € 3.8 million), as well as **other accrued liabilities** for employee stock ownership plans, legal, auditing and consulting fees, bonuses, and other items totaling € 2.6 million (prior year: € 4.3 million).

The **liabilities of the parent company** are shaped in particular by liabilities due to banks and to affiliated companies. In the fiscal year 2023, **liabilities to banks** decreased to € 1,668.3 million (prior year: € 2,157.2 million). Bank liabilities mainly comprise three promissory note loans totaling € 1,162 million, syndicated loans totaling € 150 million, drawings from bilateral credit agreements of € 50 million, drawings from bilateral credit facilities of € 295 million, and interest of € 11.4 million. **Liabilities to affiliated companies** fell to € 564.0 million (prior year: € 757.6 million). As of the fiscal year 2023, these liabilities are disclosed net in the balance sheet. They mainly comprise liabilities from balances within the United Internet Group's cash pooling system, from sales tax grouping, and from profit and loss transfer agreements. **Other liabilities** of € 89.8 million (prior year: € 3.4 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 separate non-financial Group report as part of a separate sustainability report. In this 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 environmentally sustainable business activities accordingly.

The Company's Sustainability Report 2023 will be published in late March 2024 (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 separate non-financial Group 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) with 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, the materiality principle was applied. In 2022, a double materiality analysis was carried out to determine the material topics. Both the business relevance for United Internet and the potential and specific impact of the Company's activities on the environment and society were taken into account.

In the reporting period, the main focus was on preparing for the first CSRD reporting for the fiscal year 2024. A Group-wide project was driven forward in order to meet the reporting requirements of the new EU reporting obligation. The materiality matrix from the fiscal year 2023 formed the basis for the development of the future reporting strategy. A reconciliation to the CSRD requirements and a comprehensive gap analysis of the future quantitative and qualitative reporting obligations were conducted. The necessary transformation of the reporting system was initiated. As part of an evaluation project, the necessary processes, IT concepts and software solutions were reviewed in order to facilitate future data collection for all parties involved.

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 separate non-financial Group report by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft.

3. SUBSEQUENT EVENTS

There were no significant events subsequent to the end of the reporting period on December 31, 2023 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 ISO standard 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.

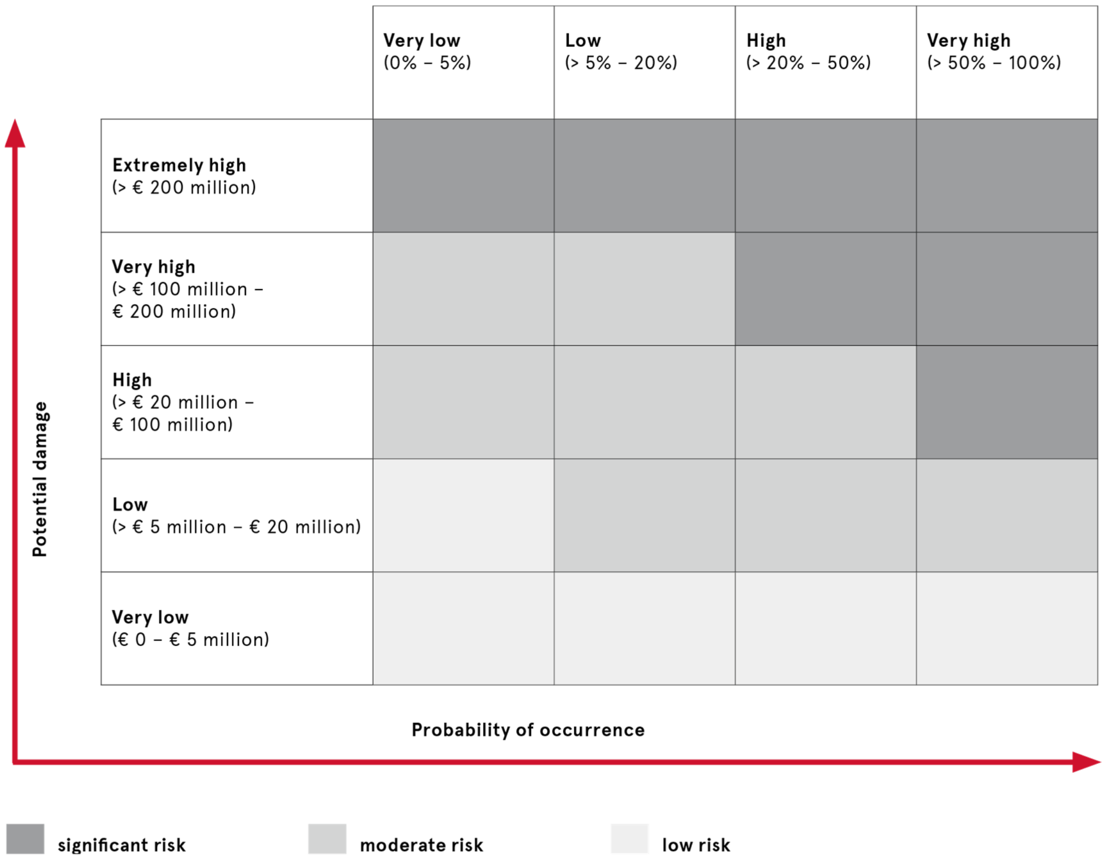
Identified significant risks with an immediate impact and changes in the risk situation trigger an ad-hoc reporting obligation. The respective risk is then communicated immediately to the CFO of United Internet AG, who in turn reports it to the Supervisory Board where necessary. In this way, significant 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 their 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 all negative influences on earnings. 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 is building a 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. There are 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 and 2023. 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 entered into further partnerships for the acquisition of antenna locations and for its own construction of antenna locations, thus reducing the risk position.

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 2023 of United Internet AG, which will be published in late March 2024 (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. The Company regularly reviews the possibility of interest rate hedging in order to mitigate the negative effects of rising interest rates.

- **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 essential for United Internet 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 it is unable to attract managers and employees with specialist and technological knowledge, United Internet would not be able to effectively conduct its business and achieve its growth targets.

In recent years, the shortage of skilled workers has become an increasingly important issue. As an attractive employer, however, 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 2023".

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 2023 of United Internet AG, which will be published in late March 2024 (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 2023, 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 malicious program variants detected daily reached an average of 250,000 in the period July 1, 2022 to June 30, 2023. In connection with the war in Ukraine, pro-Russian hacktivist attacks were seen as a threat, although they did not cause any lasting damage and were regarded more as a propaganda tool.

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 marginally increased 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).

1&1 faces a variety of technical project risks as part of the construction and operation of its mobile network. The challenge is to migrate all customers to the company's own network within the next two years. If this does not succeed as planned, it could lead to dissatisfaction among the customers affected and ultimately to customer losses. 1&1 launched its customer migration projects at an early stage and developed concepts together with its partners to ensure the success of the customer migration.

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, 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.

Misconduct & irregularities
Non-compliance with legal regulations may result in legal consequences and fines. In order to ensure compliance with legal regulations and internal guidelines, the Management Board of United Internet AG has set up a Group-wide risk-oriented Compliance Management System (CMS).

In the reporting period, the CMS was further developed, particularly in terms of its organizational structure, and Corporate Compliance at the level of the Group's parent company was more closely integrated with the segment compliance units at the level of the four segments Consumer Access, Business Access, Consumer Applications, and Business Applications. This led to a reduction in risk.

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. As United Internet purchases advance services for its own customers, regulatory changes may have a negative impact on the profitability of its own 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 connection with the construction of a high-performance 5G mobile network, 1&1 is dependent on the allocation of relevant frequencies by the Federal Network Agency. Low-band frequencies are expected to be reallocated in 2026. There is a risk that 1&1 will not be included in the allocation of these frequencies and that instead the frequency allocation to the established network operators will be prolonged. In this case, 1&1 would be forced to purchase a higher volume of advance services, which would have a negative impact on its value creation. Due to their physical properties, low-band frequencies have a greater range and better penetration capacity than high-band frequencies and thus enable cost-effective coverage in rural areas with mobile phone masts located far apart from each other while also ensuring good reception inside buildings. Without access to these low-band frequencies with a greater range, the risk of failing to meet the Federal Network Agency's expansion obligations by the end of 2025 would also increase considerably.

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 prospects of success are negative in specific cases and the size of the obligation can be reliably estimated, accruals are formed for such risks from litigation.

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.

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. Compared to December 31, 2022, there has been an increase in this risk field. This is due to new knowledge regarding sales and income tax risks, among other things, and the associated revaluation of the risk assessment.

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. Some of the bank loans are subject to financial covenants. Non-compliance with these covenants can have a negative impact on the financing of the United Internet Group. In extreme cases, a loan might be terminated. 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 growing geopolitical tensions. 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.

Additional disclosures on sustainability risks

Information on sustainability risks can be found in the Sustainability Report 2023, which will be published at the end of March 2024 (at https://www.united-internet.de/investor-relations/publikationen/berichte.html).

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".
- The risk assessment of the risk field "Personnel recruitment" rose from Low to Moderate. The background to this change is the difficulty of attracting the required IT specialists.
- There was also an increase from Low to Moderate for the risk field "Capacity bottlenecks". This was due to a slightly increased risk in the Business Applications segment.
- And there was an increase in the risk field "Tax risks" 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.
- The risk assessment of the risk field "Business development & innovations" could be reduced from Moderate to Low. The background to this reduction is an improved risk position in the Consumer Access segment.
- Thanks to the implementation of measures and the closure of risks, the risk field "Misconduct & irregularities" has also fallen from Moderate to Low.
- Otherwise, the risk classifications of the risk fields of United Internet AG as at December 31, 2023 were unchanged from December 31, 2022.

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.

Compared to the previous year, there was an increase in the overall risk. In addition to the aforementioned risk fields "Tax risks", "Personnel recruitment", and "Capacity bottlenecks", the main risk increases were in the fields of "Litigation" and "Procurement market", although the increase in the latter two risk areas did not lead to an overall increase in the risk classification.

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 2023, 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	Holding / Corporate	Low	Low	Moderate	Unchanged
Business development & innovations	Business Applications	Low	Very low	Low	Improved
Cooperation & outsourcing	Business Applications	Low	Low	Moderate	Unchanged
Organizational structure & decision-making	Currently no significant risks			Low	Unchanged
Personnel development & retention	Business Applications	High	Low	Moderate	Unchanged
Risks in the field of "Market"					
Sales market & competition	Business Applications	Low	High	Moderate	Unchanged
Procurement market	Business Access Business Applications	High	High	Moderate	Unchanged
Financial market	Business Applications	Very high	Very low	Low	Unchanged
Personnel recruitment	Holding / Corporate	High	Low	Moderate	Deteriorated
Risks in the field of "Service Provision"					
Work processes	Business Applications	Low	Low	Moderate	Unchanged
Information security	Business Applications	Very low	Extremely high	Significant	Unchanged
Capacity bottlenecks	Business Applications	Low	Low	Moderate	Deteriorated
Projects	Consumer Access	Low	High	Moderate	Unchanged
Technical plant operation	Business Applications	Very low	Extremely high	Significant	Unchanged
Risks in the field of "Compliance"					
Data privacy	Consumer Applications	Low	Very high	Moderate	Unchanged
Misconduct & irregularities	Consumer Applications	Very low	Very low	Low	Improved
Legislation & regulation	Consumer Access	Low	Extremely high	Significant	Unchanged
Litigation	Consumer Access	Low	Extremely high	Significant	Unchanged
Tax risks	Consumer Access Business Applications	High	High	Moderate	Deteriorated
Risks in the field of "Finance"					
Financing	Business Applications	Very low	Very low	Low	Unchanged
Fraud & credit default	Business Applications	High	Low	Moderate	Unchanged
Liquidity	Business Applications	High	Very low	Low	Unchanged
Risks in the field of "Acts of God"					
Acts of God	Business Access Business Applications	Very low	High	Moderate	Unchanged

Society, politics and the economy are currently facing complex macroeconomic challenges resulting from a combination of high interest rates, subdued growth expectations, a tense financing framework, falling trade growth and declining confidence among companies and consumers. In addition to the destabilizing effects of the war in Ukraine, conflict in the Middle East is also contributing to greater uncertainty about the economic future. The United Internet Group is responding to this by actively accepting the current challenges and integrating them into its business decisions, in particular by developing strategies to minimize risk, such as reducing the proportion of variable-interest debt or through diversified procurement strategies to ensure a secure and fair energy supply.

Although the United Internet Group has no business activities in the countries involved in the wars, it is still confronted with the indirect effects. In view of the uncertain security situation caused by the war in the Middle East and the war in Ukraine, especially surrounding the entrance and passage of the Suez Canal, and the potential indirect effects on global business activities, United Internet has developed proactive risk management and mitigation strategies:

- Cybersecurity risks: due to the increased cybersecurity threats associated with the wars in the Middle East and Ukraine, the Company is stepping up its investment in cybersecurity measures. These include the use of advanced monitoring technologies, conducting regular security audits and training employees to improve their resistance to cyberattacks.

