



# Annual Report 2024

## SELECTED KEY FIGURES

	2024	2023
<b>EARNINGS (in € million)</b>		
Sales	6,303.0	6,185.9
Operating EBITDA <sup>(1)</sup>	1,294.7	1,296.5
Operating EBIT <sup>(1)</sup>	639.6	758.5
<b>BALANCE SHEET (in € million)</b>		
Current assets	1,989.3	1,840.1
Non-current assets	9,946.4	9,405.6
Equity	5,544.7	5,555.1
Total assets	11,935.7	11,245.6
<b>CASH FLOW (in € million)</b>		
Operative cash flow	1,128.9	1,060.9
Cash flow from operating activities	954.1	828.5
Cash flow from investing activities	- 765.6	- 798.2
Free cash flow <sup>(2)</sup>	47.4	- 85.0
<b>EMPLOYEES (HEADCOUNT)</b>		
Employees, total	10,972	10,962
thereof in Germany	8,998	8,981
thereof abroad	1,974	1,981
Personnel expenses (in Mio. €)	818.4	760.0
<b>SHARE (in €)</b>		
Share price at year-end (Xetra)	15.67	23.04
Operating EPS <sup>(1)</sup>	1.01	1.41
<b>Customer contracts (in million)</b>		
	31.12.2024	31.12.2023
Fee-based customer contracts, total	29.02	28.43
Consumer Access, total contracts	16.39	16.26
thereof mobile internet	12.44	12.25
thereof broadband connections	3.95	4.01
Consumer Applications, total accounts	41.97	42.73
thereof with Premium Mail subscription (contracts)	2.22	2.03
thereof with Value-Added subscription (contracts)	0.82	0.77
thereof free accounts	38.93	39.93
Business Applications, total contracts	9.59	9.37
thereof Germany	4.63	4.57
thereof abroad	4.96	4.80

(1) Key earnings figures 2024 and 2023 adjusted for special effects

(2) Free cash flow 2024 and 2023 incl. the repayment portion of lease liabilities

# CONTENT

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## **4 MANAGEMENT**

- 4 Letter to our shareholders
- 8 Interview with Ralph Dommermuth
- 10 Report of the Supervisory Board

## **20 UNITED INTERNET AT A GLANCE**

- 22 Vision
- 22 Business model
- 24 Internet Factory
- 24 Success factors
- 25 Growth opportunities

## **36 MANAGEMENT REPORT**

### **38 Company and Group profile**

- 38 Business model
- 46 Strategy
- 47 Control systems
- 49 Main focus areas for products and innovations

### **52 Economic report**

- 52 General economic and sector conditions
- 57 Business development
- 81 Position of the Group
- 91 Position of the Company
- 94 Corporate Responsibility

### **96 Subsequent events**

### **97 Risk, opportunity and forecast report**

- 97 Risk report
- 112 Opportunity report
- 116 Forecast report

### **121 Internal control and risk management system**

### **124 Disclosures required by takeover law**

### **132 Declaration of company management**

### **150 Remuneration report**

### **151 Dependent company report**

## **152 FINANCIAL STATEMENTS**

- 154 Balance sheet
- 156 Net income
- 158 Cash flow
- 160 Changes in shareholders' equity
- 162 Notes to the consolidated financial statements
- 282 Development of fixed assets
- 288 Independent Auditor's report
- 297 Responsibility statement

## **298 MISCELLANEOUS**

- 298 Locations
- 300 Glossary
- 304 Imprint
- 305 Financial Calendar

## **KEY FIGURES**

- 2 Selected key figures
- 306 Net income by quarter
- 307 Multi-period overview of key figures

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## **SIGNS AND SYMBOLS**

 Internet Link

 Glossary

 Page Reference

## LETTER TO THE SHAREHOLDERS

Dear shareholders, employees, and business associates of United Internet,

In the fiscal year 2024, United Internet invested in new customer contracts and the development of existing customer relationships – and thus in sustainable growth. All in all, we succeeded in raising the number of fee-based customer contracts by 590,000 to 29.02 million contracts. Of this amount, 130,000 contracts were added in the Consumer Access segment and 220,000 contracts in the Business Applications segment. A further 240,000 contracts were gained in the Consumer Applications segment.

Despite a decline in low-margin hardware revenues of € -92.3 million, sales rose by 1.9% to € 6,329.2 million (prior year: € 6,213.2 million). Adjusted for the Energy and De-Mail business fields, which are being sold or have been discontinued, sales rose from € 6,185.9 million to € 6,303.0 million.

In the fiscal year 2024, sales and earnings were unexpectedly burdened by the effects of a temporary outage of the new 1&1 mobile network in May 2024 and the associated increase in customer churn. Moreover, the planned migration of existing customers to the 1&1 mobile network was temporarily severely restricted due to the unforeseen undersizing of individual network components and could only be resumed extensively in the fourth quarter of 2024. As a result, 1&1 only partially achieved the savings it expected in fiscal year 2024 from the migration of existing customer contracts (on a wholesale basis) to the new 1&1 mobile network. In addition, there were temporarily higher expenses for the elimination of capacity bottlenecks identified as a result of the network outage.

EBITDA rose by 0.1% to € 1,294.0 million (prior year: € 1,292.1 million), despite an increase in expenses for the 1&1 mobile network of € -132.9 million.

In addition to network rollout costs and out-of-period expenses, EBIT was additionally burdened by increased depreciation of € -541.2 million (prior year: € -424.1 million) resulting in particular from investments in the expansion of 1&1 Versatel's fiber-optic network and 1&1's mobile network. As a consequence, it amounted to € 638.7 million (prior year: € 754.0 million).

Adjusted for the Energy and De-Mail business fields, EBITDA amounted to € 1,294.7 million (prior year: € 1,296.5 million) and EBIT to € 639.6 million (prior year: € 758.5 million).

EPS without special items declined from € 1.39 to € 1.01. Cash capex amounted to € 774.6 million in 2024 (prior year: € 756.0 million).

**Letter to shareholders**

CEO Interview

Report of the  
Supervisory Board

There were also numerous developments outside of our day-to-day business in the fiscal year 2024:

In the Consumer Access segment, for example, 1&1 began driving the gradual migration of its existing customers from third-party networks to the 1&1 mobile network in early 2024 and launched an exclusive national roaming partnership with Vodafone in late August 2024. 1&1 also made good progress in its key objective of expanding the 1&1 mobile network as quickly as possible and making OpenRAN technology available in an increasing number of areas.

In the Business Access segment, 1&1 Versatel continued to invest heavily in its fiber-optic infrastructure and further expanded its network coverage. The fiber-optic network operated by 1&1 Versatel is now over 66,000 km long.

With the slogan “E-mail made in Germany”, our consumer brands GMX and WEB.DE in the Consumer Applications segment consolidated their strong market position in 2024 with innovative cloud services and the increased use of artificial intelligence.

And in the Business Applications segment, IONOS is playing an increasingly important role for public sector companies with a crucial need for secure and independent cloud services. As a counterweight to US hyperscalers such as Google or Amazon, IONOS offers its customers 100% data protection-compliant storage and archiving of customer data in accordance with the German data protection laws and stored exclusively in European data centers. This focus on the security and technical performance of German-engineered cloud services is proving highly compelling. ITZBund, for example, the IT service provider for 200 administrative authorities in Germany, has commissioned IONOS to build a private enterprise cloud. IONOS is also the independent cloud partner for major public-sector agencies and institutions, such as the German Federal Employment Agency, the German Pension Insurance, and the German Social Accident Insurance – thus helping to strengthen the secure digitalization of Germany’s administration system.

On the basis of the figures for 2024, the Management Board and Supervisory Board of United Internet AG will propose a regular dividend of € 0.40 per share at the Annual Shareholders' Meeting on May 15, 2025. In addition, a one-off catch-up dividend of € 1.50 is to be distributed as compensation for the reduced dividend payments for the fiscal years 2018 to 2023.

In the past years, United Internet had assumed that Group subsidiary 1&1 would be able to acquire further spectrum by 2025 at the latest. Insofar as additional funds had been necessary, United Internet would have been called upon to provide these as 1&1’s main shareholder. Due to a decision taken by the German Federal Network Agency on March 24, 2025, however, the acquisition of spectrum has now been postponed for several years. In addition to investments in its network rollout, 1&1 expects to be able to fund the acquisition of further spectrum itself by this time.

As a result of the catch-up dividend, the dividend payments for the fiscal years 2018 to 2023 will increase in total to approximately 35% of adjusted net income after minority interests. As such, the dividend policy in place since 2013 will be subsequently met by a comfortable margin.

Adjusted for the Energy business field due to be sold, United Internet forecasts that sales will rise to approx. € 6.4 billion in fiscal year 2025 (2024: € 6.303 billion). EBITDA is expected to increase to approx. € 1.35 billion (2024: € 1.295 billion). This figure includes approx. € -20 million due to 1&1 changing its national roaming service provider. In the commercially equivalent national roaming agreement with Vodafone, the capacities used by 1&1 are fully recognized in EBITDA, whereas under the national roaming agreement with Telefónica they were previously capitalized in part and depreciated in scheduled amounts. Cash capex is expected to reach approx. € 800 million (2024: € 774.6 million).

We are well prepared for the next steps in our company's development and upbeat about our future prospects. In view of the past year and the challenges that lie ahead, we would like to express our particular gratitude to all employees for their dedicated efforts as well as to our shareholders and business associates for the trust they continue to place in United Internet AG.

Montabaur, March 2025

The Management Board



Ralph Dommermuth



Carsten Theurer



Markus Huhn

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"Every month, services provided by United Internet are used around 50 million times in Germany – and around 70 million times worldwide. We look forward to leading the way with innovations once more in the coming year and continuing to shape our digital world with confidence."

RALPH DOMMERMUTH

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## Letter to shareholders

CEO Interview

Report of the  
Supervisory Board

## THE MANAGEMENT BOARD

### RALPH DOMMERMUTH CEO (since 1988)

Ralph Dommermuth (born in 1963) laid the foundation for today's United Internet AG with the formation of 1&1 EDV Marketing GmbH in 1988. He originally offered systemized marketing services for smaller software suppliers. He later developed additional marketing services for major clients, such as IBM, Compaq, and Deutsche Telekom. With the advent of the internet, Ralph Dommermuth gradually phased out these marketing services and began developing the company's own internet services and direct customer relationships. In 1998, the qualified banker took 1&1 to the stock exchange. It was the first IPO of an internet company in Germany. In 2000, Ralph Dommermuth restructured the holding company 1&1 AG & Co. KGaA as United Internet AG and built the company into a leading European internet specialist.



### CARSTEN THEURER CFO (since 2025)

Carsten Theurer (born in 1975) has been a member of the Management Board of United Internet AG since 2025 and is responsible for Finance and Controlling, Risk Management/Internal Audit, Legal, Tax, M&A, and Investment Management. Carsten Theurer previously worked for over 20 years in various divisions of the Schwarz Group, in his last position as Group CFO. In these roles, he accompanied the international growth of the Schwarz Group in the retail sector and played a key role in setting up the company's own production companies.



### MARKUS HUHN Management Board member for Shared Services (since 2023)

Markus Huhn (born in 1968) has been a member of the Management Board of United Internet AG since 2023 and is responsible for Shared Services. Mr. Huhn has been active within the United Internet Group since 1994 and, as Commercial Director, was responsible in particular for Controlling and Growth Strategy until 2007. Markus Huhn has been a CFO within the United Internet Group since 2008. As a member of the Management Board of 1&1 Telecommunication SE, he has been responsible for Finance and Human Resources in the Consumer Access segment since 2013. From July 1, 2019 to December 31, 2024, he was also Chief Financial Officer of 1&1 AG.



## INTERVIEW WITH RALPH DOMMERMUTH

### **Mr. Dommermuth, how would you judge the past fiscal year 2024?**

It was a successful year on the whole, but not without its challenges. We continued to lead the way with innovative products and invested in new customer relationships. The United Internet Group maintained its sustainable growth trajectory with further increases in sales and customer contracts. However, our operating result fell short of expectations. This was mainly due to higher than expected start-up costs for the 1&1 mobile network.

### **It has been over a quarter of a century since a new mobile communications infrastructure was established in Germany. In December 2023, the mobile services of the 1&1 O-RAN were launched. What is your verdict after the first year?**

Our teams have delivered an outstanding technological performance. While our competitors are only now talking about the benefits of pioneering OpenRAN technology and conducting initial trials, 1&1 successfully demonstrated its market readiness last year. The 1&1 network is the first fully virtualized Open RAN in Europe – cloud-native, independent of dominant network equipment suppliers and ready for real-time applications. All network functions are controlled by software in our private cloud and we already have over 200 decentralized and regional edge data centers in operation. Gigabit antennas are used at all antenna locations and connected to the respective data centers via fiber-optic lines. We are therefore creating a highly future-proof network that is changing the mobile communications landscape. And this is precisely what we set out to do as the fourth network operator – create more vibrant competition with innovations that benefit consumers.

However, there are always going to be setbacks with an infrastructure project of this magnitude – especially one with such a pioneering new technology. In late May 2024, for example, there was a widespread network disruption that cost us a great deal of time and effort to rectify. And during troubleshooting, it became clear that central components of the core network were not sufficiently dimensioned. We took immediate action and had the missing components for future growth retrofitted at our first two core data centers in the summer of 2024. The other two core data centers, three and four, went live with a certain delay in early November 2024. These four core data centers now ensure reliable stability. In short, we may not have chosen the easy way, but it is the right one.

### **Around 12 million customers are gradually being transferred from the Telefónica network to the 1&1 O-RAN. This is the largest migration in German mobile communications history and a highly complex task. How is it going? How can we best visualize the process?**

We are making good progress with the migration. Six million customers are already surfing and making calls using the 1&1 mobile network. Every working day, we migrate up to 50,000 additional customer contracts to our network. We will complete the migration of our existing customers on schedule by the end of the year.

For our customers, the move to the 1&1 O-RAN is generally an over-the-air update installed automatically overnight without them having to do anything. They only need to swap their SIM cards in rare cases.



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Letter to shareholders

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**CEO Interview**

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Report of the  
Supervisory Board

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**In mobile communications, HUAWEI's dominant role in 5G networks is a cause for concern. And in cloud services, there is the dominance of Amazon, Google, and Microsoft. Now more than ever, Europe needs its own solutions to ensure its digital independence. What role can IONOS play?**

Europe, and especially Germany, cannot afford to give up control of its digital infrastructures and high-quality data. Digital infrastructures must be sovereign. This is not merely an option, but a basic requirement for maintaining our leading position as a business location. United Internet's business models support this target of a digitally independent Europe – from e-mails, websites, and cloud infrastructure to modern fiber-optic and mobile networks.

The demand for sovereign solutions is growing. For example, IONOS is playing an increasingly central role for German public-sector companies with a crucial need for secure and independent cloud services. As a counterweight to US hyperscalers such as Google or Amazon, IONOS offers its customers 100% data protection-compliant storage and archiving of their data in accordance with German data protection laws and stored exclusively at European data centers. This focus on the security and technical performance of German-engineered cloud services is proving highly compelling. ITZBund, for example, the IT service provider for 200 administrative authorities in Germany, has commissioned IONOS to build a private enterprise cloud. IONOS is also an independent cloud partner for major public-sector agencies and institutions in Germany, such as the Federal Employment Agency, the German Pension Insurance, and the German Social Accident Insurance – thus helping to strengthen the secure digitalization of Germany's administration system.

United Internet's business models support the target of a digitally independent Europe – from e-mails, websites, and cloud infrastructure to modern fiber-optic and mobile networks.

**What are your expectations for the fiscal year 2025?**

United Internet expects sales to increase to around € 6.4 billion in the fiscal year 2025. Despite high costs for the development of future topics, EBITDA is likely to grow to around € 1.35 billion. We will continue to make strong investments, especially in the expansion of our fiber-optic and mobile communications networks. Cash capex is therefore expected to be around € 800 million.

Every month, services provided by United Internet are used around 50 million times in Germany – and around 70 million times worldwide. We look forward to leading the way with innovations once more in the coming year and continuing to shape our digital world with confidence.

## REPORT OF THE SUPERVISORY BOARD

Dear shareholders,

In the following, I would like to inform you about the work of the Supervisory Board in the fiscal year 2024.

In the fiscal year 2024, the Supervisory Board of United Internet AG carefully and conscientiously fulfilled the duties incumbent upon it by law, the Articles of Association, the German Corporate Governance Code, and its Rules of Procedure to regularly advise the Management Board and carefully and continuously monitor its management of the Company. In particular, the Supervisory Board's advice and monitoring of the Management Board also included sustainability issues. The Supervisory Board was directly involved in all decisions of fundamental significance for the Company at an early stage and to a comprehensive extent. The Management Board provided the Supervisory Board and the Audit and Risk Committee with detailed and regular reports, both written and oral, and also between meetings, about all relevant questions concerning corporate strategy and planning, as well as the associated risks and opportunities, the development and progress of business, planned and current investments, the status of the Group and its risk exposure, as well as the status of the Risk Management System, the Internal Control System, and the Compliance Management System as aligned with the Company's risk position. The Management Board discussed the Company's strategic alignment with the Supervisory Board and presented it with a comprehensive report every quarter about the state of business, the development of sales and earnings, and the position of the Company and its business policy. This also included information about deviations between planned and actual figures. Further reports were regularly provided on corporate financing, tax governance, information security and the implementation of sustainability reporting. With regard to both content and scope, these reports met all statutory requirements, the standards of good corporate governance, and the criteria set by the Supervisory Board. The reports were made available to all members of the Supervisory Board. The Supervisory Board examined the plausibility of the reports provided by the Management Board, discussed their content in detail, and gave a critical assessment.

The Supervisory Board and the Audit and Risk Committee formed by the Supervisory Board were regularly informed by the Management Board about the Group-wide Internal Control and Risk Management Systems, which also cover sustainability-related issues, as well as the Internal Audit System (Corporate Audit), and the Compliance Management System. On the basis of its own reviews and those of the Audit and Risk Committee, the Supervisory Board came to the conclusion that the Internal Control System, the Risk Management System, the Internal Audit System, and the Compliance Management System are appropriate and effective.

The members of the Supervisory Board complete the training and further education measures required for their tasks on their own. The members of the Supervisory Board receive appropriate support from the Company with regard to their appointment and their training and development. In particular, an individual introduction to the activities of the Supervisory Board of United Internet AG takes place upon taking office. All necessary documents are made available, practical and legal principles are explained, and specific questions of German Stock Corporation Law ("Aktiengesetz" - AktG) are addressed. In addition to individual training and further education measures for Supervisory Board members, the Company conducted a multi-hour workshop for Supervisory Board members on current developments in digital law with the aid of legal and technical experts from the United Internet Group in November 2024. The workshop provided an overview of the current legal framework for platforms, data, and artificial intelligence within the framework of the EU Digital Strategy and discussed the main legal acts in this field. There was a detailed discussion of the main topics of artificial intelligence, IT security, and

Letter to shareholders

CEO Interview

**Report of the  
Supervisory Board**

data privacy. In addition to the corresponding legal regulations, the specific implications for the companies of the United Internet Group, the effects on them, and the implementation of the new legislation were discussed in detail.

## Personnel changes of the Management Board and Supervisory Board

There was no change in the composition of the Management Board during the fiscal year 2024. The Management Board consisted of Mr. Ralph Dommermuth, Mr. Ralf Hartings, and Mr. Markus Huhn. Mr. Dommermuth chaired the Management Board once again in the reporting period. Mr. Ralf Hartings was responsible for Finance and Controlling, Risk Management/Internal Audit, Legal Affairs, Tax, M&A, and Investment Management. Mr. Markus Huhn was responsible for the Shared Services division.