- Hardware bottlenecks: the Company is adapting its logistics and procurement strategies in order to overcome potential hardware bottlenecks that could be caused by the uncertain security situation surrounding the entrance and passage of the Suez Canal, exacerbated by the war in the Middle East. Among other things, this is being done by increasing the stock of hardware in order to cushion potential supply disruptions.

The Management Board and the operational managers will closely monitor further developments and initiate any appropriate countermeasures (if possible).

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.

Use of artificial intelligence (AI)

The potential of AI applications is immense, particularly in the IT sector. United Internet uses AI to optimize processes and increase efficiency, for example by automating routine tasks in software development, customer service and marketing as well as for the analysis of large data volumes.

However, there are also many opportunities at product level for companies such as United Internet to use AI to optimize existing products for their customers or to develop new products in the field of AI in order to acquire new customers and increase customer loyalty. For example, IONOS helps its customers build their websites with the aid of an AI website generator. This enables customers to independently generate website suggestions in a matter of seconds based on just a few details (such as sector and relevant keywords) – AI takes care of the design, images, texts, and search engine optimization.

Extending vertical integration: own landline infrastructure

Since its acquisition of 1&1 Versatel (2014), United Internet operates its own telecommunications network, which is being constantly expanded. With a current length of over 61,000 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 for the B2C segment.

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 2022, only 9.2% (end of 2021: 7.1%) of all broadband connections in Germany are fiber-optic connections. Germany therefore still lags well behind in 36th place among the 38 OECD countries surveyed, and is well below the leaders Korea (88.0%), Japan (84.8%), and Spain (83.1%), as well as below the OECD average of 37.7% (end of 2021: 34.3%).

Extending vertical integration: rollout of own mobile communications network

With the launch of mobile services in 1&1's mobile network in December 2023, United Internet's subsidiary 1&1 established the key prerequisites for extending its vertical integration in this market segment – as in the landline segment. 1&1 has since been producing advance services for new customers in its own network. Wherever 1&1 does not yet have sufficient network coverage during the network rollout, it uses the national roaming advance services of Telefónica. As of summer 2024, these national roaming advance services are to be provided by Vodafone. 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.

Until the launch of mobile services on its own network, 1&1 had extensive access to Telefónica's mobile network in Germany (as a so-called MBA MVNO) and also used capacities from other advance service providers such as Vodafone. As of the beginning of 2024, 1&1's existing customers on these third-party networks are being gradually migrated to the 1&1 mobile network in order to increasingly replace the purchase of advance services from third parties and instead use internally produced advance services.

Despite the initial delay in the rollout of antenna locations, 1&1 is still pursuing its goal of covering a quarter of German households by the end of 2025 and half by the end of 2030. To this end, additional 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.

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, 2024, the International Monetary Fund (IMF) updated its forecasts for the development of the global economies in 2024 and 2025. In view of the current fall in inflation and the recent upturn in growth, the IMF raised the forecast for the **global economy** in its update from 2.9% to 3.1% for 2024 (after 3.1% in 2023). Nevertheless, global economic growth will once again fall well short of the average figure for recent years of 3.8%. For 2025, the IMF forecasts global economic growth of 3.2%.

According to the IMF, there are risks associated with geopolitical tensions, particularly in the Middle East, which have already led to a significant increase in prices for freight shipments between Asia and Europe.

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 2.1% in 2024 and 1.7% in 2025 (after 2.5% in 2023); in **Canada**, economic growth of 1.4% and 2.3% is anticipated for 2024 and 2025, respectively (after 1.1% in 2023); and the **Mexican** economy is expected to grow by 2.7% in 2024 and 1.5% in 2025 (after 3.4% in 2023).

The IMF anticipates growth of 0.9% and 1.7% in the **eurozone** for 2024 and 2025, respectively (after 0.5% in 2023).

Likewise, the IMF expects no more than minor economic growth in United Internet's main EU markets (France, Spain, and Italy): the economists anticipate growth of 1.0% in 2024 and 1.7% in 2025 for **France** (after 0.8% in 2023); growth in **Spain** is expected to reach 1.5% and 2.1% in 2024 and 2025, respectively (after 2.4% in 2023); and for **Italy**, the IMF forecasts growth of 0.7% and 1.1% in 2024 and 2025, respectively (after 0.6% in 2023).

For the non-EU country the **UK**, the IMF expects an increase in economic output of 0.6% in 2024 and growth of 1.6% in 2025 (after 0.5% in 2023).

For United Internet's most important market, **Germany**, the IMF forecasts economic growth of 0.5% in 2024 and 1.6% in 2025 (after -0.3% in 2023). According to the outlooks, Germany is likely to have the lowest growth of all G7 states again in 2024.

With expected growth of 0.5% in 2024, the IMF is above the forecast of the German government, which, in its 2024 Annual Economic Report on February 21, 2024, forecast growth for price-adjusted gross domestic product of just 0.2% in 2024.

The German government cites the ongoing geopolitical crises, the impact of the energy price crisis, the overall distinct weakness of the global economy and the increasingly noticeable effects of restrictive monetary policy as the reasons for this estimate.

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

	2025e	2024e	2023
World	3.2%	3.1%	3.1%
USA	1.7%	2.1%	2.5%
Canada	2.3%	1.4%	1.1%
Mexico	1.5%	2.7%	3.4%
Eurozone	1.7%	0.9%	0.5%
France	1.7%	1.0%	0.8%
Spain	2.1%	1.5%	2.4%
Italy	1.1%	0.7%	0.7%
Poland	3.2%	2.8%	0.6%
UK	1.6%	0.6%	0.5%
Germany	1.6%	0.5%	-0.3%

Source: International Monetary Fund, World Economic Outlook (Update), January 2024

Sector/market expectations

Despite the challenges posed by the adverse macroeconomic conditions, disrupted supply chains, and the shortage of skilled workers, the industry association Bitkom expects the **German ICT market** as a whole to grow by 4.4% (prior year: 2.0%) to € 224.3 billion in 2024.

According to Bitkom calculations, the **IT market** is expected to grow again – after a brief dip in growth in 2023 – by 6.1% (prior year: 2.2%) to € 151.5 billion in 2024. Driven in particular by cloud and AI technologies, software is likely to be the fastest-growing segment again with a strong increase of 9.4% (prior year: 9.6%) to € 45.5 billion. Growth of 4.8% (prior year: 5.1%) to € 51.7 billion is expected for the IT services business, which also includes IT consulting. And sales of IT hardware are also set for a return to significant growth with an expected increase of 4.6% (prior year: -5.4%) to € 54.5 billion. The strongest growth driver is still Infrastructure-as-Service, i.e., rented servers, network and storage capacities.

By contrast, the **consumer electronics** market will remain under pressure. According to a Bitkom forecast, sales are likely to decline again in 2024 by an estimated -3.4% (prior year: -2.1%) to € 7.8 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 the German telecommunications market to grow in total by 1.0% (prior year: 1.7%) to € 72.8 billion. The strongest growth in this segment is expected to come from business with telecommunications services, which is set to grow by 1.6% (prior year: 1.9%) to € 52.6 billion. Total spending on telecommunications infrastructure is expected to decrease slightly by -1.0% (prior year: 4.4%) to € 8.4 billion. Sales of end-user devices are likely to be on a par with the previous year with a slight decline of -0.2% (prior year: -0.7%) to € 11.8 billion.

Market forecast: telecommunications market in Germany

in € billion	2024e	2023	Change
Sales	72.8	72.1	+ 1.0%

Source: Bitkom, January 2024

Global cloud computing market

Following the very strong growth of 2023 (17.8%), Gartner forecasts global growth for public cloud services of 20.4% to USD 678.79 billion in 2024.

Market forecast: global cloud computing

in $ billion	2024e	2023	Change
Global sales of public cloud services	678.79	563.59	+ 20.4%
thereof Application Infrastructure Services (PaaS)	176.49	145.32	+ 21.5%
thereof Application Services (SaaS)	243.99	205.22	+ 18.9%
thereof Business Process Services (BPaaS)	72.92	66.34	+ 9.9%
thereof Desktop as a Service (DaaS)	3.16	2.78	+ 13.5%
thereof System Infrastructure Services (IaaS)	182.22	143.93	+ 26.6%

Source: Gartner, Public Cloud Services, Worldwide, 2021-2027, 3Q23 Update, November 2023

Online advertising market in Germany

After a 7.0% increase in online advertising in 2023, PricewaterhouseCoopers expects further growth in 2024 with an increase in total market volume (mobile advertising and desktop advertising) of 5.3% to € 14.18 billion.

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

in € billion	2024e	2023	Change
Online advertising revenues	14.18	13.47	+ 5.3%

Source: PricewaterhouseCoopers, German Entertainment and Media Outlook 2023 – 2027, September 2023

Expectations for the Company in 2024

Forecast for the fiscal year 2024

- United Internet AG expects an increase in consolidated sales (acc. to IFRS) to approx. € 6.5 billion for its fiscal year 2024 (2023: € 6.213 billion).

- Operating EBITDA (acc. to IFRS) is expected to grow to € 1.42 billion in 2024 (2023: € 1.300 billion).

The Company will continue to invest heavily in 2024, especially in the expansion of its fiber-optic network and mobile communications network. Cash capital expenditures are likely to be 10 - 20% above the prior-year figure (2023: € 756 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 a balanced net income for the fiscal year 2024 (2023: € 274.0 million including special items of € 219.1 million from the IONOS IPO).

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 broadened the foundations for further growth.

United Internet will continue to pursue this sustainable business policy in the coming years. The segments will focus on the following topics:

- In addition to the rollout of the 1&1 mobile network, the Consumer Access segment will focus in particular on marketing mobile internet products and winning high-quality customer relationships in the fiscal year 2024.

- In the Business Access segment, the fiber-optic network is to be expanded further in 2024 with the connection of new locations. In addition, the business customer and wholesale business will continue to be developed.

- In fiscal year 2024, 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.

- 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, the Company's Management Board believes that (at the time of preparing this Management Report) the Company is on track to reach the forecast presented above in the section "Forecast for the fiscal year 2024".

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 SYSTEM 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 system 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 system 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 system 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 system 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.

With regard to disclosures on the composition of subscribed capital, as well as direct and indirect participating interests in the capital, pursuant to section 289a sentence 1 no. 1 and no. 3 HGB and section 315a sentence 1 no. 1 and 3 HGB, please refer to Note 37 in the Notes to the Consolidated Financial Statements and to the notes on equity in the Annual Financial Statements of United Internet AG as at December 31, 2023.

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

Composition of capital

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 as at the end of the reporting period on December 31, 2023 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. 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 held 19,183,705 treasury shares at the end of the reporting period on December 31, 2023, 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.

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) as at the end of the reporting period on December 31, 2023. Of the other Management Board members, Mr. Huhn also held 500 shares of the Company (0.00% of capital stock) as of December 31, 2023.

Of the current members of the Supervisory Board, Mr. Rasch held 12,500 shares (0.01% of capital stock) and Prof. Dr. Söffing held 3,500 shares (0.00% of capital stock) in United Internet AG as of December 31, 2023.

There are no limitations affecting the transfer of shares.

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

On December 31, 2023, the Company's CEO, Mr. Ralph Dommermuth, residing in Germany, indirectly held 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 15f. 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 to increase, subject to the approval of the Supervisory Board, the capital stock until August 31, 2026 by a maximum of € 75,000,000.00 by issuing on one or more occasions new no-par value shares in return for cash and/or non-cash contributions (**Authorized Capital 2023**). In the case of cash contributions, the new shares may – at the option of the Management Board – also be underwritten, subject to the approval of the Supervisory Board, by one or several credit institutions and/or any other company fulfilling the requirements of section 186 (5) sentence 1 AktG subject to the obligation to offer the shares only to the shareholders for subscription (indirect subscription rights).

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

The Management Board is authorized to exclude, subject to the approval of the Supervisory Board, fractional shares from the shareholders' subscription rights and to also exclude subscription rights to the extent necessary in order to grant subscription rights for new shares to bearers of warrants and convertible bonds issued by United Internet AG 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 obligations.

Furthermore, in the event of a capital increase in return for cash contributions, the Management Board is authorized to exclude, subject to the approval of the Supervisory Board, shareholders' subscription rights for an amount of up to 10% of the capital stock existing at the time Authorized Capital 2023 becomes effective or – if this amount is lower – at the time the resolution to use Authorized Capital 2023 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 is to be as near in time as possible to the share issue date. This maximum amount includes any shares that are issued or to be issued under bonds with warrants or convertible bonds provided that the bonds are issued during the term of this authorization in analogous application of section 186 (3) sentence 4 AktG with subscription rights excluded; also, the amount must take into account any shares that are issued or sold during the term of this authorization pursuant to or in analogous application of section 186 (3) sentence 4 AktG.

In addition, the Management Board is authorized to exclude, subject to the approval of the Supervisory Board, shareholders' subscription rights in the event of capital increases in return for non-cash contributions 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 foregoing authorizations to exclude subscription rights are in aggregate limited to an amount of up to 20% of the capital stock existing at the time Authorized Capital 2023 becomes effective or – if this amount is lower – at the time the resolution to use Authorized Capital 2023 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 that are issued with warrant and/or conversion rights or conversion obligations during the term of this authorization with subscription rights excluded, as well as the proportionate share of capital stock attributable to treasury shares sold or used during the term 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 also authorized to determine, subject to the approval of the Supervisory Board, the further details of the capital increase and its execution.

Capital stock is conditionally increased by up to € 18,500,000.00, divided into up to 18,500,000 no-par value registered shares (**Conditional Capital 2023**). 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, 2026, on the basis of the Management Board's authorization resolved by the Annual Shareholders' Meeting of May 17, 2023, 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 20, 2020 in accordance with section 71 (1) number 8 AktG expired on August 31, 2023. Against this background, the Annual Shareholders' Meeting of May 17, 2023 issued a new authorization pursuant to section 71 (1) number 8 AktG, to acquire and use treasury shares. This authorization is valid from September 1, 2023 to August 31, 2026.

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 five 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 five 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 sub-section bb) 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.

The Management Board is authorized to grant, subject to the approval of the Supervisory Board, in the event treasury shares are sold by means of an offer to all shareholders subscription rights for shares to the bearers of bonds with warrants and/or convertible bonds issued by the Company or any subordinated Group company in the amount to which they would be entitled on exercise of their warrant or conversion rights or fulfillment of their conversion obligations.

In addition, the Management Board is authorized to sell, subject to the approval of the Supervisory Board, 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 subscription rights excluded 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 amount 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 subscription rights excluded 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 are issued during the term of this authorization in analogous application of section 186 (3) sentence 4 AktG with subscription rights excluded.

The Management Board is also authorized to use, subject to the approval of the Supervisory Board, treasury shares for the following purposes, 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:

- 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 five stock exchange trading days before the day of their flotation on the foreign stock exchange.

- To grant shares of the Company to current and former members of the Management Board and employees of the Company as well as to current and former members of the management boards or, as the case may be, boards of directors and employees of affiliates of the Company within the meaning of sections 15 et seqq. AktG in fulfillment of claims under virtual share participation programs. To the extent members of the Company's Management Board are to be granted shares, the Company's Supervisory Board decides thereon.

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, subject to the approval of the Supervisory Board, 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 10% 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 10% 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 during the term of this authorization with subscription rights excluded, as well as the proportionate share of the capital stock attributable to shares issued from authorized capital during the term of this authorization with subscription rights excluded.

In addition, the Management Board is authorized to redeem, subject to the approval of the Supervisory Board, 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 1, 2023. 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. € 150 million of the revolving syndicated credit facility had been drawn as at the end of the reporting period on December 31, 2023.

- 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 € 1,162.0 million are outstanding at the end of the reporting period on December 31, 2023.

- 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 governed by the relevant statutory regulations and the recommendations and suggestions 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.

In this declaration on company management, the Management Board and Supervisory Board report on the Company's corporate governance (Corporate Governance Report) in addition to the statutory requirements in accordance with section 289f HGB for the parent company and section 315d HGB for the Group also in accordance with Principle 23 of the Code. The Corporate Governance Report is based on the Code in its current version dated April 18, 2022, which was published in the Federal Gazette on June 27, 2022

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 2023, it initially consisted of two persons (namely Mr. Ralph Dommermuth and Mr. Martin Mildner), and following the departure of Mr. Mildner on expiry of March 31, 2023, and the appointment of Mr. Ralf Hartings and Mr. Markus Huhn, each as of April 1, 2023, it consisted of three persons. For initial appointments, a term of office of three years is considered. The Supervisory Board assesses 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 events 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 members about it where necessary.

During the reporting period, the members of the Management Board did not and do not currently hold any supervisory board mandates in other listed companies outside the Group or comparable functions and thus also do not chair the supervisory boards of such companies.

Composition of the Management Board

The Management Board of United Internet AG comprised the following members in the fiscal year 2023:

Management Board members on December 31, 2023

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

- Ralf Hartings, Chief Financial Officer
  (Management Board member since April 1, 2023; with the United Internet Group since 2021)

- Markus Huhn, Management Board member responsible for Shared Services / HR
  (Management Board member since April 1, 2023; with the United Internet Group since 1994)

Departed in the fiscal year 2023

- Martin Mildner, Chief Financial Officer
  (Management Board member from October 1, 2020 to March 31, 2023)

Supervisory Board

Working procedures of the Supervisory Board

In the fiscal year 2023, the Supervisory Board elected by the Annual Shareholders' Meeting consisted of five members until May 16, 2023. Since May 17, 2023, the Supervisory Board has once again comprised six members (namely, Mr. Philipp von Bismarck, Dr. Manuel Cubero del Castillo-Olivares, Mr. Stefan Rasch, Prof. Dr. Andreas Söffing, and Prof. Dr. Yasmin Mei-Yee Weiß, as well as – since May 2023 – Prof. Dr. Franca Ruhwedel). 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 the annual budgets. These includes detailed sales, cost and earnings budgets as well as liquidity and annual investment budgets. The Supervisory Board 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 the efficiency of the Supervisory Board's Audit and Risk Committee. In accordance with Recommendation D.12 of the 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 11, 2023, the Audit and Risk Committee of United Internet AG conducted a self-assessment for the fiscal year 2023 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 results of the self-assessments confirm 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 Supervisory Board 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.

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 management 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 allocation of unappropriated 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. There were no such transactions requiring approval in the reporting period.

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 or Chairwoman 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 eight consultation meetings were held with the auditor in 2023.

The Chairman or Chairwoman 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, the Chairman of the Supervisory Board is immediately informed.

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 advice and supervision 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 recommendations of the Code. In particular, a skills profile has been prepared with regard to the overall body.

The Supervisory Board will take these targets into account when making proposals to the Annual Shareholders' Meeting regarding the election of Supervisory Board members and ensure that the respective candidates meet the requirements for fulfilling the skills profile for the overall body. In doing so, 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’s Management Board 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 must observe the legal requirements and should follow the Code’s recommendations 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 board positions or consultancy work for key competitors, as well as personal relationships with them.

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 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, which is presented in a separate section below.

Independence
The Supervisory Board aims to ensure that – what it believes to be – an appropriate number of 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 it developed for the Supervisory Board as a whole.

Composition of the Supervisory Board/implementation status

The Supervisory Board of United Internet AG comprised the following members in the fiscal year 2023:

Supervisory Board members as at December 31, 2023

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

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

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

- Prof. Dr. Andreas Söffing,
  Chairman of the Audit and Risk Committee from May 2021 to December 2023;
  Member of the Audit and Risk Committee since January 2024
  (Supervisory Board member since May 2021)

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

- Prof. Dr. Franca Ruhwedel
  Member of the Audit and Risk Committee since May 2023;
  Chairwoman of the Audit and Risk Committee since January 2024
  (Supervisory Board member since May 2023)

Skills matrix:

		Philipp von Bismarck	Dr. Manuel Cubero del Castillo-Olivares	Stefan Rasch	Prof. Dr. Andreas Söffing	Prof. Dr. Yasmin Mei-Yee Weiß	Prof. Dr. Franca Ruhwedel
Length of	Member since	2020	2020	2021	2021	2020	2023
Age limit (70)	Year of birth	1975	1963	1962	1962	1978	1973
Personal suitability	Independence	✓	✓	✓	✓	✓	✓
	No overboarding	✓	✓	✓	✓	✓	✓
	Former Management Board						
	No conflicts of interest	✓	✓	✓	✓	✓	✓
Diversity	Gender	Male	Male	Male	Male	Female	Female
	Nationality	German	Spanish	German	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	✓			✓		✓
	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	✓			✓		✓
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)	✓	✓	✓	✓	✓	✓

All members of the Supervisory Board’s Audit and Risk Committee have extensive expertise in the areas listed in D.3 of the Code, as detailed below.

Prof. Dr. Franca Ruhwedel took over the chairmanship of the Supervisory Board's Audit and Risk Committee from Prof. Dr. Andreas Söffing on January 1, 2024. Given her qualifications as a business graduate and long-standing university lecturer with professorships in Accounting and Controlling at the FOM University of Applied Sciences in Essen and in Finance and Accounting at Rhine-Waal University of Applied Sciences in Kamp Lintfort, as well as her work as a member of the supervisory board and chairwoman of the audit committee at the listed company thyssenkrupp nucera AG & Co. KGaA, her many years as a member of the supervisory board and member of the audit committee at National-Bank AG, as a former member of the supervisory board and chairwoman of the audit committee at VTG AG, as well as other supervisory board mandates, she has extensive expertise in the areas of accounting and auditing, including sustainability reporting and its audit. With regard to accounting, her expertise in these areas consists in particular of special knowledge and experience in the application of international and national accounting principles and internal control and risk management systems, and with regard to the audit of the annual financial statements, she has special knowledge and experience in auditing. Furthermore, Prof. Dr. Ruhwedel has special knowledge and experience in sustainability issues and sustainability reporting as well as their auditing.

As a further member of the Audit and Risk Committee, Mr. Philipp von Bismarck has extensive expertise in the areas of accounting and auditing, including sustainability reporting and its audit, due to his qualifications and over 20 years of experience as a lawyer in renowned commercial law firms in Germany and abroad, as well as his intensive involvement in transactions in the field of digital infrastructure for more than a decade. With regard to accounting, his expertise in these areas consists in particular of special knowledge and experience in the application of accounting principles and internal control and risk management systems, as well as special knowledge and experience in the auditing of financial statements.

Based on his qualifications as a doctor of business administration, as a tax consultant and partner in a renowned partnership of lawyers, tax consultants and auditors, as a long-serving honorary professor at Martin Luther University Halle-Wittenberg, as a member of the supervisory board of the listed company Nemetschek SE, as a member and deputy chair of the advisory committee of Deutsche Oppenheim Family Office AG, as a member and chair of the management board of Nemetschek Innovationsstiftung, as well as further mandates, the member of the Audit and Risk Committee Prof. Dr. Andreas Söffing has extensive expertise in the areas of accounting and auditing, including sustainability reporting and its audit. His expertise in these areas consists in particular of special knowledge and experience in the application of international and national accounting principles and internal control and risk management systems with regard to accounting, as well as special knowledge and experience in the auditing of financial statements with regard to the audit of the annual financial statements.

The fourth member of the Audit and Risk Committee, Mr. Stefan Rasch, has extensive expertise in the field of accounting, including sustainability reporting, due to his qualification as a business graduate with an additional Master of Business Administration degree from the University of Pittsburgh (USA), his many years as a management consultant at the renowned Boston Consulting Group GmbH, where he is a senior partner, his former position as financial manager at Procter & Gamble Deutschland GmbH, his position as chairman of the supervisory board of Fond of Group Holding GmbH, and his former supervisory board mandates at Tele Columbus AG, which was listed on the stock exchange at the time, and Hallhuber GmbH. His expertise in accounting consists in particular of special knowledge and experience in the application of international and national accounting principles and internal control and risk management systems.

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

As a listed company, United Internet AG is subject to the following obligations in particular of the German Stock Corporation Law (AktG):

- Setting of targets by the Supervisory Board for the share of women on the Supervisory Board of United Internet AG (section 111 (5) AktG).

- Setting of targets by the Supervisory Board for the share of women on the Management Board of United Internet AG (section 111 (5) AktG).

- 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 (section 76 (4) AktG).

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:

- 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 in 2025 that decides on the discharge of the Supervisory Board for the fiscal year 2024.

- After a target of "0" had previously been set for the Supervisory Board, a target of 30% was set for the share of women. The Supervisory Board currently comprises two women and four men.

- A target of "0" was set for the Management Board. The Management Board was composed exclusively of two (at times three) men in the fiscal year 2023. After extensive and careful consideration, the Supervisory Board 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, to set an unchanged target for the Management Board (now comprising three members) of "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 current targets for the Supervisory Board and Management Board are therefore met at present.

Diversity concept

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, educational or professional background, 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 regard to the gender quota, the Management Board and Supervisory Board have each set a target figure for the reference period until the end of the Annual Shareholders’ Meeting in 2025, which will decide on the discharge of the Supervisory Board for the fiscal year 2024. The Supervisory Board currently consists of two women and four men and the Management Board comprises three men. In principle, both genders should be treated equally according to their qualifications.

- With the exception of the age limit of 70, as stipulated in B.5 and C.2 of the Code, 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 three and six 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 Supervisory Board has determined that the entirety of the relevant statutory and self-imposed provisions for its composition (targets for composition, skills profile, statutory target for the proportion of women, age limit, and the other provisions outlined above) should be regarded as a diversity concept within the meaning of section 289f (2) no. 6 HGB. The Company does not consider diversity targets that go beyond this with additional or more specific criteria to be appropriate. 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.

The members of the Management Board and Supervisory Board believe that the diversity concept for the Management Board and Supervisory Board is currently fulfilled.

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 allocation of the unappropriated 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.

Governance functions

At United Internet AG, governance functions are part of an integrated “GRC” organization which comprises the Corporate Governance, Corporate Risk Management & Internal Control Systems, and Corporate Compliance functions. The Group General Counsel, who reports directly to the Chief Financial Officer (CFO) of United Internet AG, is responsible for all GRC functions.