Mr. Ralf Hartings stepped down from his position as a member of the Management Board of United Internet AG as of the end of December 31, 2024. On November 15, 2024, the Supervisory Board unanimously adopted a resolution to appoint Mr. Carsten Theurer as the new CFO with effect from January 1, 2025.

There was a change in the composition of the Supervisory Board in fiscal year 2024. The long-serving Supervisory Board member Prof. Dr. Andreas Söffing retired from the Supervisory Board with effect from July 4, 2024.

As far as the Company is aware, none of the Supervisory Board members hold any executive body or advisory positions with major competitors of the Company. Once again, there was no indication of any conflicts of interest involving members of the Supervisory Board or Management Board in the past fiscal year.

## Meetings and main topics

In addition to the regular statutory reports and the special topics mentioned further below, the Supervisory Board discussed and reviewed the following issues in greater detail in the fiscal year 2024:

- The Annual Financial Statements and Consolidated Financial Statements for fiscal year 2023
- The Report of the Supervisory Board to the Annual Shareholders' Meeting for fiscal year 2023
- The Sustainability Report 2023
- The adoption of planning for fiscal year 2024
- Determining the Management Board's target achievement for fiscal year 2023 and approving the payment of the corresponding variable compensation components
- The invitation and agenda for the Annual Shareholders' Meeting 2024 presented by the Management Board, as well as the adoption of the Supervisory Board's election and resolution proposals for the Annual Shareholders' Meeting
- Reviewing the independence of the proposed auditor for the fiscal year 2024 (PwC)
- The Management Board's proposal to the Annual Shareholders' Meeting 2024 for the allocation of unappropriated profit of the fiscal year 2023

- The Risk Management System and risk management strategy, as well as the quarterly reports on risk management
- The examination of material risks for the United Internet Group as a component of the risk analysis
- The report on the Compliance Management System 2023 as well as updates throughout the year on compliance-relevant topics as required
- Reports on the Internal Control System
- The annual report of the Internal Audit department, including audit planning and the quarterly Internal Audit reports
- Reports on information security
- Reporting on corporate finance
- Corporate governance topics in the United Internet Group
- Presentation on the development of the 5G network
- Update on the business performance of the Business Access segment (1&1 Versatel)
- Update on the current status of Tele Columbus
- Reporting on tax governance
- The strategic alignment of United Internet AG and the respective strategic alignment of the subsidiaries
- The development of the Company during the year
- Overview of minority holdings of United Internet AG
- Overview of Investor Relations activities
- Overview of significant changes in Management Board and committee functions within the United Internet Group
- Overview of selected HR topics
- The update to the Declaration of Conformity with the German Corporate Governance Code of December 17, 2024
- The self-assessment of the Audit and Risk Committee
- Discussion of the sub-plans for fiscal year 2025
- Planning dates for future meetings and the financial calendar for the fiscal year 2025

The Supervisory Board held five ordinary meetings during fiscal year 2024 during which the Management Board presented detailed information about the business situation and the development of the

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Letter to shareholders

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CEO Interview

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**Report of the  
Supervisory Board**

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Company and Group, as well as about significant business events and other Management Board matters. The Supervisory Board decided that some of its meetings should be held regularly without the presence of the Management Board.

The first ordinary Supervisory Board meeting was held in Montabaur. Five of the six members of the Supervisory Board were present in person, while Prof. Dr. Yasmin Mei-Weiss participated via video transmission.

All six members attended the second Supervisory Board meeting, which was held as a video conference.

The third Supervisory Board meeting was held in Frankfurt following the Annual Shareholders' Meeting. All six members of the Supervisory Board were present in person.

Following the departure of the Supervisory Board member Prof. Dr. Andreas Söffing, the Supervisory Board consisted of five members as of July 5, 2024. The fourth meeting was held with three of the five members of the Supervisory Board attending in person in Montabaur, while Dr. Manuel Cubero del Castillo-Olivares and Prof. Dr. Yasmin Mei-Weiss participated via video transmission.

All five members of the Supervisory Board attended the fifth Supervisory Board meeting in person at the Company's offices in Montabaur.

In addition to the ordinary Supervisory Board meetings, five extraordinary Supervisory Board meetings were held to discuss and decide on matters that could not wait until the next ordinary Supervisory Board meeting. The meetings were held exclusively in the form of a video conference.

Five members of the Supervisory Board attended the first extraordinary Supervisory Board meeting. Prof. Dr. Yasmin Mei-Weiss was unable to take part in the meeting.

All members of the Supervisory Board participated in the second extraordinary Supervisory Board meeting. Five of the six members of the Supervisory Board attended the third extraordinary Supervisory Board meeting. Mr. Philipp von Bismarck was unable to attend this meeting and participated in the resolutions by submitting a written vote.

All members of the Supervisory Board attended the fourth extraordinary meeting of the Supervisory Board.

The fifth extraordinary meeting of the Supervisory Board was held in Montabaur and attended in person by all members.

On instruction of the Chairman, the Supervisory Board adopted some of its resolutions outside of meetings by e-mail on the basis of written decision proposals submitted by the Management Board.

## Work of the Audit and Risk Committee

There was a change in the composition of the Audit and Risk Committee in the fiscal year 2024. Prof. Dr. Andreas Söffing stepped down from the Supervisory Board with effect from July 4, 2024 and is therefore also no longer a member of the Audit and Risk Committee. Prof. Dr. Ruhwedel already took over from Prof. Dr. Andreas Söffing as Chairwoman of the Committee on January 1, 2024.

In fiscal year 2024, the Audit and Risk Committee comprised Prof. Dr. Franca Ruhwedel (Chairwoman), Mr. Philipp von Bismarck, Mr. Stefan Rasch, and – until the end of July 4, 2024 – Prof. Dr. Andreas Söffing.

The Audit and Risk Committee assists the Supervisory Board in its monitoring of accounting practices, including sustainability reporting, 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 Audit System. Sustainability issues are also explicitly taken into account. Moreover, it supports the Supervisory Board in monitoring the auditing of the annual 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 Sustainability Report, including the Group's Non-financial Statement, and the Management Board's proposal for the allocation of unappropriated profit.

Together with the Management Board and the auditor, the Committee discusses the assessment of the audit risk, audit strategy, audit planning, the audit process, the audit focus areas and methodology, the audit results, and the audit reports, also with regard to the Internal Control System and the Risk Management System relating to the accounting process, and the auditing of the Sustainability Report, and makes recommendations to the Supervisory Board. The Audit and Risk Committee regularly consults with the auditor, also without the presence of the Management Board. Once a year, it assesses the quality of the audit as well as conducting a self-assessment. Prior to their publication, quarterly statements and the half-year financial report are discussed with the Management Board.

In addition, the Audit and Risk Committee closely examines the Internal Control System, the Risk Management System, the Internal Audit System, and the Compliance Management System. In particular, its remit is to check the appropriateness and effectiveness of these systems. In addition to its own audits, the Committee commissioned an auditing firm in November 2024 to conduct a voluntary (non-event-driven) audit of United Internet AG's risk management system for the period from January 1 to December 31, 2024. Conducted in accordance with the German auditing standard "Principles of Proper Auditing of Risk Management Systems" (IDW PS 981) issued by the Institute of Public Auditors in Germany (IDW), the audit concluded that the risk management system of United Internet AG was appropriate and effective in 2024, as reported to the Audit and Risk Committee on March 21, 2025.

The Audit and Risk Committee also prepares the negotiations and resolutions of the Supervisory Board for the proposal of the Supervisory Board to the Annual Shareholders' Meeting regarding the election of the auditor and decisions on corporate governance issues, as well as resolving on the approval of related party transactions in accordance with section 111b (1) AktG.

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Letter to shareholders

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CEO Interview

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**Report of the  
Supervisory Board**

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The Chairwoman of the Audit and Risk Committee regularly reports to the whole Supervisory Board on the activities of the Committee. In the event of significant occurrences and findings by the Audit and Risk Committee, she informs the Chairman of the Supervisory Board without delay.

The Audit and Risk Committee held six ordinary meetings and six extraordinary meetings during fiscal year 2024. The meetings of the Audit and Risk Committee were held as video conferences.

All four members of the Committee attended the first and second ordinary meetings.

Three of the four members attended the third ordinary meeting of the Audit and Risk Committee. Prof. Dr. Andreas Söffing was unable to attend this meeting.

All members of the Committee attended the fourth, fifth, and sixth ordinary meetings of the Audit and Risk Committee.

The six extraordinary meetings were also all held as video conferences.

All four members of the Committee participated in the first extraordinary meeting of the Audit and Risk Committee.

Three of the four members participated in the second extraordinary meeting of the Audit and Risk Committee. Prof. Dr. Söffing was unable to participate in this meeting.

All members of the Committee took part in the third and fourth extraordinary meetings of the Audit and Risk Committee.

Two of the three Committee members attended the fifth extraordinary meeting. Mr. Stefan Rasch was unable to attend this meeting.

All members of the Committee attended the sixth extraordinary meeting of the Audit and Risk Committee.

The Audit and Risk Committee also maintains a regular exchange with the auditor during the year; this exchange took place at a total of six meetings in the fiscal year 2024. In addition, the Chairwoman of the Audit and Risk Committee regularly discusses the progress of the audit with the auditor outside of meetings and reports back to the Committee.

## Corporate Governance

In the fiscal year 2024, the Supervisory Board once again discussed in detail the standards of good corporate governance. The Management Board and Supervisory Board issued the Declaration of Conformity pursuant to section 161 AktG on December 17, 2024. The declaration is permanently available on the corporate website and in the Federal Gazette (Bundesanzeiger). Declarations of Conformity of previous years can also be viewed here. Further details on corporate governance are provided in the Declaration on Company Management for the fiscal year 2024, which is also available on the Company's website.

## Discussion and examination of the Annual Financial Statements and Consolidated Financial Statements 2024

The Annual Shareholders' Meeting of United Internet AG on May 17, 2024 elected PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, based in Frankfurt am Main, as auditors for the fiscal year 2024. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft audited the accounting system, the Annual Financial Statements of United Internet AG, the Consolidated Financial Statements according to IFRS and the Combined Management Report for United Internet AG and the Group for the fiscal year 2024. In the course of the audit, the auditor focused in particular on the key audit matters. For the Consolidated Financial Statements, these included the impairment of goodwill and spectrum licenses, revenue recognition and for the Annual Financial Statements of United Internet AG, the impairment of financial assets. The Internal Control System and Risk Management System were also examined and analyzed as part of the audit of the Annual Financial Statements. The auditor did not detect any major weaknesses in the Internal Control System, Risk Management System, or accounting process. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft awarded an unqualified certificate in each case.

The Supervisory Board satisfied itself as to the independence of the auditor and received a written declaration to this effect. In addition, the Supervisory Board was informed about services rendered in the past fiscal year and the awarding of non-audit-related services.

The Audit and Risk Committee closely examined the Annual Financial Statements and Consolidated Financial Statements, the Combined Management Report for the Company and the Group, the Sustainability Report, including the Group's Non-financial Statement, as well as the Management Board's proposal for the allocation of unappropriated profit. Together with the audit reports, the audit process, the audit focus areas and methodology, as well as the audit results, the Committee discussed these documents in detail with the Management Board and the auditor on the basis of almost final drafts as well as the final versions.

The aforementioned Annual Financial Statement documents, the proposal for the allocation of unappropriated profit, and the Auditor's Report were presented to all members of the Supervisory Board in due time as almost final drafts and prior to the resolution also in their final versions. The auditor participated via video conference in the Supervisory Board's balance sheet meeting on March 25, 2025, where he reported on his audits and their main results, elaborated on the Auditor's Report, and answered the Supervisory Board's questions. Following a preliminary examination by the Audit and Risk Committee and its own inspection, the Supervisory Board came to the conclusion that the Annual Financial Statements, the Combined Management Report, the Consolidated Financial Statements and the Auditor's Report gave no cause for objections. Taking into account the findings of the auditor's audit of the annual and consolidated financial statements, the Supervisory Board has also come to the conclusion that the internal control system and the risk management system, particularly in relation to the accounting process, do not have any significant weaknesses. With a resolution on March 25, 2025, the Supervisory Board approved both the Annual Financial Statements of United Internet AG and the Consolidated Financial Statements according to IFRS for fiscal 2024, as prepared by the Management Board on March 25, 2025. The Annual Financial Statements are therefore adopted pursuant to section 172 AktG. The Supervisory Board supports the proposal of the Management Board concerning the allocation of the unappropriated profit for fiscal year 2024.



## Audit of the Management Board's report on relations with affiliated companies

The Management Board presented its report on relations with affiliated companies (Dependent Company Report) for fiscal year 2024 to the Supervisory Board and also the Audit and Risk Committee in good time.

The report prepared by the Management Board about relations with affiliated companies was also audited by the auditor. The following certificate was awarded in this respect:

"On the basis of our statutory examination and evaluation, we can confirm that

1. the factual statements made in the report are accurate,
2. the consideration paid by the Company for the transactions mentioned in the report was not inappropriately high."

The external auditors submitted the Auditor's Report, including the Auditor's Opinion, to the Supervisory Board in good time. The Supervisory Board reviewed the Management Board's Dependent Company Report and the Auditor's Report. The Supervisory Board performed the final review at the balance sheet meeting held on March 25, 2025. The auditor attended this meeting and reported on his audit of the Dependent Company Report and the main audit results, explained the Auditor's Report, and answered questions from members of the Supervisory Board.

On the basis of its final examination, the Supervisory Board approves the Management Board's Dependent Company Report and the Auditor's Report and has no objections to the Management Board's declaration at the end of the Dependent Company Report.

## Audit of the non-financial reporting

United Internet AG submitted a Non-financial Group Statement for fiscal year 2024 in accordance with section 315b HGB, which is integrated into the Sustainability Report of United Internet AG as a Separate Non-financial Group Report.

The Supervisory Board of United Internet AG already discussed the Sustainability Report during the course of the year. As part of its own final review, the Supervisory Board dealt in detail with the Non-financial Group Report in its entirety. The Supervisory Board scrutinized the contents of the Non-financial Group Report and discussed it at length with the Management Board, whose members were on hand to answer additional questions and provide further information. The Supervisory Board also commissioned PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft to perform a limited assurance engagement on the Non-financial Group Report. The Supervisory Board came to the conclusion that the Non-financial Group Report did not give rise to any objections.

The Supervisory Board thanks the Management Board and all employees for their outstanding commitment to the Company in fiscal year 2024.

Montabaur, March 25, 2025

For the Supervisory Board  
Philipp von Bismarck

### Members of the Supervisory Board

- Philipp von Bismarck, Königstein im Taunus  
Self-employed lawyer and Managing Partner at Digital Transformation Capital Partners GmbH
- Dr. Manuel Cubero, Munich  
Self-employed supervisory board/advisory board member
- Stefan Rasch, Grünwald  
Senior Advisor at The Boston Consulting Group GmbH
- Prof. Dr. Yasmin Weiss, Gauting  
Professor at the Technical University of Nuremberg
- Prof. Dr. Franca Ruhwedel, Essen  
Professor at the Rhine-Waal University of Applied Sciences in Kamp Lintfort
- Prof. Dr. Andreas Söffing, Frankfurt  
Tax advisor and partner at Flick Gocke Schaumburg (until July 4, 2024)

Letter to shareholders

CEO Interview

**Report of the  
Supervisory Board**



# UNITED INTERNET AT A GLANCE

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Our vision	22
Our business model	22
“Internet Factory”	24
Success factors of our business model	24
Growth opportunities	25

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## UNITED INTERNET AT A GLANCE

The internet has firmly established itself with consumers and companies as a universal medium for information, entertainment, communication, organization, and e-business. This development is being driven by broadband connections and mobile internet access.

### Our vision

Thanks to its permanent availability from any location and the relentless rise in access speeds, the internet has become the universal infrastructure that serves our information and entertainment needs, while also providing us with private and corporate applications.



Portal

At the same time, the internet opens up new kinds of sales and marketing channels. E-business is an integral part of strategy for almost every company. Portals represent a universal home base and are increasingly becoming a central hub for news as well as the communication, information, and identity management needs of users.

Our vision: to supply private and commercial users with market-oriented information and communication products, as well as cloud and e-business applications, from our "Internet Factory" via increasingly powerful broadband or mobile internet connections.

### Our business model



Free accounts

With over 29 million fee-based customer contracts and around 39 million ad-financed free accounts, United Internet is a leading European internet specialist.

United Internet provides consumers and business clients with landline and mobile internet access products, as well as various cloud applications which we run at our data centers. The use of these services is mainly based on subscription contracts with fixed monthly fees as well as variable, volume-based charges.

Our operating business is divided into the business divisions "Access" and "Applications", which in turn are divided into "Consumer Access" and "Business Access", as well as "Consumer Applications" and "Business Applications".

Our access products targeting specific customer groups are marketed in the Consumer Access segment via our premium brand 1&1, as well as via discount brands such as winSIM and yourfone. Business Access products are offered by 1&1 Versatel.

Consumer Applications are marketed via the brands GMX, mail.com, and WEB.DE, while Business Applications are marketed via IONOS, as well as via STRATO, Arsys, Fasthosts, home.pl, InterNetX, united-domains, and World4You. In addition, Sedo provides customers around the world with professional services in the field of active domain management, while we22 offers other hosting suppliers a white-label website builder for the creation of high-quality websites.

## Vision

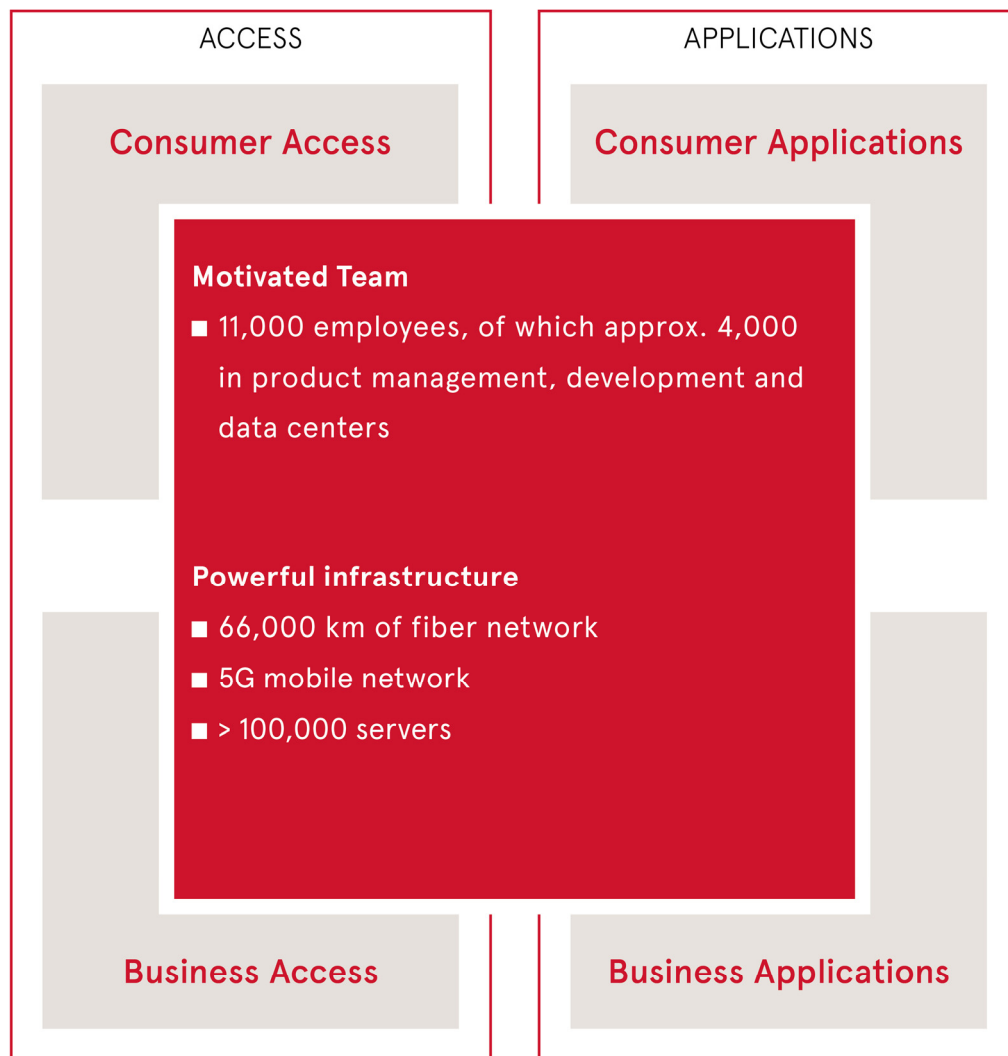
## Business model

Internet Factory

Success factors

Growth opportunities

## Business model



## Brands and investments (as of December 31, 2024)

Access	Consumer	yourfone	smartmobil.de	1&I	simplytel	winSIM	maXxim
	Business			1&I	sim24	PremiumSIM	
Applications	Consumer	GMX	WEB.DE		mail.com	united internet media	
	Business	home.pl	arsys	STRATO	IONOS	sedo.com	InterNetX
	Minorities	fasthosts	world4you		united domains	we22	
		OX	rankingCoach	Tele Columbus	uberall	AWIN	Stackable
		25.39%	31.52%	4.49%*	25.10%	20.00%	17.58%**

\* Held indirectly via 4.71% investment in Kublai GmbH

\*\* Held indirectly via 63.84% investment in IONOS Group SE

## “Internet Factory”

At the heart of our business is a powerful “Internet Factory” with around 11,000 employees, of which approx. 4,000 are engaged in product management, development, and at our data centers. Our “Internet Factory” applies the mechanisms of rationalized production to the internet business. Highly efficient development departments “manufacture” products which represent the backbone of our business divisions. These are then run on over 100,000 servers at our data centers. This “Internet Factory” enables us to extend, combine, and scale our product lines almost at will – and then to export them throughout the world.