Internal Control System and Risk Management System

To secure the long-term corporate success of the United Internet Group, it is essential to effectively identify and analyze the risks involved in all business activities across the Group and to eliminate or limit them by means of suitable control measures. The Internal Control Management System and Risk Management System ensure that risks are handled responsibly. In particular, they are designed to identify, assess, manage, and monitor risks throughout the Group at an early stage. The systems are continuously refined and adapted to changing circumstances. The Supervisory Board is regularly informed by the Management Board about existing risks and how they are being dealt with, as well as about the effectiveness of the internal controls. The appropriateness and effectiveness of the Internal Control System and the Risk Management System were assessed by the Supervisory Board in its entirety.

The main features of the Internal Control System and the Risk Management System with regard to the accounting process of the Company and the Group are described in detail in the Combined Management Report for the Company and the Group in accordance with sections 289 (4) and 315 (4) HGB. The Management Board also reports there in detail on existing risks and their development.

Compliance

The Management Board of United Internet AG has established a Group-wide risk-oriented Compliance Management System (UI-CMS) to ensure adherence to the legal and internal regulations. At the heart of this UI-CMS is a segment-based, decentralized Compliance Organization comprising segment compliance managers and corporate compliance managers.

At segment level, the segment compliance managers are responsible for the specific design of the a segment-based CMS. In certain business units, especially in significant subsidiaries of IONOS SE, the compliance organization is supported by local compliance managers and in certain departments, such as HR, by functional compliance managers.

The overarching objective of all compliance activities is to prevent compliance violations. This objective is achieved by taking appropriate measures in line with the United Internet Group's risk situation and in accordance with the three-level approach of "Prevent", "Detect", and "Respond". The main topics are the prevention of corruption, policy management, the establishment of confidential reporting channels and the protection of whistleblowers.

The main elements of the UI-CMS are described in detail in United Internet AG's Sustainability Report.

Financial disclosures / transparency

It is the declared aim of United Internet AG 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 AG 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 AG 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 United Internet 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 United Internet AG – 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 and Mr. Christian David Simon are the auditing partners responsible for the fiscal year 2023.

Remuneration of Management Board and Supervisory Board

Remuneration for members of the Management Board and Supervisory Board is presented in a detailed Remuneration Report for the fiscal year 2023 in accordance with section 162 AktG, together with the corresponding Auditor's Report, and is accessible to the public on the Company's website at www.united-internet.de/en/investor-relations/publications/reports.html. The Annex to this Remuneration Report contains a detailed description of the current remuneration system in accordance with section 87a (1) and (2) sentence 1 AktG as well as the most recent remuneration resolution adopted by the Annual Shareholders' Meeting in accordance with section 113 (3) AktG.

Information on Management Board and Supervisory Board remuneration can also be found in the Notes to the Consolidated Financial Statements for the fiscal year 2023 under Note 42.

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

On December 19, 2023, the Management Board and Supervisory Board of United Internet AG submitted their 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 ("Code") as last revised on April 28, 2022, which became effective upon publication in the Federal Gazette on 27 June 2022 and on which its last Declaration of Conformity issued on December 16, 2022 as well as the update of May 17, 2023 were based, with the stated exceptions detailed therein, and will continue to comply with the recommendations of the Code with the following exceptions:

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 elaborated remuneration system takes into account the recommendations in G.1 to G.5 inclusive without any restrictions. The deviation from the recommendations in G1 to G5 inclusive is due exclusively to a service agreement still in effect at this time, but which has since been terminated.

Management Board remuneration – Long-term variable remuneration (Recommendation G.10 of the Code)

According to G.10 of the Code, the variable remuneration components granted to members of the Management Board should be awarded primarily in the form of Company stock or on the basis thereof. Moreover, any such grants to members of the Management Board should be subject to a blackout period of four years. Share-based remuneration is awarded in the form of the Stock Appreciation Rights (SARs) plan as a long-term remuneration program for the Management Board. The term of this plan totals six years. Within this period of six years, a Management Board member can exercise a portion (25%) of the SARs awarded at certain points in time — at the earliest, however, after two years. This means that a Management Board member can already obtain a part of the long-term variable remuneration after a period of two years. The total amount of SARs can only be fully exercised for the first time after a period of five years.

On May 17, 2023, the Annual Shareholders' Meeting amended the previously valid remuneration system for members of the Company's Management Board. Accordingly, periods spent as a Management Board member of an affiliated company may be taken into account in full or in part when calculating the time limits.

The Supervisory Board is of the opinion that this system of long-term remuneration has proven its value and sees no reason to postpone any further the possibility of obtaining remuneration earned under the plan. The Supervisory Board believes that by linking the plan to the share price of United Internet AG and the Company's possibility to issue shares to satisfy entitlements from the plan, Management Board members already participate appropriately in the risks and opportunities of United Internet AG. Since the plan has been designed with a term of six years and the SARs awarded can only be exercised proportionately over this term and at the earliest after two years, the Supervisory Board is of the opinion that the plan is ideally suited to achieving the desired retention and incentive effect in the interest of United Internet AG and that no changes are required. The fact that service periods as a Management Board member of affiliated companies can now also be taken into account is intended to enable the promotion of Management Board members within the Group.

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. A service agreement that already existed at the time the remuneration system was first approved but has since been terminated did not contain such a provision. This therefore constitutes a deviation from section G.11 of the Code. An obligation to agree a so-called claw-back clause for the reclaim of variable compensation has been included in the new remuneration system and was taken into account in the current service agreements of the 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. In the context of the departure of a Management Board member, the Company deviated from this recommendation and is thus declaring this deviation.

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 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).

The Declaration is permanently available to the public on the Company's website at https://www.united-internet.de/en/investor-relations/corporate-governance/declaration-of-conformity/2023.html. All of the Company's Declarations of Conformity in accordance with section 161 AktG since 2008 are also publicly available there.

Montabaur, March 20, 2024

United Internet AG

For the Management Board
Ralph Dommermuth

For the Supervisory Board
Philipp von Bismarck

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 2023 pursuant to section 162 AktG can be found in the "Remuneration Report 2023", 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 listed in the report on relations with affiliated companies, in accordance with the circumstances known at the time when such transactions were made, and that the Company was not disadvantaged. In the reporting period, no measures were executed or omitted.

Montabaur, March 19, 2024

The Management Board

Ralph Dommermuth

Ralf Hartings

Markus Huhn

ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET

as of December 31, 2023

Assets		December 31, 2023	December 31, 2022
		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		3,943.00	27,603.00
		3,943.00	**27,603.00**
I. Property, plant and equipment			
Concessions, industrial and similar rights and assets, as well as licenses in such rights, and assets acquired for consideration		597.00	720.00
II. Financial assets			
1. Shares in affiliated companies	4,132,152,851.06		4,221,893,087.68
2. Loans to affiliated companies	700,000,000.00		1,595,000,000.00
		4,832,152,851.06	**5,816,893,087.68**
		4,832,157,391.06	**5,816,921,410.68**
B. Current Assets			
I. Accounts receivable and other assets			
1. Receivables due from affiliated companies	1,010,617,469.32		724,809,595.25
2. Other assets	22,708,724.45		19,320,690.09
		1,033,326,193.77	**744,130,285.34**
II. Cash in hand and bank balances		**83,077.59**	**2,744,668.14**
		1,033,409,271.36	**746,874,953.48**
C. Prepaid expenses		**74,552.64**	**98,014.17**
		5,865,641,215.06	**6,563,894,378.33**

Equity and liabilities		December 31, 2023	December 31, 2022
		EUR	EUR
A. Equity			
I. Capital stock (conditional capital: EUR 18,500,000.00; prior year: EUR 25,000,000.00)	**192,000,000.00**		**194,000,000.00**
less treasury shares	-19,183,705.00		-7,284,109.00
		172,816,295.00	**186,715,891.00**
II. Capital reserve		**470,976,677.74**	**468,976,677.74**
III. Revenue reserves			
Other revenue reserves		724,851,976.69	502,843,896.69
IV. Balance sheet profit		**2,148,718,568.53**	**2,463,142,179.04**
		3,517,363,517.96	**3,621,678,644.47**
B. Accruals			
1. Accrued taxes	5,024,060.96		3,767,625.99
2. Other accrued liabilities	2,631,110.23		4,306,926.39
		7,655,171.19	**8,074,552.38**
C. Liabilities			
1. Liabilities due to bank	1,668,270,818.20		2,157,153,374.57
2. Trade accounts payable	978,831.50		1,231,618.19
3. Liabilities due to affiliated companies	563,985,564.06		757,640,635.74
4. Other liabilities	89,820,312.07		3,408,457.90
thereof from taxes EUR 89,820,162.07 (prior year: EUR 3,408,457.90)			
		2,323,055,525.83	**2,919,434,086.40**
D. Deferred tax liabilities		**17,567,000.08**	**14,707,095.08**
		5,865,641,215.06	**6,563,894,378.33**

INCOME STATEMENT

from January 1 to December 31, 2023

		2023	2022
	EUR	EUR	EUR
1. Sales	1,075,102.64		737,486.83
2. Other operating income	221,350,477.71		4,157,015.98
		222,425,580.35	**4,894,502.81**
3. Personnel expenses			
a) Wages and salaries	2,301,121.53		1,086,861.93
b) Social security contributions	38,295.89		31,495.93
4. Depreciations and amortization of intangible assets and property, plant and equipment	23,783.00		23,928.00
5. Other operating expenses	31,279,743.24		20,244,725.90
		33,642,943.66	**21,387,011.76**
6. Income from profit transfer agreements	101,890,055.74		90,615,146.18
7. Income from investments thereof from affiliated companies EUR 0 (prior year: EUR 13,843,735.70)	0.00		13,843,735.70
8. Income from loans in financial assets thereof from affiliated companies EUR 95,821,948.61 (prior Year: EUR 95,398,631.95)	95,821,948.61		95,398,631.95
9. Other interest and similar income thereof from affiliated companies EUR 41,137,960.80 (prior year: EUR 10,725,253.43)	42,395,914.27		16,531,472.10
10. Expenses from loss transfer	19,240,918.73		6,172,302.82
11. Interest and similar expenses thereof to affiliated companies EUR 25,226,969.55 (prior year: EUR 4,477,667.04)	91,604,114.27		23,285,906.64
		129,262,885.62	**186,930,776.47**
12. Taxes on income thereof income from the change in disclosed deferred taxes 2,859,905.00 (prior year: EUR 2,369,638.00)		44,060,876.32	49,730,717.59
13. Result after taxes		**273,984,645.99**	**120,707,549.93**
14. Other taxes		109.00	711.50
15. Net profit for the year		**273,984,536.99**	**120,706,838.43**
16. Profit carried forward		1,876,734,031.54	2,397,435,340.61
17. Reduction in assets as a result of cancellation of treasury shares		-2,000,000.00	0.00
18. Income from capital reduction		2,000,000.00	0.00
19. Transfer to capital reserve according to §237 (5) of the German Stock Corporation Law (AktG)		-2,000,000.00	0.00
20. Transfer to other revenue reserves		0.00	-55,000,000.00
21. Balance sheet profit		**2,148,718,568.53**	**2,463,142,179.04**

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2023

General provisions

The annual financial statements for the fiscal year 2023 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.

The Company and its subsidiaries are included in the Consolidated Financial Statements, which are prepared for United Internet AG for the largest and smallest body of undertakings at the same time.

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.

Intangible assets and **property, plant and equipment** are measured at acquisition or production cost in accordance with section 253 (1) sentence 1 HGB. In addition to direct costs, the production costs of internally generated assets also include pro rata overheads and depreciation. The option to recognize interest on borrowed capital as production costs in accordance with section 255 (3) sentence 2 HGB has not been exercised.

The capitalization option for internally generated intangible assets in accordance with section 248 (2) sentence 1 HGB has not been exercised.

All intangible assets and property, plant and equipment are written down over their expected useful life. If the fair value of an individual non-current asset falls below its carrying amount, an additional impairment loss is recognized if the impairment is expected to be permanent. If the reasons for the impairment no longer apply in part or in full in subsequent years, the impairment loss is reversed to the extent of the actual increase in value, but no more than the value that would have resulted if the impairment had not been recognized.

The amortization methods and useful lives applied are shown in the following overview:

Intangible assets	Method of amortization / useful life
■ Software and licenses	Straight-line, 3 years

These are summarized in the balance sheet and in the statement of changes in non-current assets under the item "Concessions, industrial and similar rights and assets, as well as licenses in such rights, and assets acquired for consideration."

Property, plant and equipment	Method of depreciation / useful life
■ Vehicles	Straight-line, 6 years
■ Operating equipment	Straight-line, 2 – 13 years
■ Low-value assets	See below

These are summarized in the balance sheet and in the statement of changes in non-current assets under "Other equipment, operational and office equipment".

When used assets are acquired, the remaining useful life is determined and the above useful life is adjusted accordingly.

With regard to the accounting of low-value assets, the tax regulation of section 6 (2) of the German Income Tax Act (EStG) has been applied under commercial law since January 1, 2013. Acquisition or production costs of depreciable movable assets that are capable of independent use are recognized in full as an expense in the financial year of acquisition, production or contribution if the acquisition or production costs, less any input tax included, do not exceed € 250 for the individual asset.