United Internet also stands for high sales strength as well as for outstanding operational excellence with over 68 million customer accounts worldwide.

## Success factors of our business model

United Internet’s business model offers various benefits: the contractual commitment of our customers via fee-based, fixed-term subscriptions (over 29 million customer contracts at year-end 2024) secures long-lasting customer relationships and thus stable and predictable sales and earnings. In addition, our ad-financed free accounts (around 39 million at year-end 2024) provide a large reservoir for monetizing our applications via advertising and e-commerce as well as for conversion to fee-based contracts.

Thanks to our existing business relationships with millions of users, we have our ear close to the market. This often enables us to anticipate customer wishes and trends. We then consistently develop new business fields – at a national and international level.

We have already picked up a number of customer wishes and successfully transformed them into new solutions or new business fields:

- We meet the **privacy demands** of our customers with a variety of initiatives. Within the “E-mail made in Germany” alliance, for example, e-mails are automatically encrypted. Our modern data centers comply with the strictest security standards with largely geo-redundant operation, i.e., applications and data are constantly mirrored at geographically separate data centers.
- Our mobile internet products and the All-Net-Flat tariff first mass marketed by us in Germany in 2010 reflect the trend toward ever greater **mobility** in internet usage. A clear tariff structure offering great value for money and excellent service helps us achieve high customer retention rates and customer satisfaction, while securing a top-quality client base in a dynamic market environment.
- From our domestic market in Germany, our cloud and e-business solutions are now being marketed in new target markets as part of our **internationalization** strategy. As a result, the cultural diversity of our employees is also growing. The resulting potential for new ideas and innovation is strengthening our competitive edge and enhancing our long-term opportunities in future markets.
- Customers of our Business Applications have the opportunity to contact a personal consultant free of charge as a central point of contact for all questions relating to their online **business success**. In this way, IONOS can accompany companies through all phases of their development – from registering a domain and setting up their first website and shop systems, to dedicated servers and using enterprise cloud infrastructures.



- **Trust** is the basis for our customer relationships. Data protection, operational reliability, 24/7 availability of our competent contact partners, and 24-hour replacement of defective equipment are all exemplary service promises that customers can rely on at all times.

United Internet covers large areas of the value chain – from product development to data center and network operation, to effective sales and marketing, and active customer support.

Economies of scale represent a further key success factor for our business: each new customer enhances the profitability of our “Internet Factory”. After making the necessary investments, developing the products, and providing them via our data centers and networks, it is then a question of marketing them as effectively as possible. The greater the number of customers using our products, the greater the profit will be.

A further advantage is our marketing strategy tailored to specific target groups. Brands such as GMX, mail.com, WEB.DE, 1&1, winSIM, sim24, IONOS, STRATO, united-domains, and InterNetX are positioned differently and target a wide variety of user groups.

Last but not least, the exportability of our applications is a further trump card. Our applications can generally be used anywhere in the world and work on the same principle in Frankfurt as they do in London, Paris, or New York.

## Growth opportunities

In view of the dynamic market development of fiber-optic connections, mobile internet, and cloud applications, our growth opportunities are clearly apparent: universally accessible, increasingly powerful broadband connections are enabling new and more sophisticated cloud applications. These internet-based programs for end users and companies will remain our growth drivers over the coming years – both as stand-alone products in our Applications division as well as in combination with landline and mobile access products in our Access division.

With our many years of experience as an access and applications provider, our expertise in software development, the operation of networks and data centers, marketing, sales, and customer support, as well as our strong and well-known brands, and our customer relationships with millions of private users, freelancers, and small companies in Germany and abroad, we are well placed to exploit the further market growth in our business fields.

## Access division

In the Access division, our operations are pooled in the segments Consumer Access and Business Access.

### Consumer Access segment



IPTV

The Consumer Access segment comprises landline-based broadband products (including the respective applications, such as home networks, online storage, Smart Home, IPTV, and video-on-demand) and mobile internet products, which mainly target private users.

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

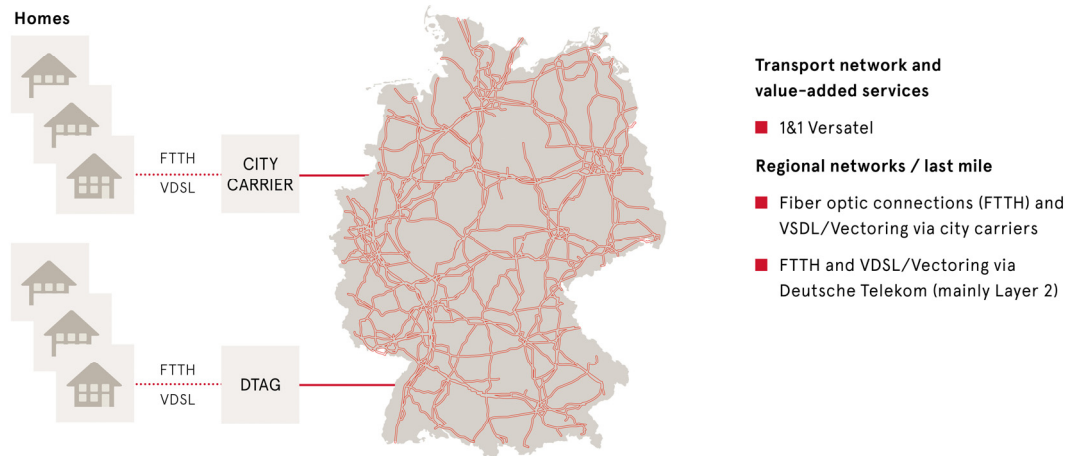
With the **broadband products** of the 1&1 brand (especially VDSL/vectoring and fiber-optic connections), we are one of Germany's leading suppliers.



VDSL, Vectoring,  
FTTH

We use 1&1 Versatel's fiber-optic network as the transport network, and for both VDSL/vectoring connections and direct fiber-optic connections (FTTH) we use city carriers and Deutsche Telekom (mainly Layer-2) for the "last mile".

### Landline infrastructure for private customers



We are also one of the leading providers of **mobile internet products** in Germany.



MBA MVNO, 5G, Roaming  
/ National roaming

Since December 8, 2023, 1&1 has had a fully functional mobile communications network, which is being permanently expanded. Wherever we do not yet have sufficient mobile coverage during the years of network expansion, we use national roaming. Our national roaming partnership with Vodafone started in late August. National roaming via Vodafone will be available for all 1&1 mobile customers by the end of 2025. At the same time, the national roaming advance services previously procured from Telefónica will be completely phased out. National roaming is a standard procedure when setting up new mobile networks, which enables customers to surf and make calls without interruption in areas not yet covered during the rollout phase. This is achieved by automatically using the roaming partner's antennas in these areas.

Vision

Business model

Internet Factory

Success factors

**Growth opportunities**

Until our 12 million-plus customers have been fully migrated to the 1&1 mobile network, we will continue to partially use Telefónica's mobile network as a so-called Mobile Virtual Network Operator (MVNO), in addition to MVNO capacities supplied by Vodafone. The gradual migration of our existing MVNO customers to the 1&1 mobile network began in early 2024.

Our mobile internet products are marketed via the premium brand 1&1 as well as via discount brands, such as winSIM and yourfone, which enable us to target a wide range of specific user groups in the mobile communications market.

### Our brands



In addition to the operation and expansion of 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 2024.

The number of fee-based contracts in the Consumer Access segment rose by 130,000 contracts to 16.39 million in the fiscal year 2024. Whereas the number of broadband connections decreased slightly by 60,000 to 3.95 million, mobile internet contracts increased by 190,000 to 12.44 million contracts.

### Development of Consumer Access contracts in the fiscal year 2024

in million	Dec. 31, 2024	Dec. 31, 2023	Change
Consumer Access, total contracts	16.39	16.26	+ 0.13
thereof Mobile Internet	12.44	12.25	+ 0.19
thereof broadband connections	3.95	4.01	- 0.06

With our strong brands, innovative products, customer-oriented services, flexible pricing policy, and our excellent value for money, we believe the Consumer Access segment is also well positioned for the future. In addition to the rollout of the 1&1 mobile communications network, we will continue to focus in particular on marketing our mobile internet products and winning high-quality customer relationships in 2025.

## Business Access segment

In the Business Access segment, 1&1 Versatel offers a wide range of telecommunication products and solutions for business customers.

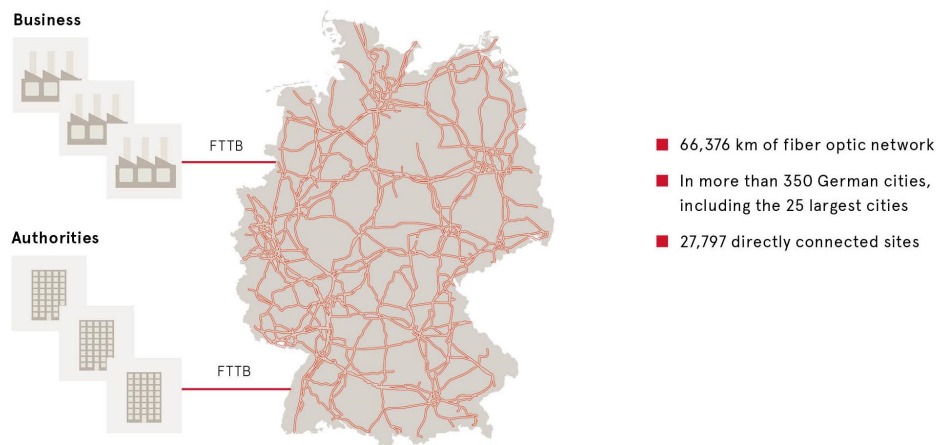
The core of the business model is a modern fiber-optic network with a length of over 66,000 km, which is one of the largest networks in Germany and is constantly being expanded.

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 used to provide 1&1 DSL and FTTH connections and to connect antenna locations. Infrastructure services (wholesale) for national and international carriers are also provided.



FTTB

### Fiber-optic infrastructure for business customers



In the fiscal year 2024, the key topics in the Business Access segment were the expansion of the fiber-optic network and the addition of further sites. In total, the network was expanded from 61,566 km in the previous year to a length of 66,376 km. In 2024, the number of sites connected to the fiber-optic network increased from 25,626 to 27,797.

In 2025, the Business Access segment will continue to expand its fiber-optic network and connect further locations. In addition, the commercial customer and wholesale business is to be further developed.

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Vision

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Business model

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Internet Factory

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Success factors

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**Growth opportunities**


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The development of the German telecommunications market is of particular importance for the Access division. The industry association Bitkom forecasts that the total market is likely to grow by 1.8% (prior year: 1.0%) to € 74.3 billion in 2025.



Bitkom

The strongest growth in this segment is expected to come from business with telecommunications infrastructure, which is set to grow by 3.5% (prior year: -4.8%) to € 8.0 billion. Sales of end-user devices are likely to increase by 2.7% (prior year: 1.6%) to € 12.8 billion and business with telecommunications services by 1.4% (prior year: 1.8%) to € 53.5 billion.

**Market forecast: telecommunications market in Germany**

in € billion	2025e	2024	Change
Telecommunication revenues	74.3	73.0	+ 1.8%

Source: Bitkom, January 2025

## Applications division

The Applications division comprises United Internet's activities in the segments Consumer Applications and Business Applications.

### Consumer Applications segment

Applications for home users are pooled in the Consumer Applications segment. These mainly comprise Personal Information Management applications (e-mail, to-do lists, appointments, addresses), online storage (cloud), and office software.

By steadily expanding our portfolio, we have developed the GMX and WEB.DE brands – the most widely used e-mail providers for German consumers for many years now – from pure e-mail service providers into complete command centers for communication, information, and identity management.

#### From e-mail service to command center for communication, information, and identity management

**Communication and organization**  
E-Mail, calendar, contacts, SMS, Fax



**Online-Office**  
texts, spreadsheets, presentations



**Cloud storage**  
for photos, videos,  
music and documents



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Vision

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Business model

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Internet Factory

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Success factors

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**Growth opportunities**


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Our consumer applications are nearly all developed in-house and run at the Group's own data centers. The products are offered as fee-based subscriptions (pay accounts) or in the form of ad-financed free accounts. These free accounts are monetized via classic – but increasingly also via data-driven – online advertising, which is marketed by United Internet Media.

With their ad-financed applications and fee-based consumer applications, GMX and WEB.DE are primarily active in Germany, Austria, and Switzerland, where they are among the leading players.

We are driving our international expansion with mail.com. In addition to the USA, mail.com targets users in the UK, France, and Spain.

Activities in the Consumer Applications segment focused on the establishment of data-driven business models and the expansion of customer relationships in 2024. The number of pay accounts rose by 240,000 to 3.04 million in the fiscal year 2024. Due to stricter security requirements, however, ad-financed free accounts of 38.93 million were down on December 31, 2023 (39.93 million).

#### Development of Consumer Applications accounts in the fiscal year 2024

in million	Dec. 31, 2024	Dec. 31, 2023	Change
Consumer Applications, total accounts	41.97	42.73	- 0.76
thereof with Premium Mail subscription (contracts)	2.22	2.03 <sup>(1)</sup>	+ 0.19
thereof with Value-Added subscription (contracts)	0.82 <sup>(1)</sup>	0.77 <sup>(1)</sup>	+ 0.05
thereof free accounts	38.93	39.93	- 1.00

(1) Contract figures as of December 31, 2024 excluding 0,02 million Energy contracts (value-added subscription); contract figures as of December 31, 2023 and September 30, 2024 excluding 0,02 million Energy contracts and 0,02 million De-Mail contracts (Premium-Mail subscription)

With its strong and specialized brands, constantly growing portfolio of cloud applications, and established business relationships with millions of home users, our Consumer Applications segment is well positioned to exploit emerging opportunities in the cloud computing market for home users, as well as in the advertising-oriented big data business.

In the fiscal year 2025, the key topics will continue to be the expansion of data-driven business models and a focus on fee-based premium products.



Web hosting, e-shops,  
group work

## Business Applications segment

In the Business Applications segment, IONOS opens up online business opportunities for freelancers and SMEs, while also helping them to digitize their processes. It offers a comprehensive range of powerful applications, such as domains, websites, web hosting, servers, e-shops, group work, online storage (cloud), and office software, which can be used via subscription agreements. In addition, cloud solutions and cloud infrastructure are offered.



Our business applications are developed at in-house development centers or in cooperation with partner firms and operated at the Group's own data centers. IONOS is also a leading global player in this segment with activities in various European countries (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 (Canada, Mexico, USA).

## IONOS footprint





Vision

Business model

Internet Factory

Success factors

**Growth opportunities**

Our business applications are marketed to specific target groups via the brands IONOS, Arsys, Fasthosts, home.pl, InterNetX, STRATO, united-domains, and World4You. In addition, Sedo offers professional services in the field of active domain management, while we22 offers other hosting suppliers a white-label website builder for the creation of high-quality websites.

In 2024, the Business Applications segment focused on up- and cross-selling measures for existing customers as well as the acquisition of new customer relationships. The total number of fee-based contracts for business applications increased by 220,000, resulting from 60,000 new contracts in Germany and 160,000 abroad. The total number of contracts therefore rose to 9.59 million.

#### Development of Business Applications contracts in the fiscal year 2024

in million	Dec. 31, 2024	Dec. 31, 2023	Change
Business Applications, total contracts	9.59	9.37 <sup>(1)</sup>	+ 0.22
thereof in Germany	4.63	4.57 <sup>(1)</sup>	+ 0.06
thereof abroad	4.96	4.80	+ 0.16

(1) Contract numbers as of December 31, 2023 and September 30, 2024 retrospectively adjusted downwards by 0.02 million contracts following a change in policy at an IONOS Group subsidiary as part of the annual financial statements as of December 31, 2024."

With our strong and specialized brands, a steadily growing portfolio of cloud applications, and existing relationships with millions of home users, freelancers, and small businesses, we are also well positioned in our Business Applications segment. We aim to further exploit the opportunities offered by the cloud computing market for business clients – in Germany and abroad. In 2025, the segment will focus on the further expansion of business with existing customers and the acquisition of new high-quality customer relationships. It also aims to grow its cloud business in particular.

The trend toward the increasing use of cloud applications is working in favor of our Applications division – both for Consumer and Business Applications.

According to Gartner's calculations, the global public cloud services market is expected to grow by 21.5% (prior year: 19.2%) to USD 723.4 billion in 2025. The strongest growth is expected in the areas of cloud system infrastructure services (IaaS) at 24.8%, cloud application infrastructure services (PaaS) at 21.6%, and cloud application services (SaaS) at 19.2%.

#### Market forecast: global cloud computing

in \$ billion	2025e	2024	Change
Global sales of public cloud services	723.42	595.65	+ 21.5%
thereof Application Infrastructure Services (PaaS)	208.64	171.57	+ 21.6%
thereof Application Services (SaaS)	299.07	250.80	+ 19.2%
thereof Desktop as a Service (DaaS)	3.85	3.47	+ 11.1%
thereof System Infrastructure Services (IaaS)	211.86	169.82	+ 24.8%

Source: Gartner Forecasts, Worldwide Public Cloud End-User Spending, November 2024

There are also good opportunities for the refinancing of free applications via advertising. After a 10.7% increase in online advertising in 2024, PricewaterhouseCoopers also expects further growth in 2025 with an increase in total market volume (mobile advertising and desktop advertising) of 9.6% to € 20.7 billion.