Scheduled depreciation on additions to fixed assets is recognized pro rata temporis.

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. Receivables from and liabilities to affiliated companies are netted for each company, insofar as netting is permitted pursuant to section 387 et seq. German Civil Code (BGB). In contrast to the previous year, and as of the fiscal year 2023, **receivables and liabilities of affiliated companies** are reported in full for each affiliated company on a net basis in the balance sheet. In previous years, offsetting was only carried out according to the type of receivable or liability. Full offsetting leads to an improved presentation of the financial position and performance.

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).

IPO of Group subsidiary IONOS Group SE

In order to strengthen the IONOS brand and further accelerate its growth trajectory, IONOS Group SE, together with its shareholders United Internet AG and WP XII Venture Holdings II SCSp, a company affiliated with Warburg Pincus (together "Warburg Pincus"), planned an initial public offering (IPO), which was completed on the Frankfurt Stock Exchange on February 8, 2023. Prior to the IPO, United Internet AG held 75.1% and Warburg Pincus held 24.9% of IONOS shares.

At the start of trading on the Frankfurt Stock Exchange on February 8, 2023, 21,000,000 shares from the holdings of United Internet and Warburg Pincus - each with 15% of their shares - were ultimately placed with investors, consisting of 15,771,000 no-par value ordinary shares from the holdings of United Internet AG and 5,229,000 no-par value ordinary shares from the holdings of Warburg Pincus.

Following the IPO of IONOS Group SE, United Internet held 63.8% and Warburg Pincus 21.2% of IONOS shares, which also corresponds to the ownership structure as of the balance sheet date. A further 15% are in free float.

The decrease in shares in affiliated companies results from the sale of shares in the course of the IPO of IONOS Group SE. This resulted in a decrease of € 72.9 million in the carrying amount of the investment. In addition, a subsequent purchase price adjustment led to a further reduction of € 16.9 million in the carrying amount of the investment. The purchase price adjustment was based on the terms of the sale and purchase agreement between United Internet and Warburg Pincus regarding the acquisition of shares in IONOS Group SE by United Internet in 2021. The agreement provided for an adjustment of the purchase price in the event of a full or partial sale of the shares remaining with Warburg Pincus. Due to the partial exit of Warburg Pincus as part of the IPO of IONOS Group SE, this purchase price adjustment has now become due.

Partial refinancing of the shareholder loan by IONOS Group SE

The decrease in loans to affiliated companies results from the partial repayment of the shareholder loans issued to IONOS Group SE. In December 2023, IONOS Group SE concluded a loan of € 800 million with a bank consortium to partially refinance its existing shareholder loan with United Internet AG. Taking into account further repayments during the fiscal year 2023 amounting to € 95 million, the loan amount as of December 31, 2023 amounts to € 350 million.

CURRENT ASSETS

Receivables and other assets

The classification and maturities of receivables and other assets are shown in the following table (€k):

€k	December 31, 2023	December 31, 2023			December 31, 2022
			Remaining term		
		up to 1 year	of 1 to 5 years	over 5 years	
	Total				Total
Accounts receivable from affiliated companies	1,010,617	1,010,617	0	0	724,810
Other assets	22,709	22,709	0	0	19,320
	1,033,326	**1,033,326**	**0**	**0**	**744,130**

Receivables and other assets in the previous year also had a remaining term of up to one year.

As of the fiscal year 2023, and in contrast to the previous year, receivables from affiliated companies are reported in full for each affiliated company on a net basis in the balance sheet and amount to € 1,010,617k (prior year: € 617,990k). These mainly comprise receivables from cash management within the United Internet Group amounting to € 973,317k (prior year: € 618,387k) and from sales tax grouping amounting to € 54,786k (prior year: € 3,504k). Liabilities to affiliated companies from profit and loss transfer agreements amounting to € 16,187k (prior year: € 2,675k) and from intra-group service relationships amounting to € 1,040k (prior year: € 1,046k) had the opposite effect. The increase in receivables from affiliated companies is mainly due to cash management receivables from the subsidiary 1&1 Versatel GmbH and mainly reflects increased capital expenditures for the rollout of the 5G network.

Receivables and liabilities are shown net for each company, insofar as netting is permitted pursuant to section 387 et seq. BGB.

Other assets of € 22,709k (prior year: € 19,320k) consist mostly of income tax receivables plus interest on refunds amounting to € 22,282k (prior year: € 18,761k). This amount includes receivables from the tax authorities of € 6,215k from the past fiscal year 2023 (prior year: € 4,558k), and the related refund interest, on refunds from local authorities of € 456k that have not yet been assessed (prior year: € 1,164k). Also included are expected tax refunds for the year 2009 of € 13,129k (prior year: € 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

Following the capital reduction through cancellation of 2 million treasury shares, as resolved by the Management Board with the approval of the Supervisory Board on February 14, 2023, the fully paid-in capital stock as of December 31, 2023 amounted to € 192,000,000 (prior year: € 194,000,000) divided into 192,000,000 registered no-par shares with a theoretical share in the capital stock of € 1.00 each.

Furthermore, the Management Board of United Internet AG 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. 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. As the total number of shares for which the offer was accepted exceeded the maximum amount of 13.9 million shares in total, 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.

At the end of February 2023, the Company had acquired 13,899,596 shares (without fractional amounts) in the course of the share buyback program. These correspond to around 7.2% of all United Internet shares (192,000,000 shares). In view of the offer price of € 21.00 per United Internet share, the purchase price for the buyback amounted to € 291.9 million. The proportion of capital stock attributable to the shares bought back amounted to € 13.9 million.

As at December 31, 2023, the Company held 19,183,705 treasury shares (prior year: 7,284,109 treasury shares), which in accordance with section 272 (1)a HGB are deducted from capital stock on the face of the balance sheet.

Authorized capital

Authorized Capital 2020, which authorized the Management Board to increase the capital stock 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), expired on August 31, 2023. On May 17, 2023, the Annual Shareholders' Meeting adopted a resolution to create a new Authorized Capital 2023 with effect from September 1, 2023 with the possibility to exclude subscription rights and a corresponding amendment to the Articles of Association.

The Management Board is authorized, subject to the approval of the Supervisory Board, to increase the capital stock in the period ending August 31, 2026, by a maximum of € 75,000,000.00 by issuing on one or more occasions new no-par shares for cash and/or non-cash contributions (Authorized Capital 2023). In the case of cash contributions, the new shares may – at the option of the Management Board – also be underwritten, subject to the approval of the Supervisory Board, by one or several credit institutions and/or any other company fulfilling the requirements of section 186 (5) sentence 1 AktG subject to the obligation to offer the shares only to the shareholders for subscription (indirect subscription rights).

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.

Furthermore, in the event of a capital increase in return for cash contributions, the Management Board is authorized to exclude, subject to the approval of the Supervisory Board, shareholders’ subscription rights for an amount of up to 10% of the capital stock existing at the time Authorized Capital 2023 becomes effective or – if this amount is lower – at the time the resolution to use Authorized Capital 2023 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 is to be as near in time as possible to the share issue date. This maximum amount includes any shares that are issued or to be issued under bonds with warrants or convertible bonds provided that the bonds are issued during the term of this authorization in analogous application of section 186 (3) sentence 4 AktG with subscription rights excluded; also, the amount must take into account any shares that are issued or sold during the term of this authorization pursuant to or in analogous application of 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 to 20% of the capital stock existing at the time Authorized Capital 2023 becomes effective or – if this amount is lower – at the time the resolution to use Authorized Capital 2023 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 that are issued with warrant and/or conversion rights or conversion obligations during the term of this authorization with subscription rights excluded, as well as the proportionate share of capital stock attributable to treasury shares sold or used during the term 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

The Annual Shareholders' Meeting of May 17, 2023 also adopted a resolution to cancel the existing authorization to issue warrants and/or convertible bonds and the associated Conditional Capital 2020 and to issue a new authorization to issue warrants and/or convertible bonds, with the exclusion of subscription rights to these warrants and/or convertible bonds, and at the same time to create conditional capital (Conditional Capital 2023) with a corresponding amendment to the Articles of Association.

Capital stock is conditionally increased by up to € 18,500,000.00 , divided into up to 18,500,000 no-par value registered shares (Conditional Capital 2023). 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, 2026, on the basis of the Management Board’s authorization resolved by the Annual Shareholders’ Meeting of May 17, 2023, 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

The authorization to acquire and use treasury shares that was granted by the Annual Shareholders’ Meeting on May 20, 2020, under agenda item 15 in accordance with section 71 (1) no. 8 AktG expired on August 31, 2023. Against this background, the Annual Shareholders' Meeting of May 17, 2023 authorized the Management Board pursuant to section 71 (1) number 8 AktG and subject to the approval of the Supervisory Board, to acquire treasury shares for every permissible purpose, within the scope of legal restrictions and subject to the provisions set out under agenda item 11, during the period September 1, 2023 to August 31, 2026. The authorization is limited to a total share of 10% of the capital stock existing at the time the Annual Shareholders’ Meeting adopted the resolution or – if this amount is lower – at the time the authorization is exercised. As of the balance sheet date, a total of 19,183,705 treasury shares were held.

Total shareholders' equity developed as follows (€):

Capital stock		EUR
Capital stock - December 31, 2022		194,000,000.00
Capital reduction		-2,000,000.00
Open deduction of treasury shares acc. to section 272 (1)a HGB December 31, 2022	-7,284,109.00	
Retirement of treasury shares	2,000,000.00	
Purchase of treasury shares	-13,899,596.00	
Open deduction of treasury shares acc. to section 272 (1)a HGB December 31, 2023		-19,183,705.00
Balance as of December 31, 2023		**172,816,295.00**
Capital reserves		
Balance as of December 31, 2022		468,976,677.74
Capital reserves acc. to section 237 (5) HGB		2,000,000.00
Balance as of December 31, 2023		**470,976,677.74**
Other revenue reserves		
Balance as of December 31, 2022		502,843,896.69
Transfer to other revenue reserves	500,000,000.00	
Purchase of treasury shares	-277,991,920.00	
Balance as of December 31, 2023		**724,851,976.69**
Net profit for the year		
Balance as of December 31, 2022		2,463,142,179.04
Dividend payments	-86,408,147.50	
Transfer to other revenue reserves by the AGM	-500,000,000.00	
Reduction in assets as a result of the cancellation of treasury shares	-2,000,000.00	
Income from capital reduction	2,000,000.00	
Transfer to capital reserves	-2,000,000.00	
Net profit for the year	273,984,536.99	
Balance as of December 31, 2023		**2,148,718,568.53**
Total shareholders' equity		**3,517,363,517.96**

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, 2023, amounting to € 19,183,705.00, 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 17, 2023, 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 2022, was approved. As a consequence, a total of € 86.4 million (prior year: € 93.4 million) was distributed on May 23, 2023. Moreover, the Annual Shareholders' Meeting resolved to transfer € 500.0 million to other revenue reserves.

As of the reporting date, the unappropriated profit amounts to € 2,148,718,568.53. The unappropriated profit contains a carryforward from the previous year of € 2,463,142,179.04. Following the dividend paid for the fiscal year 2022, the transfer to other revenue reserves, and the completed capital reduction, this amount was reduced to € 1,874,734,031.54.

For the fiscal year 2023, 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 20, 2024. According to section 21 of the by-laws of United Internet AG, the Annual Shareholders' Meeting decides on the allocation of the unappropriated 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, 2023 the Company held 19,183,705 treasury shares, representing 9.99% of the capital stock of 192,000,000 shares. Treasury share account for € 19,183,705.00 of capital stock. The average purchase cost per share amounted to € 23.97. Following the cancellation of treasury shares in fiscal 2023, treasury shares amounting to €13,899,596 were acquired up to December 31, 2023. 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.

The treasury shares of UI AG were acquired between 2018 and 2023:

Year	Number of shares
2018	418,514
2019	3,919,999
2020	430,624
2021	514,972
2023	13,899,596
Total	**19,183,705**
Amount of share capital	19,183,705
Share of share capital	9.99%

ACCRUALS

As of December 31, 2023, tax accruals amounted to € 5,024k (prior year: € 3,768k) and mainly comprise expected arrears for sales tax of € 2,382k (prior year: € 506k), for trade tax of € 1,160k (prior year: € 1,214k), and for corporation tax of € 933k (prior year: € 1,099k). Moreover, tax accruals relate to interest on taxes of € 498k (prior year: € 888k) and the solidarity surcharge of € 51k (prior year: € 60k).

Other accrued liabilities of € 2,631k (prior year: € 4,307k) contain appropriate accruals formed for all foreseeable liabilities whose amount and nature are uncertain, including for the Supervisory Board remuneration of € 525k (prior year: € 511k), legal, auditing and consulting fees of € 441k (prior year: € 867k), and outstanding invoices of € 325k (prior year: € 88k). They also include accruals for employee stock ownership plans of € 676k (prior year: € 2,135k), bonuses of € 188k (prior year: € 350k), and other items of € 476k (prior year: € 355k). The decrease in accruals for the employee stock ownership plan is mainly due to the forfeiture of Mr. Mildner’s SARs. In this connection, 175,000 SARs (=50% of 350,000

SARs) expired due to Mr. Mildner's departure from the Management Board of United Internet AG. The remaining 175,000 SARs can still be exercised up to and including the exercise window after the Annual Shareholders' Meeting 2024, provided that the plan's exercise hurdle is reached. In the fiscal year 2023, Mr. Mildner received two special payments totaling € 750k as part of the settlement of his service agreement with the Company. Both payments are to be offset against a possible payout amount due to the exercise of the SARs that have not yet expired and have reduced the accrual accordingly.

LIABILITIES

The classification and maturities of the liabilities are shown in the following table (in €k):

€k	December 31, 2023	December 31, 2023			December 31, 2022		
		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	1,668,271	581,271	1,087,000	0	2,157,153	657,153	1,500,000
Trade accounts payable	979	979	0	0	1,232	1,232	0
Liabilities due to affiliated companies	563,986	563,986	0	0	757,641	757,641	0
Other liabilities thereof for taxes € 89,820 k (prior year: € 3,408 k)	89,820	89,820	0	0	3,408	3,408	0
	2,323,056	**1,236,056**	**1,087,000**	**0**	**2,919,434**	**1,419,434**	**1,500,000**

As of December 31, 2023, bank liabilities amounted to € 1,668 million (prior year: € 2,157 million). They mainly comprise three promissory note loans totaling € 1,162 million (prior year: € 1,100 million), various syndicated loans totaling € 150 million (prior year: € 550 million), credit facilities of € 295 million (prior year: € 300 million), bilateral loan agreements of € 50 million (prior year: € 200 million), and interest of € 11 million (prior year: € 7 million).

In the fiscal year 2023, United Internet AG successfully placed a promissory note loan ("Schuldscheindarlehen") – as in the years 2017 and 2021 – with an amount of € 300 million. Moreover, two promissory note loan tranches totaling € 238.0 million were redeemed on schedule in the fiscal year 2023. At the end of the reporting period on December 31, 2023, total liabilities from the promissory note loans 2017, 2021, and 2023 with maximum terms until May 2030 therefore amounted to € 1,162.0 million (prior year: € 1,100.0 million).

Existing bilateral credit facilities of € 475 million (prior year: € 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 € 295 million (prior year: € 300 million) had been made from the credit facilities as at the end of the reporting period.

No collateral was provided for any of the loans.

As of the fiscal year 2023, and in contrast to the previous year, liabilities to affiliated companies are reported in full for each affiliated company on a net basis in the balance sheet and amount to € 563,986k (comparable prior-year figure: € 650,821k). These mainly comprise liabilities due to cash management within the United Internet Group amounting to € 644,528k (prior year: € 754,739k), and due to sales tax grouping amounting to € 17,940k (prior year: € 531k). Receivables from affiliated companies from profit and loss transfer agreements amounting to € 98,836k (prior year: € 87,035k) had the opposite effect. In the previous year, the dividend receivable from 1&1 AG amounting to € 6,922k also had the opposite effect due to same-period profit recognition in the fiscal year 2022.

Receivables and liabilities are shown net for each company, insofar as netting is permitted pursuant to section 387 et seq. BGB.

Other liabilities consist of sales tax liabilities of € 89,619k (prior year: € 3,383k) as well as wage and church tax to be remitted of € 201k (prior year: € 25k). The increase in sales tax liabilities results from the expansion of the sales tax pooling group.

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 € 17,567k as of December 31, 2023 (prior year: € 14,707k). Deferred tax assets amount to € 3,964k (prior year: € 5,231k) 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 € 21,531k (prior year: € 19,938k). The calculation is based on a tax rate of 31.42% (prior year: 31.46%).

Notes to the income statement

SALES

Sales of € 1,075k (prior year: € 737k) mainly comprise revenue from internal service charges.

OTHER OPERATING INCOME

Other operating income of € 221,350k mainly relates to income from the disposal of financial assets totaling € 219,059k (prior year: € 0k) resulting from the sale of shares during the IPO of Group subsidiary IONOS Group SE. In addition, it also comprises non-period income of € 1,685k (prior year: € 1,438k), including income from the reversal of accruals totaling € 1,496k (prior year: € 1,341k), as well as income from internal Group charges of € 603k (prior year: € 2,674k).

PERSONNEL EXPENSES

In the reporting period, personnel expenses amounted to € 2,339k (prior year: € 1,118k). This figure includes one-off expenses of € 1,250k in connection with the departure of Mr. Mildner.

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 € 5,717k (prior year: € 5,298k), as well as other internal Group charges of € 603k (prior year: € 2,674k). In addition, other operating expenses include expenses for legal, consulting and audit fees of € 10,135k (prior year: € 9,193k), non-period expenses of € 8,927k (prior year: € 458k), and further other operating expenses of € 3,209k (prior year: € 215k). The increase in non-period expenses and further other operating expenses mainly results from costs for the IPO of Group subsidiary IONOS Group SE.

INCOME FROM PROFIT TRANSFER AGREEMENTS

Income from profit transfer agreements of € 101,890k (prior year: € 90,615k) refers to the profit transfers of 1&1 Mail & Media Applications SE amounting to € 98,916k (prior year: € 87,123k), of United Internet Corporate Services GmbH amounting to € 2,844k (prior year: € 3,371k), and of United Internet Service SE amounting to € 130k (prior year: € 121k).

INCOME FROM INVESTMENTS

Income from investments of € 13,844k in the previous year mainly included 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 various bank deposits, as well as interest granted on the balances of various bank accounts amounting to € 1,051k (prior year: € 0k). The increase is due to the general increase in interest rates compared to the previous year. In addition, this item includes interest income from taxes of € 207k (prior year: € 4,006k). This mainly relates to expected interest on refunds from the tax authorities.

INTEREST AND SIMILAR EXPENSES

In addition to interest expenses due to affiliated companies, the item interest and similar expenses includes interest and similar expenses due to banks of € 65,777k (prior year: € 17,608k). This mainly relates to interest on arrears due to the tax authorities. The increase is also due to the general increase in interest rates in the fiscal year 2023, as the variable-rate loans in particular led to higher interest rates and consequently to higher interest expenses due to interest rate increases. In addition, the item includes interest on taxes of € 600k (prior year: € 1,200k). This mainly relates to interest on arrears due to the tax authorities.

EXPENSES FOR LOSS ASSUMPTIONS

Expenses for loss assumptions of € 19,241k (prior year: € 6,172k) comprise the compensation expense for United Internet Investments Holding AG & Co. KG of € 19,160k (prior year: € 6,084k), for United Internet Management Holding SE of € 40k (prior year: € 44k), and for United Internet Corporate Holding SE of € 41k (prior year: € 43k).

INCOME TAXES

The rules on global minimum taxation (introduction of a minimum tax law) have applied to the United Internet Group since January 1, 2024. Based on a comprehensive analysis of the qualified CbCR (country-by-country reporting) data for the current and three previous fiscal years and forecasts for future fiscal years, Romania may qualify as a low-tax country once the legislation comes into force at Group level. This could result in an annual additional tax burden in the lower five-digit euro range at Group level from fiscal year 2024. United Internet AG is the Group parent company and is therefore liable for any minimum tax burden (here: primary supplementary tax) (section 3 (1) German Minimum Tax Act "Mindeststeuergesetz" - MinStG). A portion of the tax burden may potentially be attributable to IONOS Group SE (section 3 (6) MinStG), in which the Company holds the majority of shares.

Income taxes amount to € 44,061k (prior year: € 49,731k) and include the tax expense for the fiscal year 2023 of € 44,016k (prior year: € 50,926k) (of which € 22,160k trade tax, € 18,006k for corporation tax, € 990k for solidarity surcharge, and deferred tax liabilities of € 2,860k), as well as income taxes for previous years of € 45k. These tax expenses were opposed by income from the reversal of deferred tax liabilities of € 0k (prior year: € 1,195k).

Other disclosures

Average number of employees

An average of 3 (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, 2023, the **Management Board** consisted of the following members:

- Ralph Dommermuth, CEO
- Ralf Hartings, CFO (since April 1, 2023)
- Markus Huhn, Management Board member responsible for Shared Services (since April 1, 2023)

Departed in the fiscal year 2023

- Martin Mildner, CFO (until March 31, 2023)

The members of the Management Board as of December 31, 2023 also belong to the supervisory boards of the following companies:

Ralph Dommermuth

- 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 (until August 1, 2023), member of the supervisory board (ab 2. August 2023)
- IONOS Group SE, Montabaur, chair of the supervisory board (since January 26, 2023)
- 1&1 Versatel GmbH, Düsseldorf, chair of the advisory committee
- Kublai GmbH, member of the advisory committee (since July 7, 2023)

Ralf Hartings

- 1&1 Telecommunication SE, chair of the supervisory board (since April 4, 2023)
- 1&1 Mail & Media Applications SE, deputy chair of the supervisory board (since April 1, 2023)
- IONOS Holding SE, chair of the supervisory board (since August 2, 2023)
- 1&1 Versatel Deutschland GmbH, member of the supervisory board (since April 1, 2023)
- 1&1 Versatel GmbH, deputy chair of the advisory committee (since April 1, 2023)
- AWIN AG, member of the supervisory board (since April 18, 2023)
- Kublai GmbH, deputy chair of the advisory committee (since July 7, 2023)
- Tele Columbus AG, deputy chair of the supervisory board (since July 13, 2023)

Markus Huhn

- No other mandates

The remuneration system of United Internet AG approved by the Annual Shareholders' Meeting of May 17, 2023 forms the basis for concluding Management Board service agreements as of the date of the Annual Shareholders' Meeting 2023 (including such provisions in Management Board service agreements to apply as of this date). Subject to any contrary agreement, the existing service agreements of United Internet AG at this time ("old service agreements") with the Management Board members Ralph Dommermuth and Ralf Hartings are not affected by this change.

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 service agreement of Markus Huhn is with an indirect subsidiary (1&1 Telecommunication SE) of the equally listed United Internet subsidiary 1&1 AG, for whom Mr. Huhn serves as Chief Financial Officer (CFO). As such, Mr. Huhn's Management Board remuneration is handled by 1&1 Telecommunication SE, i.e., he receives no remuneration from United Internet AG. For his services as Management Board member of United Internet AG, an amount of € 51k was paid to 1&1 as Group compensation.

In accordance with the remuneration system of United Internet AG, the Company's Management Board members generally receive total remuneration consisting of a fixed, non-performance-based basic or fixed salary, fringe benefits, and a variable, performance-based component. The variable element, in turn, consists of a short-term (STI) and a long-term (LTI) component.

Fixed remuneration serves as a guaranteed basic remuneration and is paid monthly as a salary. The size of the STI 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%. If average target achievement is less than 90%, the entitlement to payment of the STI lapses completely. If average target achievement as a whole is more than 120%, this excess achievement is only taken into account up to 120% of the STI target. No subsequent amendment of the performance targets is allowed. As a rule, there is no minimum guaranteed STI. Payment is made after the annual financial statements have been adopted by the Supervisory Board. The LTI is a participation program based on virtual stock options (Stock Appreciation Rights - "SARs").

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. 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. The exercise hurdle is 120% of the exercise price. Payment of value growth is capped at 100% of the calculated share price when the virtual options were granted.

In the case of the 2023 issue, the beneficiary was granted an exercise price of € 16.91 per SAR. The exercise hurdle is therefore € 20.29 per SAR.

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 SAR exercise period ends no later than after 6 years.

As Mr. Hartings was already employed by a company affiliated with the Company within the meaning of sections 15 et seqq. AktG, specifically 1&1 Mail & Media Applications SE, prior to his appointment as a member of the Company's Management Board of United Internet AG and already participated in a comparable plan granting long-term remuneration, the service times rendered for the affiliated company were taken into account when calculating the time limits under the SAR program of United Internet AG, meaning that Mr. Hartings can already exercise part of his options (on reaching the exercise hurdle) in the fiscal year 2024.

In accordance with section 285 (9) HGB, the following table provides details on the compensation received by members of the Management Board:

2023	Fixed €k	Variable €k	Special and fringe benefits €k	Total fixed, variable, special and fringe benefits €k	Market value of share-based payments granted in 2023 €k *
Ralph Dommermuth	0	0	0	0	-
Martin Mildner	163	96	1,253	1,512	-
Ralf Hartings	375	188	8	571	2,118
Markus Huhn	51	0	0	51	-
	589	**284**	**1,261**	**2,134**	**2,118**

2022	Fixed €k	Variable €k	Special and fringe benefits €k	Total fixed, variable, special and fringe benefits €k	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**	**-**

* Share-based payments (so-called Stock Appreciation Rights) represent a remuneration component with long-term incentive effect and are vested over a total period of 5 years.

The total remuneration of the Management Board within the meaning of section 285 (9) HGB, i.e., including negative effects from the change in share-based remuneration, amounted to € 1,096k in the fiscal year (prior year: € 1,011k).

A total of 300,000 SARs were granted to the Management Board in the fiscal year 2023. As in the previous year, no advances or loans were granted to members of the Management Board. No payments were made to former members of the Management Board.