**Market forecast: online advertising in Germany (mobile advertising & desktop advertising)**

in € billion	2025e	2024	Change
Online advertising revenues	20.74	18.93	+ 9.6%

Source: PricewaterhouseCoopers, German Entertainment and Media Outlook 2024 – 2028, September 2024

**AT A GLANCE**

Vision

Business model

Internet Factory

Success factors

**Growth opportunities**

# COMBINED MANAGEMENT REPORT

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1. GROUP AND COMPANY PROFILE	38
1.1 Business model	38
1.2 Strategy	46
1.3 Management systems	47
1.4 Main focus areas for products and innovations	49
2. ECONOMIC REPORT	52
2.1 General economic and sector conditions	52
2.2 Business development	57
2.3 Position of the Group	81
2.4 Position of the Company	91
2.5 Corporate Responsibility	94
3. SUBSEQUENT EVENTS	96
4. RISK, OPPORTUNITY AND FORECAST REPORT	97
4.1 Risk report	97
4.2 Opportunity report	112
4.3 Forecast report	116
5. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT SYSTEM	121
6. DISCLOSURES REQUIRED BY TAKEOVER LAW	124
7. DECLARATION ON COMPANY MANAGEMENT	132
8. REMUNERATION REPORT	150
9. DEPENDENT COMPANY REPORT	151

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## Notice of unaudited sections in the Combined Management Report of United Internet AG for the Company and the Group as of December 31, 2024

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, 2024, 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](http://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 ("United Internet") is the **parent 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, 2024 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 Deutschland GmbH, held by the holding company United Internet Management Holding SE via 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 GmbH 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), the German companies InterNetX GmbH, Sedo GmbH, united-domains GmbH, and we22 GmbH, as well as 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, 2024. These mainly consist of equity interests – held by United Internet Investments Holding AG & Co. KG – in Kublai GmbH, Frankfurt am Main (4.71%), 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 GmbH, Cologne (31.52%), uberall GmbH, Berlin (25.10%), and AWIN AG, Berlin (20.00%), as well as the investment in Stackable GmbH, Pinneberg (27.54%) 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, 2024 – is shown in the following chart.



see page 56

**MANAGEMENT REPORT****Company and Group profile**

Economic report

Subsequent events

Risk, opportunity and forecast report

ICS and RMS

Disclosures required by takeover law

Declaration of corporate governance

Remuneration report

Dependent company report

**United Internet AG****1&1 AG (78.32%)**

Drillisch Online (100%)

1&amp;1 Telecommunication (100%)

1&amp;1 Telecom (100%)

**United Internet Management Holding SE (100%)**

1&amp;1 Versatel GmbH (100%)

1&amp;1 Versatel Deutschland (100%)

**1&1 Mail & Media Applications SE (100%)**

1&amp;1 De-Mail (100%)

1&amp;1 Energy (100%)

1&amp;1 Mail &amp; Media (100%)

United Internet Media (100%)

**IONOS Group SE (63.84%)**

IONOS Holding SE (100%)

**IONOS (100%)**

IONOS USA (100%)

IONOS UK (100%)

IONOS FR (100%)

IONOS ES (100%)

Arsys (100%)

Fasthosts (100%)

home.pl (100%)

InterNetX (100%)

Sedo (100%)

united-domains (100%)

we22 (100%)

World4You (100%)

Stackable (27.54%)

**STRATO (100%)**

Cronon (100%)

**United Internet Investments Holding AG & Co. KG (100%)**

AWIN (20%)

Kublai (4.71%)

Tele Columbus (95.39%)

Open-Xchange (25.39%)

rankingCoach (31.52%)

uberall (25.10%)

## Business operations

With around 29 million fee-based customer contracts and around 39 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 landline-based broadband products (including the respective applications, such as home networks, online storage, Smart Home, IPTV, and video-on-demand), as well as mobile internet products for private users.

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

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

The Company uses 1&1 Versatel's fiber-optic network as the transport network for VDSL/vectoring connections and direct fiber-optic connections (FTTH) with the "last mile" being provided by city carriers and Deutsche Telekom (mainly Layer-2).

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

1&1 has a fully functional mobile communications network which is being permanently expanded. Wherever 1&1 does not yet have sufficient mobile coverage during the years of network expansion, it uses national roaming. A national roaming partnership with Vodafone started in late August 2024. National roaming via Vodafone will be available for all 1&1 mobile customers until the end of 2025. At the same time, national roaming services previously procured from Telefónica will be completely phased out.

Until more than 12 million existing customer contracts have been fully migrated to the 1&1 mobile network, 1&1 will also partially use the Telefónica mobile network as a so-called Mobile Virtual Network Operator (MVNO), as well as MVNO capacities of Vodafone. As of the beginning of 2024, the existing MVNO customers are being gradually migrated to the 1&1 mobile network. The migration is expected to be completed by the end of 2025.

Mobile internet products are marketed via the premium brand 1&1 as well as via discount brands, such as winSIM and yourfone, which enable the Company to target a wide range of specific user groups in the mobile communications market.



**MANAGEMENT REPORT****Company and Group profile**

Risk, opportunity and forecast report

Declaration of corporate governance

Economic report

ICS and RMS

Remuneration report

Subsequent events

Disclosures required by takeover law

Dependent company report

## Business Access segment

In the Business Access segment, 1&1 Versatel offers a wide range of telecommunication products and solutions for business customers.

The core of the business model is a fiber-optic network with a length of over 66,000 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 used to provide 1&1 DSL and FTTH connections and to connect antenna locations. Infrastructure services (wholesale) for national and international carriers are also provided.

## Consumer Applications segment

Applications for home users are pooled in the Consumer Applications segment. These mainly comprise Personal Information Management applications (e-mail, to-do lists, appointments, addresses), online storage (cloud), and office software.

By steadily developing this portfolio over the past years, the GMX and WEB.DE brands – the most widely used e-mail providers for German consumers for many years now – have been expanded into complete command centers for communication, information, and identity management.

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 free accounts. These free accounts are monetized via classic – but increasingly also via data-driven – online advertising, which is marketed by United Internet Media.

With its ad-financed applications and fee-based consumer applications, United Internet is primarily active via GMX and WEB.DE in Germany, Austria, and Switzerland, where it is among the leading players. International expansion in this segment is being driven via the mail.com brand. In addition to the USA, mail.com targets countries such as the UK, France, and Spain.

Business Applications segment

In the Business Applications segment, IONOS opens up online business opportunities for freelancers and SMEs, while also helping them to digitize their processes. It offers a comprehensive range of powerful applications, such as domains, websites, web hosting, servers, e-shops, group work, online storage (cloud), and office software, which can be used via subscription agreements. In addition, cloud solutions and cloud infrastructure are offered.

These business applications are developed at in-house development centers or in cooperation with partner firms.

IONOS is also a leading global player in this segment with activities in various European countries (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 the brands IONOS, Arsys, Fasthosts, home.pl, InterNetX, STRATO, united-domains, and World4You. In addition, Sedo offers professional services in the field of active domain management, while we22 offers other hosting suppliers a white-label website builder for the creation of high-quality websites.

Divisions, segments and brands (as of: December 31, 2024)



**MANAGEMENT REPORT****Company and Group profile**

Risk, opportunity and forecast report

Declaration of corporate governance

Economic report

ICS and RMS

Remuneration report

Subsequent events

Disclosures required by takeover law

Dependent company report

## Management

The **Management Board** of United Internet AG comprised the following members in the fiscal year 2024:

### Management Board members as at December 31, 2024

- 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; until December 31, 2024)
- Markus Huhn, Management Board member responsible for Shared Services  
(with the United Internet Group since 1994)

### New Management Board member since January 1, 2025

- Carsten Theurer, Chief Financial Officer (CFO)  
(with the Company since January 1, 2025)

Ralf Hartings, Chief Financial Officer (CFO) of United Internet AG, stepped down from his position as a member of the Management Board of United Internet AG at his own request as of December 31, 2024. With effect from January 1, 2025, Carsten Theurer is Ralf Harting's successor as CFO of United Internet AG. Carsten Theurer previously worked in various divisions of the Schwarz Group for over 20 years, in his last position as Group CFO. In these roles, he accompanied the international growth of the Schwarz Group in the retail sector and played a key role in setting up the company's own production companies.

The **Supervisory Board** of United Internet AG comprised the following members in the fiscal year 2024:

### Supervisory Board members as at December 31, 2024

- 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; Chairwoman of the Audit and Risk Committee since January 2024)
- Prof. Dr. Yasmin Mei-Yee Weiss  
(member since July 2020)

### Departed in the fiscal year 2024

- Prof. Dr. Andreas Söffing  
(member from May 2021 to July 2024)

## Main markets and competitive standing

Germany is the most important **sales market** of the United Internet Group by far and accounted for almost 90% of total global sales in the fiscal year 2024.

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 66,000 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 one of the leading suppliers –

MANAGEMENT REPORT		
Company and Group profile	Risk, opportunity and forecast report	Declaration of corporate governance
Economic report	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

measured by the number of managed country domains – in the aforementioned countries. All in all, therefore, United Internet is also one of Europe's leading hosting providers – 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, 2024, the United Internet Group employed a total of 10,972 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
Essen	Business Access	1&1 Versatel
Madrid / Logroño / Barcelona / Lugo ... (Spain)	Business Applications	IONOS, Arsys
Munich	Consumer Access	1&1
	Consumer Applications	1&1 Mail & Media Applications
Zweibrücken	Consumer Access	1&1
	Business Applications	IONOS
Flensburg	Business Access	1&1 Versatel
Szczecin (Poland)	Business Applications	home.pl
Bucharest (Romania)	Business Applications	IONOS
Gloucester (UK)	Business Applications	IONOS, Fasthosts
Krefeld	Consumer Access	1&1
Maintal	Consumer Access	1&1
Cologne	Business Applications	Sedo, we22
Stuttgart	Business Access	1&1 Versatel
Regensburg	Business Applications	InterNetX
Philadelphia / Chesterbrook / Lenexa (USA)	Business Applications	IONOS
Frankfurt am Main	Business Access	1&1 Versatel
Starnberg	Business Applications	united-domains
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.



see page 56 and  
page 81



see page 116

**MANAGEMENT REPORT****Company and Group profile**

Economic report

Subsequent events

Risk, opportunity and forecast report

ICS and RMS

Disclosures required by takeover law

Declaration of corporate governance

Remuneration report

Dependent company report

## 1.3 Management systems

The internal management systems help the management team steer and monitor the Group and its segments. The systems consist of actual situation, planning, 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 AG 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.



IFRS

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".



see page 56

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, EBITDA, and EBIT, according to IFRS.

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.



see page 192

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.



see page 116

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 early warning indicators.

The KPIs used in the fiscal year 2024 were unchanged from the previous year.



see page 56 and  
page 81

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".



**MANAGEMENT REPORT****Company and Group profile**

Economic report

Subsequent events

Risk, opportunity and forecast report

ICS and RMS

Disclosures required by takeover law

Declaration of corporate governance

Remuneration report

Dependent company report

## 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 enhancing existing processes in order to raise system reliability, and thus also customer satisfaction.

## Focus areas 2024

### Consumer Access

- Since the launch of mobile services in 1&1's mobile network in December 2023, 1&1 has 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 national roaming advance services; since the beginning of 2024, existing 1&1 customers on third-party networks (and thus on a wholesale basis) are being gradually migrated to the 1&1 mobile network
- 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 and set-up of a new platform for landline products at Drillisch Online
- With the introduction of a new contract model, customers in the mobile sector have the opportunity to benefit from lower monthly prices for hardware: instead of the previous 24 months, hardware costs can be spread over 36 months; the longer term reduces the monthly costs

- With the launch of the Unlimited on demand tariffs, 1&1 customers can now sign up for a reasonably priced mobile flat rate. Customers receive a basic volume of 50 GB and can top up with as many packages as they like for free if the selected basic volume is not enough

## Business Access

- Expansion of footprint for internet access products with up to 10 Gbit/s and launch of new process for automatic bandwidth upgrades for fiber products
- Launch of a fiber-optic product based on XGS-PON technology with an innovative zero-touch provisioning process
- SD-WAN Compact based on the Lancom platform, specially designed for retailers and companies with multiple locations
- Managed firewall focusing on companies affected by the KRITIS and NIS2 regulations
- Hardware portal for ordering phones, headsets, or adapters and launch of 1&1 set-up service and further professional services for cloud telephone systems

## Consumer Applications

- Customer account protection through improved AI-based anomaly detection
- Use of GMX and WEB.DE app as two-factor authentication for logins
- Improvement of AI-based prospecting in advertising through success evaluation and increased reach
- Extension of new e-mail web client, including the sending of large files
- Launch of an alert dashboard in the web e-mail client with security-related information
- Launch of "United Internet Media Ad Manager" for internal and external booking of online campaigns in Switzerland and Austria and as a white-label variant
- Development of a new mail storage system based on a distributed storage network
- Introduction of the eSim-based free tariff GMX FreePhone
- Development and launch of the "UIM Whitelabel Ad Manager" for B2B customers of the IONOS Group for booking online campaigns within the mail inbox on WEB.DE and GMX
- Introduction of an offline credit card in the cashback world, with which customers can also collect WebCents offline
- Launch of a new e-mail collection service for integrating mailboxes of other providers with support for the latest authorization protocols

**MANAGEMENT REPORT****Company and Group profile**

Risk, opportunity and forecast report

Declaration of corporate governance

Economic report

ICS and RMS

Remuneration report

Subsequent events

Disclosures required by takeover law

Dependent company report

## Business Applications

- Launch of AI-based assistant within the e-mail product
- Launch of an AI-based domain search for the Arsys and Fasthosts brands
- Launch of an AI-based chatbot for customer service in Germany and the UK
- Launch of a multi-modal AI inference platform (AI Model Hub)
- Launch of a domain expiry pool to improve the monetization of domains no longer required; using automated processes, these domains are offered to specific customers and can be made available for sale through Sedo
- Introduction of shared web hosting products for Wordpress based on a scalable and high-performance new hosting platform
- Launch of a legal protection service at several IONOS subsidiaries for the legally compliant creation of websites in compliance with the legal framework
- Launch of advertising options (inbox ads) for IONOS customers in the email inboxes of GMX and Web.de
- Rollout of the Bare Metal Cloud product at the Niederlauterbach data center to serve the French market
- Rollout of a build-to-order service for dedicated servers in North America; enabling customers to configure their server architecture with the appropriate hardware themselves
- Launch of a private DNS solution
- Launch of an S/3-compatible object storage system with high scalability and redundancy based on Ceph
- Launch of Managed MariaDB and Managed Redis with administration, maintenance, and scaling of these databases provided by IONOS
- Launch of Logging-as-a-Service (LaaS): a cloud-based platform for managing infrastructure and application logs
- Launch of regional control planes for Managed Kubernetes to improve the availability and reliability of customer clusters and to enable greater flexibility in the regional allocation of the control level
- Expansion of the Managed Kubernetes (MK8S) platform in US business to offer customers a wider spectrum of managed Kubernetes services and Kubernetes clusters and raise their scalability and flexibility
- Development of an "airgapped" cloud solution in an isolated environment for ITZBund
- Introduction of a bidirectional VPN for secure management of resources in the private cloud

## 2. ECONOMIC REPORT

### 2.1 General economic and sector conditions

#### General economic development

In its latest economic outlook (World Economic Outlook, Update January 2025), the International Monetary Fund (IMF) reported growth of 3.2% for the **global economy** in 2024, based on preliminary calculations. Growth was thus almost on a par with the prior-year level (3.3%).

In the United Internet Group's target markets in North America, the IMF anticipates noticeable growth – but at a lower level than in the previous year. The IMF expects growth of 2.8% for the **USA** (prior year: 2.9%), of 1.3% for **Canada** (prior year: 1.5%), and of 1.8% for **Mexico** (prior year: 3.3%).

The situation for United Internet's most important target markets in Europe is as follows: the IMF anticipates growth of 1.1% for **France** in 2024 (prior year: 1.1%), of 3.1% for **Spain** (prior year: 2.7%), and of 2.8% for **Poland** (prior year: 0.1%). By contrast, slightly weaker growth is forecast for **Italy** and the **UK** of 0.6% (prior year: 0.7%) and 0.9% (prior year: 0.3%), respectively.

However, **Germany** – United Internet's most important market by far (sales share 2024: around 90%) – was the only one of United Internet's target markets to once again report a decrease in economic output of -0.2% in 2024 (prior year: -0.3%).

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

	2020	2021	2022	2023	2024	YoY change
World	-3.1%	6.2%	3.5%	3.3%	3.2%	-0.1%-points
USA	-3.4%	5.9%	1.9%	2.9%	2.8%	-0.1%-points
Canada	-5.2%	5.0%	3.8%	1.5%	1.3%	-0.2%-points
Mexico	-8.2%	4.7%	3.9%	3.3%	1.8%	-1.5%-points
France	-8.0%	6.8%	2.5%	1.1%	1.1%	+/-0.0%-points
Spain	-10.8%	5.5%	5.8%	2.7%	3.1%	+0.4%-points
Italy	-8.9%	6.7%	3.7%	0.7%	0.6%	-0.1%-points
Poland	-2.0%	6.9%	5.3%	0.1%	2.8%	+2.7%-points
UK	-9.4%	7.6%	4.3%	0.3%	0.9%	+0.6%-points
Germany	-4.6%	2.6%	1.8%	-0.3%	-0.2%	+0.1%-points

Source: International Monetary Fund, World Economic Outlook (Update), January 2025

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 2024" press conference on January 15, 2025 – also announced a decline in (price-adjusted) gross domestic product (GDP) of -0.2% for 2024 (prior year: -0.3%).

**MANAGEMENT REPORT**Company and  
Group profileRisk, opportunity and  
forecast reportDeclaration of  
corporate governance**Economic report**

ICS and RMS

Remuneration report

Subsequent events

Disclosures required  
by takeover law

Dependent company report

According to the Federal Statistical Office, this was due to economic and structural burdens. These include increasing competition for German exports in important markets, high energy costs and persistently high interest rates, coupled with an uncertain economic outlook.

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

	2020	2021	2022	2023	2024	YoY change
GDP	-4.1%	3.7%	1.4%	-0.3%	-0.2%	+0.1%-points

Source: Destatis, January 2025

## Development of sector / core markets

By contrast, Germany's digital economy remains buoyant. Despite the current challenging economic environment, the digital sector association Bitkom expects sales in the German **market for IT and telecommunications (ICT)** to grow by 3.3% (prior year: 2.4%) to € 222.6 billion in 2024.

The increase in the overall ICT market resulted in particular from growth in sales of information technology. According to Bitkom's 2024 forecast, sales in this largest submarket rose by 4.4% (prior year: 2.6%) to € 149.7 billion. The various segments of this sub-market made varied progress: software (which also includes AI platforms, collaboration tools and cloud services) grew by 9.5% (prior year: 12.1%) and IT services by 3.8% (prior year: 5.0%). However, IT hardware was up only slightly by 0.7% following a decline of -6.1% in the previous year (compared to the disproportionately high level of investment during the pandemic years).

The most important ICT markets for United Internet's business model are the German telecommunications market 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.

### Telecommunications market in Germany

For the ICT submarket of telecommunications, the industry association expects an increase of 1.0% (prior year: 2.0%) from € 72.3 billion to € 73.0 billion in 2024. The individual segments of the German telecommunications market are also developing quite differently: for example, telecommunications services grew by 1.8% (prior year: 2.1%) and sales of user devices by 1.6% (prior year: 3.1%), while sales of infrastructure declined by -4.8% (prior year: -0.7%).

**Key market figures: telecommunications market in Germany**

in € billion	2024	2023	Change
Telecommunication revenues	73.0	72.3	+ 1.0%

Source: Bitkom, January 2025

According to the study "German Entertainment and Media Outlook 2024 - 2028" (September 2024), the auditing and consultancy firm PricewaterhouseCoopers (PwC) expects service revenues – of particular importance for United Internet – to increase by 1.3% to € 32.6 billion in 2024. Service revenues in the mobile telecommunications segment are expected to grow by 2.0% to € 18.0 billion and service revenues in the broadband segment by 0.4% to € 14.6 billion.