In fiscal year 2023, the **Supervisory Board** of United Internet AG consisted of the following members:

- Philipp von Bismarck, Chairman of the Supervisory Board
  Self-employed lawyer and Managing Partner at Digital Transformation Capital Partners GmbH

- Dr. Manuel Cubero del Castillo-Olivares, Deputy Chairman of the Supervisory Board
  Self-employed advisory committee/supervisory board member

- Prof. Dr. Andreas Söffing
  Partner at Flick Gocke Schaumburg

- Prof. Dr. Yasmin Mei-Yee Weiss
  Professor of business administration at the Technical University of Nuremberg

- Stefan Rasch
  Senior Advisor at The Boston Consulting Group GmbH

- Prof. Dr. Franca Ruhwedel (as of May 17, 2023)
  Professor for Finance & Accounting at Rhine-Waal University of Applied Sciences, Kamp-Lintfort

In fiscal year 2023, the members of the Supervisory Board also held seats on supervisory boards or similar domestic and foreign 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)

Prof. Dr. Andreas Söffing

- Deutsche Oppenheim Family Office AG, Cologne (deputy chair of the advisory committee)
- Institut der Steuerberater Hessen e. V., Frankfurt (deputy chair of the scientific committee)
- Nemetschek SE, Munich
- Nemetschek Innovationsstiftung, Munich (chair of the management board)
- Nemetschek Familienstiftung, Munich
- Capella GmbH, Hamburg

Prof. Dr. Yasmin Mei-Yee Weiß

- Zeppelin GmbH, Friedrichshafen
- Bayerische Beamten Lebensversicherung AG, Munich
- BLG Logistics Group AG & Co. KG, Bremen
- Börsenverein des deutschen Buchhandels, Frankfurt am Main

Stefan Rasch

- Hallhuber GmbH, Munich (until June 2023)
- Fond Of Group Holding GmbH, Cologne (since February 2023)

Prof. Dr. Franca Ruhwedel

- thyssenkrupp nucera AG & Co. KGaA, Dortmund
- NATIONAL-BANK Aktiengesellschaft, Essen
- MGI - Media and Games Invest SE, Stockholm (non-executive board member)

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):

2023	**Fixed €k**	**Attendance fee €k**	**Total €k**
Philipp von Bismarck	145	25	170
Stefan Rasch	55	26	81
Dr. Manuel Cubero del Castillo-Olivares	45	15	60
Prof. Dr. Andreas Söffing	95	27	122
Prof. Dr. Yasmin Mei-Yee Weiß	30	17	47
Prof. Dr. Franca Ruhwedel	37	9	46
	407	**118**	**525**

2022	**Fixed €k**	**Attendance fee €k**	**Total €k**
Philipp von Bismarck	145	29	174
Stefan Rasch	55	29	84
Dr. Claudia Borgas-Herold	20	5	25
Dr. Manuel Cubero del Castillo-Olivares	45	15	60
Prof. Dr. Andreas Söffing	95	30	125
Prof. Dr. Yasmin Mei-Yee Weiß	30	14	44
	390	**122**	**512**

Contingent liabilities

The Company has a guaranty facility in its name. As of the reporting date, guaranties totaling € 13,417k were outstanding from this facility (prior year: € 13,221k).

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 € 11,649k 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.

The existing guarantee agreements are liabilities from sureties.

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 of 1&1 Versatel GmbH received until December 31, 2023 in the following fiscal year and to ensure that the company is managed and funded in such a way that it can meet the aforementioned obligations punctually and in full. Due to the company's integration in the United Internet Group's cash pooling system, the probability of claims arising from contingent liabilities is classified as very low.

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. United Internet AG considers the risk of claims arising from contingent liabilities to be very low.

The existing letters of comfort are liabilities from warranty agreements.

Dividend proposal

The Management Board and Supervisory Board propose to use the unappropriated profit for the fiscal year 2023, as disclosed in the Company's approved annual financial statements as of December 31, 2023, amounting to € 2,148,718,568.53 as follows:

- Payment of a dividend of € [0.50] per share for the past fiscal year 2023 for each no-par share with dividend entitlement (total of 172,816,295 dividend-entitled no-par shares) € 86,408,147.50

- Amount carried forward € 2,062,310,421.03

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 two (prior year: 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. The claims of United Internet AG are limited to € 41 million and € 25 million, respectively. No payment obligations of United Internet AG can result from the agreement. The carrying amount of the two derivatives is € 0 in each case; the fair values amount to € 11 million (prior year: € 41 million) and € 3 million (prior year: € 2 million), respectively. These valuations are based on a Black-Scholes model or a Monte Carlo simulation using observable and unobservable input factors. The input factors include in particular the expected time of the complete sale of all shares in IONOS Group SE by Warburg Pincus, as well as the volatility and development of the GBP/€ exchange rate.

Auditing and consulting fees

Disclosures on the auditor's fee and explanations of the additional services provided (non-audit services) can be found in the Consolidated Financial Statements of United Internet Aktiengesellschaft as at December 31, 2023. In addition to the audit of the financial statements, other assurance services and other services were provided. The audit services include both statutory audits and voluntary audits. Other assurance services mainly relate to assurance in connection with the Sustainability Report. In the previous year, additional assurance services were provided in connection with the IPO of IONOS Group SE. Other services mainly relate to fees for project-related consulting services.

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

There were no significant events subsequent to the end of the reporting period on December 31, 2023 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 19, 2024

The Management Board

Ralph Dommermuth

Ralf Hartings

Markus Huhn

DEVELOPMENT OF NON-CURRENT ASSETS

	Acquisition and production costs			
	January 1, 2023	Additions	Disposals	December 31, 2023
	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	60,000.00	89,770,236.62	4,132,152,851.06
2. Loans to affiliated companies	1,595,000,000.00	0.00	895,000,000.00	700,000,000.00
	5,816,863,087.68	**60,000.00**	**984,770,236.62**	**4,832,152,851.06**
	5,816,979,930.22	**60,000.00**	**984,770,236.62**	**4,832,269,693.60**

	Accumulated depreciation				Net book value	
	January 1, 2023	Additions	Disposals	December 31, 2023	December 31, 2023	December 31, 2022
	EUR	EUR	EUR	EUR	EUR	EUR
	43,377.00	23,660.00	0.00	67,037.00	3,943.00	27,603.00
	45,142.54	123.00	0.00	45,265.54	597.00	720.00
	0.00	0.00	0.00	0.00	4,132,152,851.06	4,221,863,087.68
	0.00	0.00	0.00	0.00	700,000,000.00	1,595,000,000.00
	0.00	**0.00**	**0.00**	**0.00**	**4,832,152,851.06**	**5,816,863,087.68**
	88,519.54	**23,783.00**	**0.00**	**112,302.54**	**4,832,157,391.06**	**5,816,891,410.68**

STATEMENT OF INVESTMENTS

United Internet AG, Montabaur

Statement of investments as of December 31, 2023

	Capital share	Company equity as of Dec. 31, 2023	Net income / loss FY 2023
	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	269.243	-8.095
CA BG AlphaRho AG, Vienna / Austria	100,00	61	-169
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	6.732.382	285.008
IONOS Group SE, Montabaur	63,80	515.903	5.405
Shares held indirectly			
1&1 Cardgate LLC, Philadelphia / USA (4)	100,00	96	97
1&1 De-Mail GmbH, Montabaur (1)	100,00	25	0
1&1 Energy GmbH, Montabaur	100,00	4.806	2.171
1&1 I 1&1 Internet Development SRL, Bucharest / Romania (4) (11)	100,00	3.359	1.312
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	16.369	1.759
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	430.448	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	255	5
Arsys Internet E.U.R.L., Perpignan / France (4)	100,00	168	4
Arsys Internet S.L.U., Logroño / Spain (4)	100,00	113.211	7.676
AZ.pl Sp. z o.o., Stettin / Poland (4)	100,00	860	756
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	112	-28
CM4all GmbH, Cologne (4)	100,00	-2.630	-3.102
Content Management Support GmbH in Liquidation, Cologne (4) (10)	100,00	0	0
Content Management Inc., New York / USA (4)	100,00	-66	-201
Cronon GmbH, Berlin (4) (6) (18)	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	18.383	313
Drillisch Online GmbH, Maintal (2) (3)	100,00	145.700	0
Fasthosts Internet Ltd., Gloucester / Great Britain (4)	100,00	12.151	10.089
HBS Cloud Sp. z o.o., Stettin / Poland (4)	100,00	16	3
home.pl S.A., Stettin / Poland (4)	100,00	55.379	9.110
Immobilienverwaltung AB GmbH, Montabaur (4)	100,00	442	42
InterNetX, Corp., Miami / USA (18)	100,00	166	62
InterNetX GmbH, Regensburg (7) (18)	100,00	4.469	0
InterNetX Holding GmbH, Regensburg (4)	100,00	42.692	36.129

IONOS Inc., Philadelphia / USA (4)	100,00	21.224	3.848
IONOS S.A.R.L., Saargemünd / France (4)	100,00	1.911	1.801
IONOS SE, Montabaur (4) (6)	100,00	390.319	0
IONOS Cloud Inc., Newark / USA (4)	100,00	1.720	667
IONOS Cloud Ltd., Gloucester / Great Britain (4)	100,00	5.478	2.909
IONOS Cloud S.L.U., Madrid / Spain (4)	100,00	4.450	1.590
IONOS Cloud Holdings Ltd., Gloucester / Great Britain (4)	100,00	73.483	1
IONOS Datacenter SAS, Niederlauterbach / France (4)	100,00	2.146	-24
IONOS Holding SE, Montabaur (4)	100,00	680.267	183.120
IONOS Service GmbH, Montabaur (4) (6)	100,00	240	0
IQ-optimize Software GmbH, Maintal (2) (3)	100,00	87	0
PSI-USA, Inc., Las Vegas / USA (18)	100,00	796	218
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	19.661	5.660
STRATO AG, Berlin (4) (6)	100,00	9.695	0
STRATO Customer Service GmbH, Berlin (4) (6) (17)	100,00	200	0
Tesys Internet S.L.U., Logroño / Spain (4)	100,00	2.547	324
TROPOLYS Netz GmbH, Düsseldorf	100,00	-32.721	-13
TROPOLYS Service GmbH, Düsseldorf	100,00	-20.316	-10
UIM United Internet Media Austria GmbH, Vienna / Austria	100,00	1.038	62
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	431	0
united-domains Reselling GmbH, Starnberg (4) (8)	100,00	25	0
Versatel Immobilien Verwaltungs GmbH, Düsseldorf	100,00	-4.028	-2
we22 GmbH, Köln (4)	100,00	3.621	23
we22 Solutions GmbH, Berlin (4)	100,00	1.592	1.277
World4You Internet Services GmbH, Linz / Austria (4)	100,00	2.849	2.314
sedo.cn Ltd., Shenzhen / China (9)	100,00	0	0
PrivateName Services Inc., Richmond / Canada (9)	100,00	0	0
IONOS (Philippines), Inc., Cebu City / Philippinen (4) (12)	99,96	868	123
Tele Columbus AG, Berlin (23) (20)	95,39	353.080	-84.057
premium.pl Sp. z o.o., Stettin / Poland (4) (14)	75,00	583	55
DomainsBot S.r.l., Rom / Italy (18) (19)	49,00	1.062	203
Intellectual Property Management Company Inc., Dover / USA (18)	49,00	0	0
Kublai GmbH, Frankfurt (22)	40,00	920.110	-3.352
rankingCoach International GmbH, Cologne (15)	31,52	1.025	-1.308
Street Media GmbH, Berlin (22)	28,70	19	-6
Open-Xchange AG, Cologne (22)	25,39	34.172	-1.405
Stackable GmbH, Pinneberg (4) (22)	27,54	1.340	-1.051
uberall GmbH, Berlin (21)	25,10	15.122	-11.732
AWIN AG, Berlin (16)	20,00	513	9.630
High-Tech Gründerfonds III GmbH & Co. KG, Bonn (3)	0,95	-	-
MMC Investments Holding Company Ltd., Port Louis / Mauritius (10)	11,36	-	-
Worcester Six Management Company Ltd., Birmingham / Great Britain (4)	5,23	-	-
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, 2022
(16) Based on the published figures as of the reporting date 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 the reporting date Juni 30 / December 31, 2022
(23) Based on the published figures of the consolidated financial statements as of September 30, 2023

VOTING RIGHT ANNOUNCEMENTS

Announcements acc. to sec. 33 and 40 WpHG

United Internet AG: Veröffentlichung über Erwerb oder Veräußerung eigener Aktien nach § 40 Abs. 1 Satz 2 WpHG

08.03.2023 / 20:10 CET/CEST
Veröffentlichung einer Stimmrechtsmitteilung übermittelt durch EQS News – ein Service der EQS Group AG.
Für den Inhalt der Mitteilung ist der Emittent / Herausgeber verantwortlich.