PwC expects the number of mobile phone contracts to grow by 2.8% to 179.9 million in 2024. This growth results from an increase of 57.5% in 5G contracts to 55.3 million, while contracts for lower data rates declined significantly.

The number of landline broadband connections rose by 0.8% to 38.9 million in 2024, according to PwC. At the same time, there was a decrease in the number of DSL connections (-5.0% to 23.4 million) and the number of cable connections (-1.2% to 8.5 million), while fiber-optic connections increased by 38.0% to 5.8 million.

## Global cloud computing market

There was further dynamic growth in the cloud computing market in 2024. In its "Public Cloud Services, Worldwide, 2022-2028, 3Q24 Update" (November 2024), Gartner Inc. forecasts global growth for public cloud services of 19.2%, from USD 499.7 billion to USD 595.7 billion in 2024. The strongest growth is expected in the areas of cloud system infrastructure services (IaaS) at 21.3%, cloud application infrastructure services (PaaS) at 19.1%, and cloud application services (SaaS) at 18.1%.

### Key market figures: cloud computing worldwide

in \$ billion	2024	2023	Change
Global sales of public cloud services	595.65	499.71	+ 19.2%
thereof Application Infrastructure Services (PaaS)	171.57	144.05	+ 19.1%
thereof Application Services (SaaS)	250.80	212.37	+ 18.1%
thereof Desktop as a Service (DaaS)	3.47	3.22	+ 7.7%
thereof System Infrastructure Services (IaaS)	169.82	140.00	+ 21.3%

Source: Gartner Forecasts, Worldwide Public Cloud End-User Spending, November 2024

## German online advertising market

In its study "German Entertainment and Media Outlook 2024 - 2028" (September 2024), 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 10.7% from € 17.1 billion to € 18.9 billion for 2024 - following growth of 11.9% in 2023.

### Key market figures: total online advertising market in Germany - acc. to PWC

in € billion	2024	2023	Change
Online advertising revenues	18.93	17.09	+ 10.7%

Source: PricewaterhouseCoopers, German Entertainment and Media Outlook 2024 - 2028, September 2024

The Online Marketing Group (OVK) of the German Association for the Digital Economy (BVDW) broadly shares PwC's assessment of the situation in the German online advertising market. The OVK only takes net revenues into account in its market figures and focuses exclusively on the most important sub-market for United Internet, the display advertising market (mobile and desktop). Based on its updated forecast in September 2024 - as part of its OVK Report 2024/02 - the OVK expects the display advertising market to raise net revenues from € 5.5 billion in the previous year to € 6.2 billion. This represents an increase of 11.7%, following growth of 6.4% in the previous year.

### Key market figures: display advertising market in Germany - acc. to OVK

in € billion	2024	2023	Change
Display advertising revenues	6.16	5.51	+ 11.7%

Source: Online-Vermarkterkreis (OVK), OVK-Report 2024/02, September 2024

## Legal conditions / significant events

### Legal conditions

The legal parameters for United Internet's business activities remained largely unchanged from the previous year in 2024 and had no significant influence on the development of the United Internet Group.

### Significant events

#### 1&1 starts migration of existing customers 1&1 mobile network

Following the launch of mobile services in the 1&1 mobile network in late 2023, 1&1 also began to migrate over 12 million existing customer contracts from third-party networks to the 1&1 mobile network in **January 2024**.

By gradually migrating existing customers to its own network, 1&1 can increasingly replace the purchase of advance services from third parties (on wholesale basis) and instead use internally produced advance services, thus achieving ever greater savings in the procurement of advance services.

#### IONOS builds cloud solution for German federal administration

In **April 2024**, the German Federal Information Technology Center (ITZBund) commissioned IONOS to set up a private enterprise cloud for the ITZBund data centers. ITZBund is the IT service provider for 200 federal administrative authorities and is tasked with providing them with modern IT support and leading them into the digital future.

The framework agreement has a term of five years. As is common in the cloud sector, the variable order is invoiced on a pay-per-use basis.

#### Availability of 1&1 mobile network temporarily restricted

Sales and earnings were unexpectedly burdened by the effects of a temporary outage of the new 1&1 mobile network in **May 2024** and the associated increase in customer churn. Moreover, the planned migration of existing customers to the 1&1 mobile network was temporarily severely restricted due to the unforeseen undersizing of individual network components and could only be resumed extensively in the fourth quarter of 2024.

As a result, the savings expected in fiscal year 2024 from the migration of existing customer contracts (on a wholesale basis) to the 1&1 mobile network were only achieved to a small extent. In addition, there were temporarily higher expenses for the elimination of capacity bottlenecks identified as a result of the network outage.

## Conclusion of main contract for national roaming partnership between 1&1 and Vodafone

In **August 2024**, Vodafone and 1&1 launched their national roaming partnership for mobile communications. After already signing a binding preliminary agreement in the previous year to cooperate from the summer of this year, the two companies signed the detailed main contract on August 23, 2024.

Since August 29, 2024, new 1&1 customers have been using the Vodafone mobile network with their smartphones. The migration of existing customers has since also been undertaken using Vodafone as the national roaming partner. National roaming via Vodafone is to be made available to all 1&1 mobile customers by the end of 2025. At the same time, the national roaming advance services previously obtained from Telefónica are being completely phased out. 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.

The cooperation between Vodafone and 1&1 is set up for the long term and includes mechanisms that protect both companies economically in the event of rising costs and data volumes.

## Financing measures

In December 2024, United Internet successfully refinanced its existing syndicated loan facility with its core banks. A term until December 2029 was agreed for the new syndicated loan facility of € 950 million, which includes contractually agreed extension options.

At the same time, the Group took out a syndicated loan of € 550 million in December 2024, which will fall due in December 2027. United Internet AG incorporated part of its existing bilateral credit lines with core banks into the syndicated loan, enabling it to successfully refinance them in the long term.

In addition, United Internet and Japan Bank for International Cooperation (JBIC) signed a loan agreement for up to € 800 million, also in December 2024. The funds will be provided by one tranche directly from JBIC, which is wholly owned by the Japanese government, and one tranche from a consortium of European and Japanese commercial banks guaranteed by JBIC.



see page 57

For further information, see chapter 2.2 "Business development", "Liquidity and finance".

There were no other significant events in fiscal 2024 which had a material effect on the development of business.



MANAGEMENT REPORT		
Company and Group profile	Risk, opportunity and forecast report	Declaration of corporate governance
<b>Economic report</b>	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

## 2.2 Business development

### Use and definition of relevant financial performance measures

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

United Internet defines these measures as follows:

- **EBIT:** Earnings before interest and taxes represents the operating result disclosed in the statement of comprehensive income.
- **EBIT margin:** Presents the ratio of EBIT to sales.
- **EBITDA:** Earnings before interest, taxes, depreciation, and amortization are calculated as EBIT/operating result plus the depreciation and amortization (disclosed in the Consolidated Financial Statements) of intangible assets and property, plant, and equipment, as well as assets capitalized in the course of company acquisitions.
- **EBITDA margin:** Presents the ratio of EBITDA to sales.
- **Cash flow before changes in balance sheet items (subtotal):** Cash flow before changes in balance sheet items is derived from net income, adjusted for non-cash effects. These include depreciation and amortization, result from associated companies, deferred taxes, and interest and financing expenses. This subtotal represents the cash inflow from operating activities before changes in working capital and other balance sheet items are taken into account.
- **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.
- **Free cash flow after leases:** Free cash flow after leases is calculated as free cash flow less the repayment portion of lease liabilities, which have been included in cash flow from financing activities since the fiscal year 2019 (IFRS 16).
- **Cash capex:** Cash capex is the sum of cash outflows for investments in intangible assets and property, plant and equipment (capital expenditures).

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".



see page 81

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 rollout of the 1&1 mobile network 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.

## Special items in fiscal year 2024

### Termination of the business fields “Energy” and “De-Mail” in the Consumer Applications segment

Following a thorough review, the Management Board and Supervisory Board decided in March 2024 to discontinue the “Energy” and “De-Mail” business fields in the Consumer Applications segment.

Against this backdrop, United Internet reports the sales and earnings contributions of these business fields separately in its management reporting, both in the Consumer Applications segment and at Group level, and adjusts the key operating figures for 2024 and the comparative figures for 2023 accordingly. The same applies to customer contracts, which are also presented “adjusted”. The key financial figures for 2020–2022 remain unchanged in the multi-period overviews.

The aforementioned sales contributions of the Energy und De-Mail business fields amounted to € 27.3 million in the previous year and € 26.2 million in 2024, while the earnings contributions amounted to € -2.7 million (EBITDA) and € -2.8 million (EBIT) in the previous year and € -0.7 million (EBITDA) and € -0.9 million (EBIT) in the fiscal year 2024.

The “De-Mail” business field was discontinued at the end of the reporting period on December 31, 2024.

### Non-scheduled, non-cash impairment of Tele Columbus investment

In an ad-hoc disclosure dated June 14, 2024, United Internet AG announced that it would make no further investments in the holding company Kublai GmbH. Kublai currently holds around 95% of shares in Tele Columbus AG.

This decision meant that United Internet waived the right to increase its stake in Kublai to 40% again after it was diluted to around 5% in the course of a capital increase in the first quarter of 2024. Due to the resulting loss of significant influence, a non-cash impairment loss on the investment in Kublai of € 170.5 million was recognized in the Consolidated Financial Statements as at December 31, 2024 and disclosed in the “Result from the loss of significant influence”.

MANAGEMENT REPORT		
Company and Group profile	Risk, opportunity and forecast report	Declaration of corporate governance
<b>Economic report</b>	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

As already reported in the Interim Statement Q1 2024, Kublai conducted a capital increase in the first quarter of 2024 to provide Tele Columbus with equity, in which United Internet did not participate. A further shareholder of Kublai is Hilbert Management GmbH, an indirect subsidiary of Morgan Stanley Infrastructure Inc (MSI), an infrastructure fund managed by the investment bank Morgan Stanley, which subscribed to the full amount of the capital increase totaling € 300 million. This resulted in a reduction of United Internet's stake in Kublai to around 5% (previously 40%). Until June 17, 2024, United Internet had the option to increase its stake in Kublai back to 40% by acquiring shares from MSI in return for a payment of € 120 million.

United Internet regards the valuation of Tele Columbus AG on which the capital increase was based as inappropriately low. However, its majority of votes at the shareholders' meeting enabled MSI to conduct the capital increase on the basis of a valuation determined by MSI. United Internet has since initiated the contractually stipulated anti-dilution proceedings and has arranged for the German Arbitration Institute (DIS) to review MSI's valuation. If DIS agrees with United Internet's assessment, United Internet may be awarded compensation of approx. € 300 million. If the court reaches a different conclusion, the awarded claim or compensation amount could be correspondingly lower.

The reason for the decision of the Management Board and Supervisory Board of United Internet AG not to make any further investments in Kublai was a difference of opinion between MSI and United Internet regarding the future funding of Kublai.

In its Management Report, United Internet has separately disclosed the non-scheduled, non-cash impairment on its Kublai/Tele Columbus investment and adjusted its operating KPIs EBT and EPS accordingly.

### "One-off tax effects 2024"

This special item results from a one-off writedown of deferred taxes on loss carryforwards capitalized in previous years on the level of 1&1 Versatel GmbH. There was an opposing effect from direct netting of current losses of 1&1 Versatel on the level of United Internet AG due to a profit and loss agreement concluded with 1&1 Versatel in November 2024.

In its Management Report, United Internet has adjusted these one-off net negative tax effects of € - 52.0 million in its operating KPIs net income and EPS.

For further details, see note 15 of the Notes to the Consolidated Financial Statements.



see page 203

## Actual and forecast development 2024

### Forecast development

In an ad-hoc announcement on December 19, 2023, United Internet published its guidance for the fiscal year 2024 and updated it during the year as follows:

	Forecast 2024 (December 2023)	Specification (August 2024)	Specification (November 2024)
Revenues	approx. € 6.5 billion	approx. € 6.4 billion	approx. € 6.35 billion
EBITDA	approx. € 1.42 billion	approx. € 1.38 billion	approx. € 1.38 billion

### Actual development

In the fiscal year 2024, **consolidated sales** rose by 1.9%, from € 6.213 billion in the previous year to € 6.329 billion and were thus within the range of the sales forecast (November 2024: approx. € 6.35 billion). This merely moderate sales growth was mainly due to a year-on-year decline in low-margin hardware revenues (especially smartphones) in the Consumer Access segment (€ -92.3 million compared to 2023). Without the "Energy" and "De-Mail" business fields, sales amounted to € 6.303 billion (prior year: € 6.186 billion).

**EBITDA for the Group** amounted to € 1,294.0 million in the fiscal year 2024 (prior year: € 1,292.1 million) and – as already announced in the preliminary results for 2024 – was thus below the Company's forecast (approx. € 1.38 billion). In addition to burdens on earnings (from the temporary outage of the 1&1 mobile network), EBITDA includes higher than expected expenses for the rollout of 1&1's mobile network. In total, these amounted to € -265.3 million (prior year: € -132.4 million). This item also includes € 14.3 million out-of-period expenses from subsequent billing for the network rollout in 2022 and 2023. Without "Energy" and "De-Mail", EBITDA amounted to € 1,294.7 million (comparable prior-year figure without IPO costs IONOS: € 1,296.5 million).

#### Summary: actual and forecast development of business in 2024

	Forecast 2024 (December 2023)	Specification (August 2024)	Specification (November 2024)	Actual 2024
Revenues	approx. € 6.5 billion	approx. € 6.4 billion	approx. € 6.35 billion	€ 6.329 billion
EBITDA	approx. € 1.42 billion	approx. € 1.38 billion	approx. € 1.38 billion	€ 1.294 billion

The net loss of United Internet AG (parent company) for the fiscal year 2024 amounted to € -365.3 million and was thus well below the 2024 forecast (subject to special items) of a balanced result for the year. This was due in particular to a non-scheduled loss from the dilution of shares in Kublai amounting to € 316.0 million. In addition, there was the assumption of the loss of 1&1 Versatel GmbH pursuant to the profit and loss transfer agreement concluded with 1&1 Versatel GmbH in November 2024, as well as – with an opposing effect – income from the change in deferred tax liabilities on the level of United Internet AG, which resulted in a net total of € -131.1 million and which was not yet included in planning at the time the forecast was published.

Adjusted for these non-scheduled factors, the annual result of the parent company for 2024 was well above the forecast of the parent company.

**MANAGEMENT REPORT**Company and  
Group profileRisk, opportunity and  
forecast reportDeclaration of  
corporate governance**Economic report**

ICS and RMS

Remuneration report

Subsequent events

Disclosures required  
by takeover law

Dependent company report

## 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".



see page 38

### Consumer Access segment

In addition to the continuing expansion of the 1&1 fiber-optic network and gradual migration of existing customers to the new mobile network, the Consumer Access segment focused on adding further valuable broadband and mobile internet contracts in the fiscal year 2024.

The number of **fee-based contracts in the Consumer Access segment** rose by 130,000 contracts to 16.39 million in the fiscal year 2024. While broadband connections fell slightly by 60,000 contracts to 3.95 million, mobile internet contracts increased by 190,000 to 12.44 million contracts. The growth in mobile contracts in particular was thus lower than expected. This was primarily attributable to effects from the network migration of existing customers, as well as contract terminations in connection with the temporary disruption of the mobile network in late May 2024.

#### Development of Consumer Access contracts in the fiscal year 2024

in million	Dec. 31, 2024	Dec. 31, 2023	Change
Consumer Access, total contracts	16.39	16.26	+ 0.13
thereof Mobile Internet	12.44	12.25	+ 0.19
thereof broadband connections	3.95	4.01	- 0.06

#### Development of Consumer Access contracts in the fourth quarter of 2024

in million	Dec. 31, 2024	Sept. 30, 2024	Change
Consumer Access, total contracts	16.39	16.35	+ 0.04
thereof Mobile Internet	12.44	12.38	+ 0.06
thereof broadband connections	3.95	3.97	- 0.02

**Sales of the Consumer Access segment** fell by -0.8% in the fiscal year 2024, from € 4,096.7 million in the previous year to € 4,064.3 million. High-margin **service revenues** – which represent the core business of the segment and were impacted by weaker contract growth – rose by 1.8% from € 3,243.2 million in the previous year to € 3,303.1 million in the fiscal year 2024. At € 761.2 million, low-margin **hardware sales** were -10.8% or € -92.3 million down on the previous year (€ 853.5 million). Hardware business is subject to seasonal fluctuations and also depends on the appeal of new devices and the model cycles of manufacturers.

In the fiscal year 2024, customer contracts, sales and earnings were unexpectedly burdened by the effects of a temporary outage of the new 1&1 mobile network in May 2024 and the associated increase in customer churn. Moreover, the planned migration of existing customers to the 1&1 mobile network was temporarily severely restricted due to the unforeseen undersizing of individual network components and could only be resumed extensively in the fourth quarter of 2024. As a result, the savings expected in fiscal year 2024 from the migration of existing customer contracts (on a wholesale basis) to the 1&1 mobile network were only achieved in part. In addition, there were temporarily higher expenses for the elimination of capacity bottlenecks identified as a result of the network outage.

**Segment EBITDA** amounted to € 590.8 million in the fiscal year 2024 (prior year: € 653.8 million). EBITDA includes higher than expected expenses for the rollout of 1&1's mobile network. In total, these amounted to € -265.3 million (prior year: € -132.4 million). This item also contains out-of-period expenses of € 14.3 million from subsequent billing for the network rollout in 2022 and 2023.

Due to these expenses and increased depreciation for investments in the establishment of the 1&1 mobile network, **segment EBIT** of € 309.4 million was below the prior-year figure (€ 455.8 million).

The **EBITDA margin** decreased from 16.0% to 14.5% and the **EBIT margin** from 11.1% to 7.6%.

The number of **employees** in this segment decreased to 3,281 in 2024 (prior year: 3,320).

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

■	2024			
■	2023			
Sales		4,064.3		- 0.8 %
		4,096.7		
<b>thereof service sales</b>		<b>3,303.1</b>		<b>+ 1.8 %</b>
		<b>3,243.2</b>		
thereof other sales <sup>(1)</sup>		761.2		- 10.8 %
		853.5		
EBITDA		590.8 <sup>(2)</sup>		- 9.6 %
		653.8		
EBIT		309.4 <sup>(2)</sup>		- 32.1 %
		455.8		

(1) Mainly hardware sales

(2) Including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

**Quarterly development; change over prior-year quarter<sup>(1)</sup>**

in € million	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2023	Change
Sales	1,024.4	991.5	1,001.3	1,047.1	1,064.9	- 1.7%
<b>thereof service sales</b>	<b>821.9</b>	<b>823.0</b>	<b>833.8</b>	<b>824.4</b>	<b>824.3</b>	<b>+ 0.0%</b>
thereof other sales <sup>(2)</sup>	202.5	168.5	167.5	222.7	240.6	- 7.4%
EBITDA	182.3	144.3	136.4 <sup>(3)</sup>	127.8	142.7	- 10.4%
EBIT	117.9	78.2	91.4 <sup>(3)</sup>	21.9	92.1	- 76.2%

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

(2) Mainly hardware sales

(3) Including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

**MANAGEMENT REPORT**Company and  
Group profileRisk, opportunity and  
forecast reportDeclaration of  
corporate governance**Economic report**

ICS and RMS

Remuneration report

Subsequent events

Disclosures required  
by takeover law

Dependent company report

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

in € million	2020	2021	2022	2023	2024
Sales	3,786.8	3,909.7	3,963.7	4,096.7	4,064.3
<b>thereof service sales</b>	<b>3,020.0</b>	<b>3,123.4</b>	<b>3,175.4</b>	<b>3,243.2</b>	<b>3,303.1</b>
thereof other sales <sup>(2)</sup>	766.8	786.3	788.3	853.5	761.2
EBITDA	637.8 <sup>(2)</sup>	671.9 <sup>(3)</sup>	693.3	653.8	590.8 <sup>(4)</sup>
EBITDA margin	16.8%	17.2%	17.5%	16.0%	14.5%
EBIT	482.4 <sup>(2)</sup>	507.3 <sup>(3)</sup>	534.9	455.8	309.4 <sup>(4)</sup>
EBIT margin	12.7%	13.0%	13.5%	11.1%	7.6%

(1) Mainly hardware sales

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

(4) Including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

In its operating business, the main focus of the Consumer Access segment was on the operation and further expansion of the 1&1 mobile network.