Veröffentlichung über Erwerb oder Veräußerung eigener Aktien

1. Angaben zum Emittenten

United Internet AG Elgendorfer Straße 57 56410 Montabaur Deutschland

2. Namen der Tochterunternehmen oder Dritte/n
mit 3% oder mehr Aktien, wenn abweichend von 1.

3. Datum der Schwellenberührung

08.03.2023

4. Aktienanteil

	Aktienanteil in%	Gesamtanzahl Stimmrechte des Emittenten
Neu	9,99%	192.000.000
Letzte Veröffentlichung	2,75%	/

5. Einzelheiten

absolut		in%	
direkt	indirekt (über Tochter oder Dritten, § 71d Abs. 1 AktG)	direkt	indirekt (über Tochter oder Dritten, § 71d Abs. 1 AktG)
19.183.705		9,99%	%

United Internet AG: Veröffentlichung gemäß § 40 Abs. 1 WpHG mit dem Ziel der europaweiten Verbreitung

08.03.2023 / 20:13 CET/CEST
Veröffentlichung einer Stimmrechtsmitteilung übermittelt durch EQS News – ein Service der EQS Group AG.
Für den Inhalt der Mitteilung ist der Emittent / Herausgeber verantwortlich.
Stimmrechtsmitteilung

1. Angaben zum Emittenten

Name:	United Internet AG
Straße, Hausnr.:	Elgendorfer Straße 57

PLZ:	56410
Ort:	Montabaur Deutschland
Legal Entity Identifier (LEI):	3VEKWPJHTD4NKMBVG947

2. Grund der Mitteilung

X	Erwerb bzw. Veräußerung von Aktien mit Stimmrechten
	Erwerb bzw. Veräußerung von Instrumenten
	Änderung der Gesamtzahl der Stimmrechte
	Sonstiger Grund:

3. Angaben zum Mitteilungspflichtigen

Natürliche Person (Vorname, Nachname): Ralph Dommermuth Geburtsdatum: 19.11.1963

4. Namen der Aktionäre
mit 3% oder mehr Stimmrechten, wenn abweichend von 3.

Ralph Dommermuth GmbH & Co. KG Beteiligungsgesellschaft Ralph Dommermuth GmbH RD Holding GmbH & Co. KG

5. Datum der Schwellenberührung:

08.03.2023

6. Gesamtstimmrechtsanteile

	Anteil Stimmrechte (Summe 7.a.)	Anteil Instrumente (Summe 7.b.1.+ 7.b.2.)	Summe Anteile (Summe 7.a. + 7.b.)	Gesamtzahl der Stimmrechte nach § 41 WpHG
neu	48,94%	0,00%	48,94%	192000000
letzte Mitteilung	51,03%	0,00%	51,03%	/

7. Einzelheiten zu den Stimmrechtsbeständen
a. Stimmrechte (§§ 33, 34 WpHG)

ISIN	absolut		in%	
	direkt (§ 33 WpHG)	zugerechnet (§ 34 WpHG)	direkt (§ 33 WpHG)	zugerechnet (§ 34 WpHG)
DE0005089031	0	93955205	0,00%	48,94%
Summe	93955205		48,94%	

b.1. Instrumente i.S.d. § 38 Abs. 1 Nr. 1 WpHG

Art des Instruments	Fälligkeit / Verfall	Ausübungszeitraum / Laufzeit	Stimmrechte absolut	Stimmrechte in%
			0	0,00%
		Summe	0	0,00%

b.2. Instrumente i.S.d. § 38 Abs. 1 Nr. 2 WpHG

Art des Instruments	Fälligkeit / Verfall	Ausübungs-zeitraum / Laufzeit	Barausgleich oder physische Abwicklung	Stimmrechte absolut	Stimmrechte in%

				0	0,00%
			Summe	0	0,00%

8. Informationen in Bezug auf den Mitteilungspflichtigen

	Mitteilungspflichtiger (3.) wird weder beherrscht noch beherrscht Mitteilungspflichtiger andere Unternehmen, die Stimmrechte des Emittenten (1.) halten oder denen Stimmrechte des Emittenten zugerechnet werden.
X	Vollständige Kette der Tochterunternehmen, beginnend mit der obersten beherrschenden Person oder dem obersten beherrschenden Unternehmen:

Unternehmen	Stimmrechte in%, wenn 3% oder höher	Instrumente in%, wenn 5% oder höher	Summe in%, wenn 5% oder höher
Ralph Dommermuth	%	%	%
Ralph Dommermuth Verwaltungs GmbH	%	%	%
Ralph Dommermuth GmbH & Co. KG Beteiligungsgesellschaft	48,94%	%	48,94%
Ralph Dommermuth GmbH	48,94%	%	48,94%
–	%	%	%
Ralph Dommermuth	%	%	%
RD Holding-Verwaltungs GmbH	%	%	%
RD Holding GmbH & Co. KG	48,94%	%	48,94%

9. Bei Vollmacht gemäß § 34 Abs. 3 WpHG
(nur möglich bei einer Zurechnung nach § 34 Abs. 1 Satz 1 Nr. 6 WpHG)

Datum der Hauptversammlung:
Gesamtstimmrechtsanteile (6.) nach der Hauptversammlung:

Anteil Stimmrechte	Anteil Instrumente	Summe Anteile
%	%	%

10. Sonstige Informationen:

Datum

08.03.2023

United Internet AG: Veröffentlichung gemäß § 40 Abs. 1 WpHG mit dem Ziel der europaweiten Verbreitung

13.03.2023 / 17:33 CET/CEST
Veröffentlichung einer Stimmrechtsmitteilung übermittelt durch EQS News – ein Service der EQS Group AG.
Für den Inhalt der Mitteilung ist der Emittent / Herausgeber verantwortlich.

Stimmrechtsmitteilung

1. Angaben zum Emittenten

Name:	United Internet AG

Straße, Hausnr.:	Elgendorfer Straße 57
PLZ:	56410
Ort:	Montabaur Deutschland
Legal Entity Identifier (LEI):	3VEKWPJHTD4NKMBVG947

2. Grund der Mitteilung

X	Erwerb bzw. Veräußerung von Aktien mit Stimmrechten
	Erwerb bzw. Veräußerung von Instrumenten
	Änderung der Gesamtzahl der Stimmrechte
	Sonstiger Grund:

3. Angaben zum Mitteilungspflichtigen

Natürliche Person (Vorname, Nachname): Ralph Dommermuth Geburtsdatum: 19.11.1963

4. Namen der Aktionäre
mit 3% oder mehr Stimmrechten, wenn abweichend von 3.

Ralph Dommermuth GmbH & Co. KG Beteiligungsgesellschaft

5. Datum der Schwellenberührung:

08.03.2023

6. Gesamtstimmrechtsanteile

	Anteil Stimmrechte (Summe 7.a.)	Anteil Instrumente (Summe 7.b.1.+ 7.b.2.)	Summe Anteile (Summe 7.a. + 7.b.)	Gesamtzahl der Stimmrechte nach § 41 WpHG
neu	48,94%	0,00%	48,94%	192000000
letzte Mitteilung	51,03%	0%	51,03%	/

7. Einzelheiten zu den Stimmrechtsbeständen
a. Stimmrechte (§§ 33, 34 WpHG)

ISIN	absolut		in%	
	direkt (§ 33 WpHG)	zugerechnet (§ 34 WpHG)	direkt (§ 33 WpHG)	zugerechnet (§ 34 WpHG)
DE0005089031	0	93955205	0,00%	48,94%
Summe	93955205		48,94%	

b.1. Instrumente i.S.d. § 38 Abs. 1 Nr. 1 WpHG

Art des Instruments	Fälligkeit / Verfall	Ausübungszeitraum / Laufzeit	Stimmrechte absolut	Stimmrechte in%
			0	0,00%
		Summe	0	0,00%

b.2. Instrumente i.S.d. § 38 Abs. 1 Nr. 2 WpHG

Art des Instruments	Fälligkeit / Verfall	Ausübungs-zeitraum / Laufzeit	Barausgleich oder physische Abwicklung	Stimmrechte absolut	Stimmrechte in%

				0	0,00%
			Summe	0	0,00%

8. Informationen in Bezug auf den Mitteilungspflichtigen

	Mitteilungspflichtiger (3.) wird weder beherrscht noch beherrscht Mitteilungspflichtiger andere Unternehmen, die Stimmrechte des Emittenten (1.) halten oder denen Stimmrechte des Emittenten zugerechnet werden.
X	Vollständige Kette der Tochterunternehmen, beginnend mit der obersten beherrschenden Person oder dem obersten beherrschenden Unternehmen:

Unternehmen	Stimmrechte in%, wenn 3% oder höher	Instrumente in%, wenn 5% oder höher	Summe in%, wenn 5% oder höher
Ralph Dommermuth	%	%	%
Ralph Dommermuth Verwaltungs GmbH	%	%	%
Ralph Dommermuth GmbH & Co. KG Beteiligungsgesellschaft	48,94%	%	48,94%
Ralph Dommermuth GmbH	48,94%	%	48,94%
–	%	%	%
Ralph Dommermuth	%	%	%
RD Holding-Verwaltungs GmbH	%	%	%
RD Holding GmbH & Co. KG	48,94%	%	48,94%

9. Bei Vollmacht gemäß § 34 Abs. 3 WpHG
(nur möglich bei einer Zurechnung nach § 34 Abs. 1 Satz 1 Nr. 6 WpHG)

Datum der Hauptversammlung:
Gesamtstimmrechtsanteile (6.) nach der Hauptversammlung:

Anteil Stimmrechte	Anteil Instrumente	Summe Anteile
%	%	%

10. Sonstige Informationen:

Die direkt haltende Aktionärin mit mehr als 3% der Stimmrechte war auch bei Schwellenberührung der Ralph Dommermuth GmbH am 20.12.2022 (Veröffentlichung vom 21.12.2022) die Ralph Dommermuth GmbH & Co. KG Beteiligungsgesellschaft

Datum

13.03.2023

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

05.06.2023 / 17:30 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 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: New York, New York, 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:

31 May 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	2.01%	0.24%	2.25%	192000000
Previous notification	3.14%	0.49%	3.63%	/

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	3855437	0%	2.01%
Total	3855437		2.01%	

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	288957	0.15%
		Total	288957	0.15%

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	180821	0.09%
			Total	180821	0.09%

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

05 Jun 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

04.08.2023 / 12:02 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 Germany
Legal Entity Identifier (LEI):	3VEKWPJHTD4NKMBVG947

2. Reason for notification

X	Acquisition/disposal of shares with voting rights
X	Acquisition/disposal of instruments
	Change of breakdown of voting rights
	Other reason:

3. Details of person subject to the notification obligation

Legal entity: Bank of America Corporation City of registered office, country: Wilmington, DE, 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:

01 Aug 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	1.36%	3.58%	4.93%	192000000
Previous notification	1.61%	3.76%	5.37%	/

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	2606416	0.00%	1.36%
Total	2606416		1.36%	

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%
Right to Recall	n/a	n/a	456688	0.24%
Rights of Use	n/a	n/a	219174	0.11%
Physical Swap	10/08/2023	n/a	142276	0.07%
		Total	818138	0.43%

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%
Swaps	30/11/2023 – 15/06/2028	n/a	Cash	6050300	3.15%
			Total	6050300	3.15%

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)
Bank of America Corporation	%	%	%
NB Holdings Corporation	%	%	%
BofAML Jersey Holdings Limited	%	%	%

BofAML EMEA Holdings 2 Limited	%	%	%
ML UK Capital Holdings Limited	%	%	%
Merrill Lynch International	%	%	%
–	%	%	%
Bank of America Corporation	%	%	%
NB Holdings Corporation	%	%	%
BAC North America Holding Company	%	%	%
Bank of America, National Association	%	%	%
–	%	%	%
Bank of America Corporation	%	%	%
NB Holdings Corporation	%	%	%
BofA Securities, Inc	%	%	%
–	%	%	%
Bank of America Corporation	%	%	%
NB Holdings Corporation	%	%	%
BofA Securities, Inc	%	%	%
Merrill Lynch Professional Clearing Corp.	%	%	%

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 Aug 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

04.08.2023 / 12:15 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 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:

31 Jul 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	3.01%	0.00%	3.01%	192000000
Previous notification	2.90%	0.00%	2.90%	/

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	5784329	0.00%	3.01%
Total	5784329		3.01%	

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 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.	%	%	%

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 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 2023, and the statement of profit and loss for the financial year from 1 January to 31 December 2023 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 2023. 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 2023 and of its financial performance for the financial year from 1 January to 31 December 2023 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 2023. 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:

1 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:

1 Measurement of shares in affiliated companies

1 In the annual financial statements of the Company shares in affiliated companies amounting to EUR 4,132,152,851.06 (70.45% 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 financial surpluses 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 capitalization rate calculated individually for the respective affiliated company. 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 financial surpluses, 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 financial surpluses. 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. We concluded by assessing whether the values calculated in this way were properly compared against the corresponding carrying amounts, in order to ascertain any impairment losses or reversals of impairment losses.

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

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 unitedinternet_EA_2023-12-31.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 2023 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 (09.2022)).

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 rendering 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 17 May 2023. We were engaged by the supervisory board on 12 October 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.

Montabaur, March 19, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Erik Hönig
Wirtschaftsprüfer
[German Public Auditor]

Christian David Simon
Wirtschaftsprüfer
[German Public Auditor]

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 19, 2024

The Management Board

Ralph Dommermuth

Ralf Hartings

Markus Huhn

United Internet AG

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Germany

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