The national roaming partnership with Vodafone started in late August. The partnership enables 1&1 to offer its mobile customers high network quality even in those areas where 1&1 does not yet have its own coverage during the 1&1 O-RAN rollout phase. National roaming via Vodafone will be available to all 1&1 mobile customers by the end of 2025. At the same time, the national roaming advance services previously procured from Telefónica will be completely phased out.

1&1 also made good progress in its key objective of expanding the 1&1 mobile network as quickly as possible and making Open RAN technology available in an increasing number of areas.

## Business Access segment

**Sales of the Business Access segment** rose by 1.9% in the fiscal year 2024, from € 564.0 million in the previous year to € 574.9 million.

Despite start-up costs for new business fields, **segment EBITDA** improved by 1.4% from € 162.9 million to € 165.1 million. The **EBITDA margin** fell slightly from 28.9% to 28.7%.

In the new "5G" business field, 1&1 Versatel is 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 the other 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 2024, total start-up costs for the new business fields amounted to € -21.6 million (prior year: € -21.5 million) for EBITDA and € -117.4 million (prior year: € -65.2 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 € -51.5 million in the previous year to € -78.6 million.

The number of **employees** in this segment increased by 7.8% in 2024 to 1,640 (prior year: 1,522).

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

■ 2024  
■ 2023

Sales	574.9	564.0	+ 1.9 %
EBITDA	165.1	162.9	+ 1.4 %
EBIT	-78.6	-51.5	

### Quarterly development; change over prior-year quarter<sup>(1)</sup>

in € million	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2023	Change
Sales	141.7	141.5	147.5	144.2	150.6	- 4.2%
EBITDA	35.4	43.3	41.9	44.5	44.7	- 0.4%
EBIT	-23.6	-18.6	-15.1	-21.3	-14.6	

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

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

in € million	2020	2021	2022	2023	2024
Sales	493.3	514.4	543.4	564.0	574.9
EBITDA	148.6	158.8	154.1	162.9	165.1
EBITDA margin	30.1%	30.9%	28.4%	28.9%	28.7%
EBIT	-48.2	-22.9	-39.5	-51.5	-78.6
EBIT margin	-	-	-	-	-



**MANAGEMENT REPORT**

Company and Group profile

Risk, opportunity and forecast report

Declaration of corporate governance

**Economic report**

ICS and RMS

Remuneration report

Subsequent events

Disclosures required by takeover law

Dependent company report

## Consumer Applications segment

As already mentioned in chapter 2.2 “Business development” under “Special items in fiscal year 2024”, the Management Board and Supervisory Board decided in March 2024 to discontinue the “Energy” and “De-Mail” business fields in the Consumer Applications segment. The key figures for 2023 and 2024 presented below have been adjusted accordingly. The key financial figures for 2020-2022 in the multi-period overviews, however, remain unchanged.



see page 57

The business field “De-Mail” was discontinued as of the balance sheet date December 31, 2024.

The number of **pay accounts** (fee-based contracts) in the Consumer Applications segment rose by 240,000 to 3.04 million in the fiscal year 2024. At 38.93 million, however, ad-financed **free accounts** were down on December 31, 2023 (39.93 million), due to higher security requirements.

### Development of Consumer Applications accounts in the fiscal year 2024

in million	Dec. 31, 2024	Dec. 31, 2023	Change
Consumer Applications, total accounts	41.97	42.73	- 0.76
thereof with Premium Mail subscription (contracts)	2.22	2.03 <sup>(1)</sup>	+ 0.19
thereof with Value-Added subscription (contracts)	0.82 <sup>(1)</sup>	0.77 <sup>(1)</sup>	+ 0.05
thereof free accounts	38.93	39.93	- 1.00

### Development of Consumer Applications accounts in the fourth quarter of 2024

in million	Dec. 31, 2024	Sept. 30, 2024	Change
Consumer Applications, total accounts	41.97	41.66	+ 0.31
thereof with Premium Mail subscription (contracts)	2.22	2.16 <sup>(1)</sup>	+ 0.06
thereof with Value-Added subscription (contracts)	0.82 <sup>(1)</sup>	0.82 <sup>(1)</sup>	0.00
thereof free accounts	38.93	38.68	+ 0.25

(1) Contract figures as of December 31, 2024 excluding 0.02 million Energy contracts (value-added subscription); contract figures as of December 31, 2023 and September 30, 2024 excluding 0.02 million Energy contracts and 0.02 million De-Mail contracts (Premium-Mail subscription)

Rising advertising revenues and above all the growth of pay contracts led to sales growth of 6.6% to € 324.5 million in the fiscal year 2024, compared to € 304.3 million in the previous year. Adjusted for sales of € 27.3 million in the prior-year period and € 26.2 million in 2024 from “Energy” and “De-Mail”, **sales of the Consumer Applications segment** rose by 7.7%, from € 277.0 million to € 298.3 million.

There was also significant growth in key earnings figures: EBITDA rose by 8.7%, from € 103.5 million in the previous year to € 112.5 million, and EBIT by 9.5% from € 93.8 million to € 102.7 million in 2024. These figures include EBITDA and EBIT contributions from “Energy” and “De-Mail” of € -2.7 million (EBITDA) and € -2.8 million (EBIT) in the previous year and € -0.7 million (EBITDA) and € -0.9 million (EBIT) in 2024. Adjusted for the slightly negative earnings contributions from “Energy” and “De-Mail”, **operating segment EBITDA** increased by 6.6% from € 106.2 million to € 113.2 million and **operating segment EBIT** by 7.2% from € 96.6 million to € 103.6 million.

Correspondingly, the **operating EBITDA margin** fell slightly from 38.3% to 37.9% and the **operating EBIT margin** from 34.9% to 34.7%.

The number of **employees** in this segment increased by 3.5% in 2024 to 1,109 (prior year: 1,072).

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

■ 2024  
■ 2023

Sales	298.3 <sup>(1)</sup>	277.0 <sup>(2)</sup>	+ 7.7 %
EBITDA	113.2 <sup>(1)</sup>	106.2 <sup>(2)</sup>	+ 6.6 %
EBIT	103.6 <sup>(1)</sup>	96.6 <sup>(2)</sup>	+ 7.2 %

(1) Excluding the sales and earnings contributions from Energy and De-Mail  
(sales contribution: € 26.2 million; EBITDA contribution: € -0.7 million; EBIT contribution: € -0.9 million)

(2) Excluding the sales and earnings contributions from Energy and De-Mail  
(sales contribution: € 27.3 million; EBITDA contribution: € -2.7 million; EBIT contribution: € -2.8 million)

**Quarterly development; change over prior-year quarter<sup>(1)</sup>**

in € million	Q1 2024 <sup>(1)</sup>	Q2 2024 <sup>(1)</sup>	Q3 2024 <sup>(1)</sup>	Q4 2024 <sup>(1)</sup>	Q4 2023 <sup>(1)</sup>	Change
Sales	71.1	73.3	73.2	80.7	82.2	- 1.8 %
EBITDA	23.8	30.1	25.0	34.3	35.5	- 3.4 %
EBIT	21.3	27.7	22.7	31.9	33.2	- 3.9 %

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

(2) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 6.6 million, EBITDA contribution: € -1.3 million, EBIT contribution: € -1.3 million in Q1 2024; sales contribution: € 6.8 million, EBITDA contribution: € +0.6 million, EBIT contribution: € +0.6 million in Q2 2024; sales contribution: € 6.5 million, EBITDA contribution: € +0.5 million, EBIT contribution: € +0.4 million in Q3 2024; sales contribution: € 6.3 million, EBITDA contribution: € -0.5 million, EBIT contribution: € -0.6 million in Q4 2024; sales contribution: € 6.8 million, EBITDA contribution: € -0.5 million, EBIT contribution: € -0.6 million in Q4 2023)

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

in € million	2020	2021	2022	2023	2024
Sales	257.5	285.2	288.6	277.0 <sup>(3)</sup>	298.3 <sup>(4)</sup>
EBITDA	85.5	102.4 <sup>(1)</sup>	104.4 <sup>(2)</sup>	106.2 <sup>(3)</sup>	113.2 <sup>(4)</sup>
EBITDA margin	33.2%	35.9%	36.2%	38.3%	37.9%
EBIT	77.8	93.3 <sup>(1)</sup>	94.6 <sup>(2)</sup>	96.6 <sup>(3)</sup>	103.6 <sup>(4)</sup>
EBIT margin	30.2%	32.7%	32.8%	34.9%	34.7%

(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 the sales and earnings contributions from Energy and De-Mail (sales contribution: € 27.3 million; EBITDA contribution: € -2.7 million; EBIT contribution: € -2.8 million)

(4) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 26.2 million; EBITDA contribution: € -0.7 million; EBIT contribution: € -0.9 million)

## MANAGEMENT REPORT

Company and  
Group profileRisk, opportunity and  
forecast reportDeclaration of  
corporate governance

## Economic report

ICS and RMS

Remuneration report

Subsequent events

Disclosures required  
by takeover law

Dependent company report

## Business Applications segment

The number of **fee-based Business Applications contracts** rose by 220,000 in the fiscal year 2024. This growth resulted from 60,000 contracts in Germany and 160,000 contracts abroad. As a result, the total number of contracts rose to 9.59 million.

### Development of Business Applications contracts in the fiscal year 2024

in million	Dec. 31, 2024	Dec. 31, 2023	Change
Business Applications, total contracts	9.59	9.37 <sup>(1)</sup>	+ 0.22
thereof in Germany	4.63	4.57 <sup>(1)</sup>	+ 0.06
thereof abroad	4.96	4.80	+ 0.16

### Development of Business Applications contracts in the fourth quarter of 2024

in million	Dec. 31, 2024	Sept. 30, 2024	Change
Business Applications, total contracts	9.59	9.52 <sup>(1)</sup>	+ 0.07
thereof in Germany	4.63	4.60 <sup>(1)</sup>	+ 0.03
thereof abroad	4.96	4.92	+ 0.04

(1) Contract numbers as of December 31, 2023 and September 30, 2024 retrospectively adjusted downwards by 0.02 million contracts following a change in policy at an IONOS Group subsidiary as part of the annual financial statements as of December 31, 2024.

**Sales of the Business Applications segment** rose by 9.6% in the fiscal year 2024, from € 1,423.7 million in the previous year to € 1,560.3 million.




Segment earnings in 2023 were impacted by special items in connection with the IPO of IONOS Group SE. In this connection, there was net income of € +11.7 million which mainly resulted from the contractually agreed assumption of total IPO costs by the IONOS shareholders United Internet and Warburg Pincus.

Adjusted for these special items in the previous year, **operating segment EBITDA** increased by 15.1% from € 373.7 million in the previous year to € 430.2 million, while **operating segment EBIT** rose by 19.7% from € 265.8 million to € 318.2 million.

The **operating EBITDA margin** and the **operating EBIT margin** increased correspondingly strongly from 26.2% to 27.6% and from 18.7% to 20.4%, respectively.

The number of **employees** decreased by 3.2% in 2024 to 4,226 (prior year: 4,364).

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

Sales		1,560.3	+ 9.6 %
EBITDA		430.2	+ 15.1 %
EBIT		318.2	+ 19.7 %

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

**Quarterly development; change over prior-year quarter<sup>(1)</sup>**

in € million	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2023	Change
Sales	373.0	378.6	390.0	418.7	365.0	+ 14.7%
EBITDA	101.3	106.1	112.9	109.9	80.0	+ 37.4%
EBIT	74.2	78.6	85.5	79.9	52.6	+ 51.9%

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

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

in € million	2020	2021	2022	2023	2024
Sales	988.2	1,103.3	1,293.0	1,423.7	1,560.3
EBITDA	340.4	329.3 <sup>(1)</sup>	329.2 <sup>(2)</sup>	373.7 <sup>(3)</sup>	430.2
EBITDA margin	34.4%	29.8%	25.5%	26.2%	27.6%
EBIT	229.5	216.7 <sup>(1)</sup>	216.8 <sup>(2)</sup>	265.8 <sup>(3)</sup>	318.2
EBIT margin	23.2%	19.6%	16.8%	18.7%	20.4%

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

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

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

Besides its operating business, IONOS continued to drive the acquisition of key accounts in its cloud business during the fiscal year 2024.

In April 2024, the German Federal Information Technology Center (ITZBund) commissioned IONOS to set up a private enterprise cloud for the ITZBund data centers. ITZBund is the IT service provider for 200 federal administrative authorities and is tasked with providing them with modern IT support and leading them into the digital future.

The framework agreement has a term of five years. As is common in the cloud sector, the variable order is invoiced on a pay-per-use basis.

## Group investments

### Significant changes in investments

#### Investment in Kublai

In June 2024, United Internet AG announced that it would make no further investments in the holding company Kublai GmbH. Kublai currently holds around 95% of shares in Tele Columbus AG.

This decision meant that United Internet waived the right to increase its stake in Kublai to 40% again after it was diluted to around 5% in the course of a capital increase in the first quarter of 2024. Due to the resulting loss of significant influence, a non-cash impairment loss on the investment in Kublai of € 170.5 million was recognized in the Consolidated Financial Statements as at December 31, 2024 and disclosed in the "Result from the loss of significant influence".

As already reported in the Interim Statement Q1 2024, Kublai conducted a capital increase in the first quarter of 2024 to provide Tele Columbus with equity, in which United Internet did not participate. A further shareholder of Kublai is Hilbert Management GmbH, an indirect subsidiary of Morgan Stanley Infrastructure Inc (MSI), an infrastructure fund managed by the investment bank Morgan Stanley, which subscribed to the full amount of the capital increase totaling € 300 million. This resulted in a reduction of United Internet's stake in Kublai to around 5% (previously 40%). Until June 17, 2024, United Internet had the option to increase its stake in Kublai back to 40% by acquiring shares from MSI in return for a payment of € 120 million.

United Internet regards the valuation of Tele Columbus AG on which the capital increase was based as inappropriately low. However, its majority of votes at the shareholders' meeting enabled MSI to conduct the capital increase on the basis of a valuation determined by MSI. United Internet has since initiated the contractually stipulated anti-dilution proceedings and has arranged for the German Arbitration Institute (DIS) to review MSI's valuation. If DIS agrees with United Internet's assessment, United Internet may be awarded compensation of approx. € 300 million. If the court reaches a different conclusion, the awarded claim or compensation amount could be correspondingly lower.

The reason for the decision of the Management Board and Supervisory Board of United Internet AG not to make any further investments in Kublai was a difference of opinion between MSI and United Internet regarding the future funding of Kublai.

Due to the reduction of the shareholding from 40% to around 5% in fiscal year 2024, Kublai was reclassified from "Shares in associated companies" to "Investments". Accordingly, the company's prorated result is no longer recognized in Net Income (under "Result from the loss of significant influence") but is presented in the Balance Sheet.

In addition to its (fully consolidated) core operating companies, United Internet held the following other minority shareholdings as of December 31, 2024, 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, 2024, 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 2024.

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, 2024, the share of voting rights held by United Internet amounted to 25.10%. For 2024, United Internet anticipates increased sales of uberall with a slightly positive EBITDA result.

In April 2017, United Internet acquired a stake in **rankingCoach 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, 2024, the share of voting rights amounted to 31.52%. United Internet expects rankingCoach to achieve sales growth in 2024 and a 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, 2024, United Internet's share of voting rights amounted to 20.00%. United Internet expects further sales growth for AWIN in its fiscal year 2024 and a strongly positive EBITDA result.

## MANAGEMENT REPORT

Company and Group profile	Risk, opportunity and forecast report	Declaration of corporate governance
<b>Economic report</b>	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

## Share and dividend

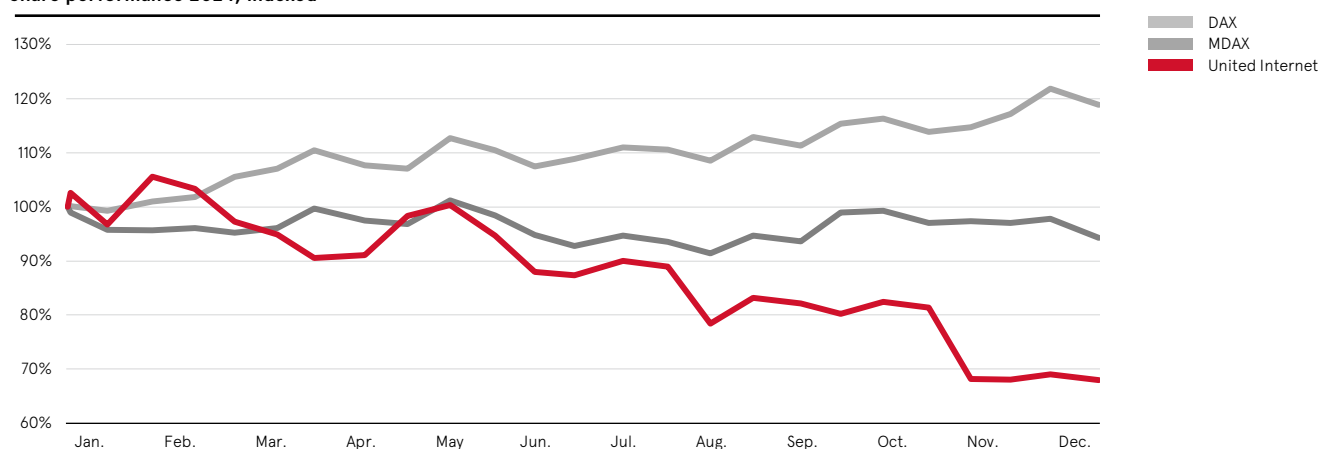
### Share

In the fiscal year 2024, the United Internet share price fell significantly by 32.0% to € 15.67 as of December 31, 2024 (December 31, 2023: € 23.04). The share was thus outperformed by the DAX (+18.8%) and the MDAX (-5.7%) indices.



DAX, MDAX, TecDAX

#### Share performance 2024, indexed



There was a corresponding decrease in the **market capitalization** of United Internet AG from around € 4.42 billion in the previous year to around € 3.00 billion as of December 31, 2024.

In the fiscal year 2024, average daily trading via the XETRA electronic computer trading system amounted to around 200,000 shares (prior year: around 410,000) with an average value of € 3.9 million (prior year: € 7.1 million).

#### Multi-period overview: share performance

(as of: December 31, 2024; in €; all stock exchange figures based on Xetra trading)

	2020	2021	2022	2023	2024
Closing price	34.43	34.94	18.89	23.04	15.67
Performance	+ 17.6%	+ 1.5%	-45.9%	+ 22.0%	-32.0%
Year-high	43.88	39.34	35.45	23.06	25.00
Year-low	20.76	31.63	18.14	12.54	15.15
Average daily turnover	13,355,218	8,149,290	5,777,474	7,078,087	3,913,674
Average daily turnover (units)	414,786	233,717	221,596	413,556	196,616
Number of shares (units)	194,000,000	194,000,000	194,000,000	192,000,000	192,000,000
Market value (in € million)	6,679.4	6,778.4	3,664.7	4,423.7	3,008.6
EPS <sup>(1)</sup>	1.55	2.23	1.97	1.35	-0.28
Adjusted EPS <sup>(2)</sup>	1.87	2.11	2.00	1.41	1.01

(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	Telecommunication and Technology Services

**Shareholder structure****(as of: December 31, 2024)**

Shareholder	Shareholding
Ralph Dommermuth	
- Ralph Dommermuth GmbH (45.01%)	
- Ralph Dommermuth Investments GmbH & Co. KG (2.88%)	48.94%
- RD Holding GmbH & Co. KG (1.04%)	
United Internet (treasury stock)	9.98%
Helikon	5.05%
Bank of America	4.93%
Wellington	3.01%
Free float	28.09%

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

The treasury shares held by United Internet do not carry voting or dividend rights. Due to the non-voting nature of treasury shares, the proportion of shares with voting rights held by companies controlled by Mr. Dommermuth in relation to the total number of voting rights of United Internet AG amounts to 54.37%, the proportion of shares with voting rights held by Helikon to 5.61%, 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 31.19%.

**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, 2024, 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 2023, was approved with a majority of 99.98% of votes cast. As a consequence, a total of € 86.4 million (prior year: € 86.4 million) was distributed on May 23, 2024. The **payout ratio** was thus 35.6% of the adjusted consolidated net income after minority interests for 2023 (€ 243.0 million) and – in view of the investments already made and still due to be made in the 1&1 mobile communications network



Company and Group profile	Risk, opportunity and forecast report	Declaration of corporate governance
<b>Economic report</b>	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

and in the expansion of the fiber-optic network – therefore within the upper range targeted by the dividend policy.

For the fiscal year 2024, the Management Board of United Internet AG will propose to the Supervisory Board a regular dividend of € 0.40 per share (prior year: € 0.50). In addition, a one-off catch-up dividend of € 1.50 per share is to be distributed as compensation for the reduced dividend payments for the fiscal years 2018 to 2023. In the past years, United Internet had assumed that Group subsidiary 1&1 would be able to acquire further spectrum by 2025 at the latest. Insofar as additional funds had been necessary, United Internet would have been called upon to provide these as 1&1's main shareholder. Due to a decision taken by the German Federal Network Agency on March 24, 2025, the acquisition of spectrum has now been postponed for several years. In addition to investments in its network rollout, 1&1 expects it will be able to fund the acquisition of further spectrum itself by this time.

The Management Board and Supervisory Board will discuss this **dividend proposal** at the Supervisory Board meeting on March 25, 2025 (and thus after preparation of this Management Report). The Annual Shareholders' Meeting of United Internet AG on May 15, 2025 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, 2024), the regular dividend would result in a total **dividend payment** for fiscal year 2024 of € 69.1 million. The **dividend payout ratio** would therefore be 39.4% of adjusted consolidated net income after minority interests for 2024 (€ 175.5 million) and thus lie – despite the investments already made and still due to be made in the 1&1 mobile network and in the expansion of the fiber-optic network – at the upper end of the dividend policy. Based on the closing price of the United Internet share on December 31, 2024, the **dividend yield** would be 2.6%.

#### Multi-period overview: dividend development

	For 2020	For 2021	For 2022	For 2023	For 2024 <sup>(1)</sup>
Dividend per share (in €)	0.50	0.50	0.50	0.50	0.40
Dividend payment (in € million)	93.6	93.4	86.4	86.4	69.1
Payout ratio	32.2%	22.4%	23.5%	37.1%	–
Adjusted payout ratio <sup>(2)</sup>	26.7%	23.7%	23.1%	35.6%	39.4%
Dividend yield <sup>(3)</sup>	1.5%	1.4%	2.6%	2.2%	2.6%

(1) Subject to approval of Supervisory Board and Annual Shareholders' Meeting 2025

(2) Without special items

(3) As of: December 31

## Annual Shareholders' Meeting 2024

The Annual Shareholders' Meeting of United Internet AG was held in Frankfurt am Main on May 17, 2024.

Of the Company's registered capital stock of € 192,000,000.00, divided into 192,000,000 no-par value shares, of which 19,183,705 treasury shares without voting rights, a total of 131,411,711 no-par value shares with the same number of voting rights were represented. Including the postal votes received for 804,467 no-par value shares, this corresponded to a total of 132,216,178 no-par value shares or 68.86% of the registered capital stock, or 76.51% 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

Following the issue of shares as part of employee stock ownership plans, United Internet AG held a total of 19,162,689 treasury shares as at the balance sheet date of December 31, 2024, corresponding to 9.98% of the capital stock of 192,000,000 shares (December 31, 2023: 19,183,705 treasury shares or 9.99% of capital stock).

## Investor Relations

United Internet attaches great importance to maintaining close contact with institutional and private investors, as well as with financial analysts. The Company aims to provide all target groups with timely information without discrimination, as continuous and transparent capital market communication is essential for the long-term growth of the Company's value. To this end, the Management Board and the Investor Relations team were in regular contact with capital market participants throughout fiscal year 2024.

United Internet continues to take a proactive approach to discussing and explaining the progress of its business strategy via its quarterly statements, half-year financial report and annual report, at its Annual Shareholders' Meeting, at press and analyst conferences, and via virtual formats. Together with Investor Relations, management took part 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.

A range of topics were discussed at these meetings, including the Group's strategic priorities, its progress in expanding Europe's most advanced 5G mobile network, the financial targets including possible future capital allocation, and new product launches. External factors such as the upcoming spectrum auction of the Federal Network Agency and competitive developments were also of great interest.

In total, management and Investor Relations presented United Internet's equity story at roadshows and at national and international conferences on around 20 days. In addition, the Company is tracked and covered by numerous German and international financial analysts. The current analyst recommendations for the share, as well as the average upside target set by analysts for the United Internet share, are available online at [united-internet.de/investor-relations/aktie/analysten-coverage](https://united-internet.de/investor-relations/aktie/analysten-coverage).

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](https://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.



**MANAGEMENT REPORT**Company and  
Group profileRisk, opportunity and  
forecast reportDeclaration of  
corporate governance**Economic report**

ICS and RMS

Remuneration report

Subsequent events

Disclosures required  
by takeover law

Dependent company report

## 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 2024. 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 2024, the number of employees remained virtually unchanged from the previous year. Specifically, it rose slightly by 0.1% or 10 employees to 10,972 (prior year: 10,962).

Headcount in Germany rose by 0.2% or 17 employees, to 8,998 as of December 31, 2024 (prior year: 8,981). The number of employees at the Group's non-German subsidiaries fell slightly by 0.4%, or 7 employees, to 1,974 (prior year: 1,981).

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

	2020	2021	2022	2023	2024	Change
Employees, total	9,638	9,975	10,474	10,962	10,972	+ 0.1%
thereof in Germany	7,929	8,199	8,550	8,981	8,998	+ 0.2%
thereof abroad	1,709	1,776	1,924	1,981	1,974	- 0.4%

(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<sup>(1)</sup>**

	2020	2021	2022	2023	2024
Employees, total	9,638	9,975	10,474	10,962	10,972
thereof Germany	7,929	8,199	8,550	8,981	8,998
thereof France	3	4	7	8	9
thereof UK	251	251	246	273	242
thereof Austria	44	65	67	72	58
thereof Philippines	395	392	468	464	504
thereof Poland	299	333	352	339	319
thereof Romania	217	229	242	261	284
thereof Spain	340	381	422	445	444
thereof USA	160	121	120	119	114

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

From the segment perspective, there were 3,281 employees in the Consumer Access segment (prior year: 3,320), 1,640 in the Business Access segment (prior year: 1,522), 1,109 in the Consumer Applications segment (prior year: 1,072), and 4,226 in the Business Applications segment (prior year: 4,364). A further 716 people (prior year: 684) were employed at the Group's headquarters (Corporate/HQ).

**Multi-period overview: headcount development by segment<sup>(1)</sup> ; year-on-year change**

	2020	2021	2022	2023	2024	Change
Employees, total	9,638	9,975	10,474	10,962	10,972	+ 0.1%
thereof Consumer Access	3,191	3,167	3,163	3,320	3,281	- 1.2%
thereof Business Access	1,188	1,238	1,336	1,522	1,640	+ 7.8%
thereof Consumer Applications	1,005	1,004	1,036	1,072	1,109	+ 3.5%
thereof Business Applications	3,631	3,998	4,247	4,364	4,226	- 3.2%
thereof Corporate/Shared Services	623	568	692	684	716	+ 4.7%

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

Due to salary adjustments to compensate for high inflation, **personnel expenses** rose by 7.7% to € 818.4 million in the fiscal year 2024 (prior year: € 760.0 million). As a result, the **personnel expense ratio** increased to 12.9%.

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

in € million	2020	2021	2022	2023	2024	Change
Personnel expenses	592.3	645.4	675.5	760.0	818.4	+ 7.7%
Personnel expense ratio	11.0%	11.4%	11.4%	12.2%	12.9%	

**Sales per employee**, based on annual average headcount, amounted to approx. € 0.58 million in fiscal year 2024 (prior year: approx. € 0.58 million).

**MANAGEMENT REPORT**Company and  
Group profileRisk, opportunity and  
forecast reportDeclaration of  
corporate governance**Economic report**

ICS and RMS

Remuneration report

Subsequent events

Disclosures required  
by takeover law

Dependent company report

For further information on topics such as “Working Conditions and HR Strategy”, “Training and Skills Development”, “Diversity and Equal Opportunities”, and “Health and Safety”, please refer to the chapter “Social Information – S1 – Own Workforce” in the Sustainability Report 2024 of United Internet AG, which will be published in late March 2025 (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, 2024, the Group's **bank liabilities** amounted to € 2,813.7 million (prior year: € 2,464.3 million) and mainly comprise promissory note loans, syndicated loans, and bilateral credit agreements / credit facilities.

### Promissory note loans

In the fiscal year 2024, United Internet AG successfully placed a promissory note loan ("Schuldscheindarlehen") – as in the years 2017, 2021, and 2023 – with an amount of € 280 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 € 225.0 million were redeemed on schedule in the fiscal year 2024.

At the end of the reporting period on December 31, 2024, total liabilities from the promissory note loans 2017, 2021, 2023 and 2024 with maximum terms until April 2031 therefore amounted to € 1,217.0 million (prior year: € 1,162.0 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 further partial repayments in fiscal year 2024, the shareholder loan with United Internet amounts to € 170 million (prior year: € 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.

**MANAGEMENT REPORT**Company and  
Group profileRisk, opportunity and  
forecast reportDeclaration of  
corporate governance**Economic report**

ICS and RMS

Remuneration report

Subsequent events

Disclosures required  
by takeover law

Dependent company report

## 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.

In December 2024, United Internet successfully refinanced the above-mentioned syndicated loan facility with its core banks. The **new syndicated loan facility** of € 950 million has a term until December 2029 with contractually agreed extension options.

As of the balance sheet date on December 31, 2024, € 150 million of the new syndicated loan facility had been drawn (prior year: € 150 million). As a result, funds of € 800 million (prior year: € 660 million) were still available to be drawn from the credit facility as at the balance sheet date.

In addition, the Group took out a **syndicated loan** of € 550 million in December 2024, which will fall due in December 2027. United Internet AG incorporated part of its existing bilateral credit lines with core banks into the syndicated loan, enabling it to successfully refinance them in the long term.

As of the balance sheet date on December 31, 2024, the above-mentioned syndicated of € 550 million was drawn in full (prior year: €0).

In addition, United Internet and Japan Bank for International Cooperation (JBIC) signed a **loan agreement** for up to € 800 million, also in December 2024. The funds will be provided by one tranche directly from JBIC, which is wholly owned by the Japanese government, and one tranche from a consortium of European and Japanese commercial banks guaranteed by JBIC.

The loan is intended to provide United Internet with funds to build a 5G network in Germany based on Open RAN technology through its subsidiary 1&1.

As of the balance sheet date on December 31, 2024, the above-mentioned loan had not been drawn down and the full amount of € 800 million was thus still available (prior year: €0).

## Bilateral credit agreements / bilateral credit facilities

In addition, the Company continues to have various bilateral credit facilities amounting to € 294 million (prior year: € 475 million). These have been granted in part until further notice and in part have terms until September 30, 2025.

Drawings of € 94 million (prior year: € 295 million) had been made from these credit facilities as at the end of the reporting period on December 31, 2024. As a result, funds of € 200 million are still available.

United Internet therefore had **free credit lines** from syndicated loan facilities and bilateral credit agreements totaling € 1,800 million (prior year: € 840 million) as at the end of the reporting period on December 31, 2024.

For further information, please refer to "Subsequent events".



see page 96

In addition to the above mentioned credit lines, the Group has guaranty credit facilities of € 106.0 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.



see page 227

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 € 342.4 million (prior year: € 591.4 million). In addition, there are purchase commitments for intangible assets (especially software) totaling € 19.9 million (prior year: € 68.0 million).



see page 216

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



MANAGEMENT REPORT		
Company and Group profile	Risk, opportunity and forecast report	Declaration of corporate governance
<b>Economic report</b>	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

## 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 2024. There were also only **minor positive currency effects** at Group and segment level (mainly Business Applications segment) amounting to € 6.0 million for sales and € 2.7 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 2024, customer contracts, sales and earnings at Group level were unexpectedly burdened by the effects of a temporary outage of the new 1&1 mobile network in May 2024 and the associated increase in customer churn. Moreover, the planned migration of existing customers to the 1&1 mobile network was temporarily severely restricted due to the unforeseen undersizing of individual network components and could only be resumed extensively in the fourth quarter of 2024. As a result, the savings expected in fiscal year 2024 from the migration of existing customer contracts (on a wholesale basis) to the 1&1 mobile network were only partially achieved. In addition, there were temporarily higher expenses for the elimination of capacity bottlenecks identified as a result of the network outage.

In the fiscal year 2024, the total number of **fee-based customer contracts** in the United Internet Group was raised by 590,000 contracts to 29.02 million. At 38.93 million, ad-financed free accounts were down on December 31, 2023 (39.93 million), due mainly to higher security requirements.

Total Group sales amounted to € 6,329.2 million, compared to € 6,213.2 million in the prior-year period. Adjusted for the sales contributions from "Energy" and "De-Mail" (€ 27.3 million in the previous year and € 26.2 million in 2024), **consolidated sales** rose by 1.9% from € 6,185.9 million in the previous year to € 6,303.0 million in the fiscal year 2024. This merely moderate sales growth was mainly due to a year-on-year decline in low-margin hardware revenues (especially smartphones) in the Consumer Access segment (€ -92.3 million compared to 2023). **Sales outside Germany** amounted to € 665.0 million (prior year: € 656.9 million).

There was a disproportionately strong rise in the cost of sales, sales and marketing expenses, and administrative expenses in the fiscal year 2024. This was mainly due to increased expenditure for the 1&1 mobile network, higher depreciation and amortization due to investments in the expansion of the fiber-optic network and mobile network, as well as increased personnel expenses due to salary adjustments in 2024 in order to keep pace with price increases.

Consequently, the **cost of sales** increased from € 4,145.1 million in the previous year to € 4,325.7 million. This figure includes out-of-period expenses of € -14.3 million from subsequent billing for additional services during the network rollout in 2022 and 2023. There was therefore a disproportionately strong rise in the cost of sales ratio from 66.7% (of sales) in the previous year to 68.3% (of sales) in the fiscal year 2024. There was a corresponding decrease in the **gross margin** from 33.3% to 31.7% and **gross profit** fell by -3.1% from € 2,068.1 million to € 2,003.5 million.

**Sales and marketing expenses** also rose faster than sales, from € 943.2 million (15.2% of sales) in the previous year to € 981.9 million (15.5% of sales), while **administrative expenses** increased from € 275.9 million (4.4% of sales) to € 287.8 million (4.5% of sales).

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

in € million	2020	2021	2022	2023	2024
Cost of sales	3,769.3	3,684.9 <sup>(1)</sup>	3,906.3	4,145.1	4,325.7
Cost of sales ratio	70.2%	65.3%	66.0%	66.7%	68.3%
Gross margin	29.8%	34.7%	34.0%	33.3%	31.7%
Selling expenses	767.9	835.7	907.2	943.2	981.9
Selling expenses ratio	14.3%	14.8%	15.3%	15.2%	15.5%
Administrative expenses	206.0	243.0	248.5	275.9	287.8
Administrative expenses ratio	3.8%	4.3%	4.2%	4.4%	4.5%

(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 € 33.3 million in the previous year to € 26.2 million in 2024. **Other operating income** increased from € 60.6 million to € 72.0 million. Due to an increase in payment defaults, **impairment losses on receivables and contract assets** rose from € 122.3 million in the previous year to € 140.9 million in 2024.

Key earnings figures were influenced by the following **special items** in the fiscal years 2024 and 2023:

- The special item **"Earnings contribution from Energy and De-Mail"** results from the decision of the Management Board and Supervisory Board to discontinue the business fields "Energy" and "De-Mail" and to adjust the key financial figures in the Management Report accordingly. The aforementioned business fields had a **negative** impact on EBITDA, EBIT, EBT, net income and EPS in the fiscal years 2024 and 2023.
- The special item **"Non-cash impairment loss on the investment in Kublai"** results from a non-scheduled, non-cash impairment loss on the Kublai/Tele Columbus shareholding and had a **negative** impact on EBT, net income and EPS in the fiscal year 2024.
- The special item **"One-off tax effects 2024"** results from a one-off writedown of deferred taxes on loss carryforwards capitalized in previous years on the level of 1&1 Versatel GmbH. There was an opposing effect from direct netting of current losses of 1&1 Versatel on the level of United Internet AG due to a profit and loss agreement concluded with 1&1 Versatel in November 2024. This special item had a **negative** impact on net income and EPS in the fiscal year 2024.



see page 57

Further details on the above mentioned special items 2024 are provided in chapter 2.2 "Business development" under "Special items in fiscal year 2024".

- 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 – 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 year 2023.

## MANAGEMENT REPORT

Company and  
Group profileRisk, opportunity and  
forecast reportDeclaration of  
corporate governance

## Economic report

ICS and RMS

Remuneration report

Subsequent events

Disclosures required  
by takeover law

Dependent company report

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

in € million; EPS in €	Fiscal year 2024	Fiscal year 2023 <sup>(1)</sup>
EBITDA	1,294.0	1,292.1
Earnings contribution of Energy and De-Mail	0.7	2.7
IPO costs IONOS		1.7
<b>EBITDA adjusted (operating)</b>	<b>1,294.7</b>	<b>1,296.5</b>
EBIT	638.7	754.0
Earnings contribution of Energy and De-Mail	0.9	2.8
IPO costs IONOS		1.7
<b>EBIT adjusted (operating)</b>	<b>639.6</b>	<b>758.5</b>
EBT	302.6	597.6
Earnings contribution of Energy and De-Mail	0.9	2.8
Non-cash impairment loss on the investment in Kublai	170.5	
IPO costs IONOS		1.7
<b>EBT adjusted (operating)</b>	<b>474.0</b>	<b>602.1</b>
Net income	58.3	362.2
Earnings contribution of Energy and De-Mail	0.6	2.0
Non-cash impairment loss on the investment in Kublai	170.5	
One-time tax effects in 2024	52.0	
IPO costs IONOS		1.7
<b>Net income adjusted (operating)</b>	<b>281.4</b>	<b>365.9</b>
Net income "Shareholders United Internet"	-47.6	232.7
Earnings contribution of Energy and De-Mail	0.6	2.0
Non-cash impairment loss on the investment in Kublai	170.5	
One-time tax effects in 2024	52.0	
IPO costs IONOS		5.9
<b>Net income "Shareholders United Internet" adjusted (operating)</b>	<b>175.5</b>	<b>240.6</b>
EPS	-0.28	1.35
Earnings contribution of Energy and De-Mail	0.00	0.01
Non-cash impairment loss on the investment in Kublai	0.99	
One-time tax effects in 2024	0.30	
IPO costs IONOS		0.03
<b>EPS adjusted (operating)</b>	<b>1.01</b>	<b>1.39</b>

(1) The valuation effects from derivatives adjusted in the 2023 management report are included in the earnings contribution from Energy.

Adjusted for the above mentioned special items from the IPO of IONOS in the previous year, as well as the earnings contributions of "Energy" and "De-Mail" in the previous year and in the fiscal year 2024, the Group's key operating performance measures developed as follows:

**Consolidated operating EBITDA** amounted to € 1,294.7 million in the fiscal year 2024 and was thus only slightly below the prior-year figure (€ 1,296.5 million). In addition to burdens on earnings from the temporary outage of the 1&1 mobile network, EBITDA includes higher than expected expenses for the rollout of 1&1's mobile network. In total, these amounted to € -265.3 million (prior year: € -132.4 million). This item also includes € 14.3 million out-of-period expenses from subsequent billing for the network rollout in 2022 and 2023.

In addition to network rollout costs and out-of-period expenses, **operating EBIT** was additionally burdened by increased depreciation of € -541.2 million (prior year: € -424.1 million) resulting in particular from investments in the expansion of 1&1 Versatel's fiber-optic network and 1&1's mobile network. As a consequence, it amounted to € 639.6 million (prior year: € 758.5 million).

There was a corresponding decrease in the **operating EBITDA margin** from 21.0% in the previous year to 20.5% and in the **operating EBIT margin** from 12.3% to 10.1%.

At 10,972, the number of Group **employees** remained virtually unchanged (prior year: 10,962).

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

2024	Sales	6,303.0 <sup>(1)</sup>	6,185.9 <sup>(2)</sup>	+ 1.9 %
2023	EBITDA	1,294.7 <sup>(1)</sup>	1,296.5 <sup>(2)</sup>	- 0.1 %
	EBIT	639.6 <sup>(1)</sup>	758.5 <sup>(2)</sup>	- 15.7 %

(1) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 26.2 million; EBITDA contribution: € -0.7 million; EBIT contribution: € -0.9 million); including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

(2) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 27.3 million; EBITDA contribution: € -2.7 million; EBIT contribution: € -2.8 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))

#### Quarterly development; change over prior-year quarter<sup>(1)</sup>

in € million	Q1 2024 <sup>(2)</sup>	Q2 2024 <sup>(2)</sup>	Q3 2024 <sup>(2)</sup>	Q4 2024 <sup>(2)</sup>	Q4 2023 <sup>(2)</sup>	Change
Sales	1,565.0	1,534.9	1,560.8	1,642.3	1,617.5	+ 1.5%
EBITDA	342.1	320.2	316.1 <sup>(3)</sup>	316.3	303.7	+ 4.1%
EBIT	187.0	160.4	182.1 <sup>(3)</sup>	110.1	162.1	- 32.1%

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

(2) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 6.6 million, EBITDA contribution: € -1.3 million, EBIT contribution: € -1.3 million in Q1 2024; sales contribution: € 6.8 million, EBITDA contribution: € +0.6 million, EBIT contribution: € +0.6 million in Q2 2024; sales contribution: € 6.5 million, EBITDA contribution: € +0.5 million, EBIT contribution: € +0.4 million in Q3 2024; sales contribution: € 6.3 million, EBITDA contribution: € -0.5 million, EBIT contribution: € -0.6 million in Q4 2024; sales contribution: € 6.8 million, EBITDA contribution: € -0.5 million, EBIT contribution: € -0.6 million in Q4 2023) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -0.1 million net in Q4 2023)

(3) Including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

**MANAGEMENT REPORT**Company and  
Group profileRisk, opportunity and  
forecast reportDeclaration of  
corporate governance**Economic report**

ICS and RMS

Remuneration report

Subsequent events

Disclosures required  
by takeover law

Dependent company report

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

in € million	2020	2021	2022	2023	2024
Sales	5,367.2	5,646.2	5,915.1	6,185.9 <sup>(4)</sup>	6,303.0 <sup>(4)</sup>
EBITDA	1,218.2 <sup>(1)</sup>	1,262.4 <sup>(2)</sup>	1,271.8 <sup>(3)</sup>	1,296.5 <sup>(4)</sup>	1,294.7 <sup>(5)</sup>
EBITDA margin	22.7%	22.4%	21.5%	21.0%	20.5%
EBIT	744.2 <sup>(1)</sup>	788.6 <sup>(2)</sup>	790.7 <sup>(3)</sup>	758.5 <sup>(4)</sup>	639.6 <sup>(5)</sup>
EBIT margin	13.9%	14.0%	13.4%	12.3%	10.1%

(1) 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)

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

(3) 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)

(4) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 27.3 million; EBITDA contribution: € -2.7 million; EBIT contribution: € -2.8 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))

(5) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 26.2 million; EBITDA contribution: € -0.7 million; EBIT contribution: € -0.9 million); including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

Additionally adjusted for the non-cash impairment loss on the investment in Kublai/Tele Columbus (disclosed in the "Result from the loss of significant influence"), **operating earnings before taxes (EBT)** of € 474.0 million – based on the decline in operating EBIT as explained above (€ -118.9 million) – were also down on the previous year (€ 602.1 million).

Further adjusted for the one-off tax effects 2024, the Group's other key operating performance measures developed as follows:

**Operating consolidated net income** and **operating consolidated net income attributable to shareholders of United Internet AG** fell from € 365.9 million to € 281.4 million and from € 240.6 million to € 175.5 million, respectively.

**Operating EPS** declined from € 1.39 to € 1.01. This was also mainly due to the EBIT development (EPS effect: € -0.40).

## Group's financial position

Despite the decline in net income, **cash flow before changes in balance sheet items** (subtotal) rose from € 1,060.9 million in the previous year to € 1,128.9 million in the fiscal year 2024.

**Cash flow from operating activities** also rose from € 828.5 million to € 954.1 million.

**Cash flow from investing activities** in the reporting period led to a net outflow of € -765.6 million (prior year: € -798.2 million). This resulted mainly from capital expenditures of € -774.6 million (prior year: € -797.9 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. In the fiscal year 2024, **free cash flow** improved from € 36.4 million in the previous year to € 184.5 million.

After deducting the cash flow item "Redemption of lease liabilities" – disclosed in cash flow from financing activities since the initial application of the accounting standard IFRS 16 – **free cash flow (after leases)** improved from € -85.0 million in the previous year to € 47.4 million.

In the fiscal year 2024, **cash flow from financing activities** was dominated by the assumption of loans (€ 356.7 million net; prior year: € 305.2 million), payments for interest (€ -149.5 million; prior year: € -91.0 million), the redemption of lease liabilities (€ -137.1 million; prior year: € -121.3 million), and dividend payments (€ -86.4 million; prior year: € -86.4 million). In the previous year, cash flow from financing activities also included the purchase of treasury shares (€ -291.9 million), as well as payments received from minority shareholders (€ 305.0 million) in connection with the IPO of IONOS Group SE and resulting from purchase price payments of Warburg Pincus.

Due to closing-date effects, **cash and cash equivalents** amounted to € 114.9 million as of December 31, 2024, compared to € 27.7 million on the same date last year.

### Development of key cash flow figures

in € million	2024	2023	Change
Cash flow before changes in balance sheet items (subtotal)	1,128.9	1,060.9	+ 68.0
Cash flow from operating activities	954.1	828.5	+ 125.6
Cash flow from investing activities	-765.6	-798.2	+ 32.6
Free cash flow <sup>(1)</sup>	47.4 <sup>(2)</sup>	-85.0 <sup>(3)</sup>	+ 132.4
Cash flow from financing activities	-101.8	-43.6	- 58.2
Cash and cash equivalents on December 31	114.9	27.7	+ 87.2

(1) Free cash flow is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant and equipment

(2) 2024 including the repayment portion of lease liabilities (€ -137.1 million), which have been reported under cash flow from financing activities since the fiscal year 2019 (IFRS 16)

(3) 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)



see page 57 and  
page 269

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.

## MANAGEMENT REPORT

Company and  
Group profileRisk, opportunity and  
forecast reportDeclaration of  
corporate governance

## Economic report

ICS and RMS

Remuneration report

Subsequent events

Disclosures required  
by takeover law

Dependent company report

## Group's asset position

The **balance sheet total** increased from € 11.246 billion as of December 31, 2023 to € 11.936 billion on December 31, 2024.

### Development of current assets

in € million	Dec. 31, 2024	Dec. 31, 2023	Change
Cash and cash equivalents	114.9	27.7	+ 87.2
Trade accounts receivable	515.8	508.9	+ 6.9
Contract assets	630.3	676.1	- 45.8
Inventories	119.7	178.1	- 58.4
Prepaid expenses	394.2	303.8	+ 90.4
Other financial assets	106.1	96.9	+ 9.3
Income tax claims	93.1	34.8	+ 58.4
Other non-financial assets	15.2	13.8	+ 1.3
<b>Total current assets</b>	<b>1,989.3</b>	<b>1,840.1</b>	<b>+ 149.2</b>

**Current assets** rose from € 1,840.1 million on December 31, 2023 to € 1,989.3 million as of December 31, 2024. **Cash and cash equivalents** disclosed under current assets increased from € 27.7 million to € 114.9 million due to closing-date effects. The decrease in current **contract assets** from € 676.1 million to € 630.3 million was attributable to the current slower customer growth (compared to previous periods), as well as lower hardware sales, and includes current claims against customers due to accelerated revenue recognition from the application of IFRS 15. After raising **inventories** to avoid supply bottlenecks in late 2023, this item declined from € 178.1 million to € 119.7 million. As a result of prepayments made to advance service providers and closing-date effects, current **prepaid expenses** increased from € 303.8 million to € 394.2 million and mainly comprise the short-term portion of expenses relating to contract acquisition and contract fulfillment according to IFRS 15. **Income tax claims** rose from € 34.8 million to € 93.1 million. The items current **trade accounts receivable**, **other financial assets**, and **other non-financial assets** were all largely unchanged.

### Development of non-current assets

in € million	Dec. 31, 2024	Dec. 31, 2023	Change
Shares in associated companies	124.9	373.2	- 248.3
Other financial assets	85.9	8.3	+ 77.6
Property, plant and equipment	3,145.0	2,405.3	+ 739.7
Intangible assets	1,879.8	2,001.6	- 121.8
Goodwill	3,632.7	3,628.8	+ 3.9
Trade accounts receivable	29.9	34.8	- 4.9
Contract assets	187.9	206.6	- 18.7
Prepaid expenses	801.2	679.8	+ 121.4
Deferred tax assets	59.0	67.1	- 8.1
<b>Total non-current assets</b>	<b>9,946.4</b>	<b>9,405.6</b>	<b>+ 540.9</b>

**Non-current assets** rose from € 9,405.6 million as of December 31, 2023 to € 9,946.4 million on December 31, 2024. Due in particular to the non-cash writedown of the investment in Kublai and the reclassification/rededication of the Kublai investment (resulting from the loss of significant influence) to non-current other financial assets, **shares in associated companies** fell from € 373.2 million to € 124.9 million. There was a corresponding rise in non-current **other financial assets** from € 8.3 million to € 85.9 million. Capital expenditures in the reporting period (especially for the 5G network rollout as well as the 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 € 2,405.3 million to € 3,145.0 million, while **intangible assets** declined from € 2,001.6 million to € 1,879.8 million, mainly as a result of increased amortization. Due to prepayments made to advance service providers and closing-date effects, there was a significant increase in non-current **prepaid expenses** from € 679.8 million to € 801.2 million. The items **goodwill**, **non-current trade accounts receivable**, **contract assets**, and **deferred tax assets** were all largely unchanged.

#### Development of current liabilities

in € million	Dec. 31, 2024	Dec. 31, 2023	Change
Trade accounts payable	798.1	699.2	+ 98.9
Liabilities due to banks	356.5	582.4	- 225.9
Income tax liabilities	48.0	88.0	- 40.0
Contract liabilities	184.0	175.0	+ 9.0
Other accrued liabilities	23.3	26.4	- 3.1
Other financial liabilities	305.8	274.9 <sup>(1)</sup>	+ 30.9
Other non-financial liabilities	165.9	176.7 <sup>(1)</sup>	- 10.8
<b>Total current liabilities</b>	<b>1,881.6</b>	<b>2,022.7</b>	<b>- 141.1</b>

(1) Previous year adjusted; the salary liabilities were reclassified from financial to non-financial liabilities due to their content.

**Current liabilities** decreased from € 2,022.7 million as of December 31, 2023 to € 1,881.6 million on December 31, 2024. Due to closing-date effects, current **trade accounts payable** increased from € 699.2 million to € 798.1 million. There was a decrease in current **liabilities due to banks** from € 582.4 million to € 356.5 million as a result of their reduction or long-term refinancing. **Income tax liabilities** declined from € 88.0 million to € 48.0 million due to closing-date effects. The items 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**, current **other financial liabilities**, and current **other non-financial liabilities** were largely unchanged.

#### Development of non-current liabilities

in € million	Dec. 31, 2024	Dec. 31, 2023	Change
Liabilities due to banks	2,457.2	1,881.9	+ 575.4
Deferred tax liabilities	350.7	293.0	+ 57.7
Trade accounts payable	2.4	3.4	- 0.9
Contract liabilities	31.0	32.7	- 1.7
Other accrued liabilities	70.4	68.7	+ 1.8
Other financial liabilities	1,597.6	1,388.3	+ 209.3
<b>Total non-current liabilities</b>	<b>4,509.4</b>	<b>3,667.9</b>	<b>+ 841.5</b>

**Non-current liabilities** rose from € 3,667.9 million as of December 31, 2023 to € 4,509.4 million on December 31, 2024. This was mainly due to non-current **liabilities due to banks**, which increased from € 1,881.9 million to € 2,457.2 million as a result of the use of existing and new long-term credit facilities and the assumption of a new promissory note loan. **Deferred tax liabilities** rose from € 293.0 million to € 350.7 million. **Other financial liabilities** increased from € 1,388.3 million to € 1,597.6 million, mainly due to higher leasing additions (IFRS 16). The items non-current **trade accounts payable**, non-current **contract liabilities** (which mainly include payments received from customer contracts for which the performance has not yet been completely rendered), and non-current **other accrued liabilities** were all largely unchanged.



**MANAGEMENT REPORT**Company and  
Group profileRisk, opportunity and  
forecast reportDeclaration of  
corporate governance**Economic report**

ICS and RMS

Remuneration report

Subsequent events

Disclosures required  
by takeover law

Dependent company report

**Development of equity**

in € million	Dec. 31, 2024	Dec. 31, 2023	Change
Capital stock	192.0	192.0	0.0
Capital reserves	2,199.5	2,197.7	+ 1.7
Accumulated profit	2,851.5	2,980.5	- 129.0
Treasury shares	-459.3	-459.8	+ 0.5
Revaluation reserves	2.7	0.1	+ 2.6
Currency translation adjustment	-5.2	-12.5	+ 7.4
<b>Equity attributable to shareholders of the parent company</b>	<b>4,781.2</b>	<b>4,898.0</b>	<b>- 116.8</b>
Non-controlling interests	763.5	657.0	+ 106.5
<b>Total equity</b>	<b>5,544.7</b>	<b>5,555.1</b>	<b>- 10.3</b>

Consolidated **equity capital** fell from € 5,555.1 million as of December 31, 2023 to € 5,544.7 million on December 31, 2024. The Group's **accumulated profit** – comprising the past profits of the consolidated companies, insofar as they were not distributed – decreased from € 2,980.5 million to € 2,851.5 million in the fiscal year 2024. There was a corresponding fall in the consolidated **equity ratio** from 49.4% to 46.5%. This decline was mainly due to the non-cash writedown of the Kublai investment and the effects of the temporary outage of the 1&1 mobile network in May 2024.

**Net bank liabilities** (i.e., the balance of bank liabilities and cash and cash equivalents) increased by € 262.2 million, from € 2,436.6 million as of December 31, 2023 to € 2,698.8 million on December 31, 2024.

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

	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024
Net bank liabilities <sup>(1)</sup> / EBITDA	1.27	1.31	1.68	1.89	2.09

(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.



see page 264

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

in € million	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024
Total assets	9,230.8	9,669.1	10,358.5	11,245.6	11,935.7
Cash and cash equivalents	131.3	110.1	40.5	27.7	114.9
Shares in associated companies	89.6	431.6 <sup>(1)</sup>	429.3	373.2	124.9
Property, plant and equipment	1,271.6	1,379.6	1,851.0	2,405.3	3,145.0
Intangible assets	2,197.8	2,059.4	2,029.3	2,001.6	1,879.8
Goodwill	3,609.4	3,627.8	3,623.4	3,628.8	3,632.7
Liabilities due to banks	1,466.1	1,822.7	2,155.5	2,464.3	2,813.7
Capital stock	194.0	194.0	194.0	192.0 <sup>(2)</sup>	192.0
Equity	4,911.2	4,923.2	5,298.4	5,555.1	5,544.7
Equity ratio	53.2%	50.9%	51.2%	49.4%	46.5%

(1) Increase due to stake in Kublai (2021)

(2) Decrease due to withdrawal of treasury shares (2023)

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

In its latest economic outlook, the International Monetary Fund (IMF) reported growth of 3.2% for the global economy in 2024, based on preliminary calculations. For Germany – United Internet's most important market by far with a sales share of around 90% – the IMF's calculations are in line with the preliminary figures of the country's Federal Statistical Office, which reported a decline in (price-adjusted) gross domestic product (GDP) of -0.2% for 2024 (prior year: -0.3%).

Despite the adverse macroeconomic conditions, customer contract figures and sales of United Internet continued to make good progress in the fiscal year 2024 – thanks to its stable and largely non-cyclical business model. The Company was able to increase contracts by 590,000 in total to 29.02 million and raise sales by 1.9%, or € 117.1 million, to € 6.303 billion (without "Energy" and "De-Mail"). This at first glance only moderate sales growth was due in particular to a year-on-year decrease in low-margin hardware revenues (especially smartphones) in the Consumer Access segment (€ -92.3 million compared to 2023).

In the fiscal year 2024, customer contracts, sales and earnings were unexpectedly burdened by the effects of a temporary outage of the new 1&1 mobile network in May 2024 and the associated increase in customer churn. Moreover, the planned migration of existing customers to the 1&1 mobile network was temporarily severely restricted due to the unforeseen undersizing of individual network components and could only be resumed extensively in the fourth quarter of 2024. As a result, the savings expected in fiscal year 2024 from the migration of existing customer contracts (on a wholesale basis) to the 1&1 mobile network were only partially achieved. In addition, there were temporarily higher expenses for the elimination of capacity bottlenecks identified as a result of the network outage.

Despite the above mentioned burdens on earnings, operating EBITDA for the Group of € 1,294.7 million was only slightly below the prior-year figure (€ 1,296.5 million). In addition to burdens from the temporary outage of the 1&1 mobile network, EBITDA includes higher than expected expenses for the rollout of 1&1's mobile network. In total, these amounted to € -265.3 million (prior year: € -132.4 million). This item also includes around € 14 million out-of-period expenses from subsequent billing for the network rollout in 2022 and 2023.

The 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.

As of the reporting date for the Annual Financial Statements 2024, 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.

Company and Group profile	Risk, opportunity and forecast report	Declaration of corporate governance
<b>Economic report</b>	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

## 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 2024, **sales** of the parent company amounted to € 0.6 million (prior year: € 1.1 million) and result mainly from services rendered to the Group's subsidiaries.

**Other operating income** amounted to € 6.4 million (prior year: € 221.4 million). In addition to non-period income and internal charges to Group companies, this mainly resulted from the disposal of financial investments of € 5.6 million (prior year: € 219.1 million) from the conditional purchase price receivables of United Internet AG vis-à-vis the IONOS co-shareholder Warburg Pincus from the sale of shares in IONOS Group SE. In the previous year, the high income from the disposal of financial investments resulted mainly the sale of shares in the course of the IPO of Group subsidiary IONOS Group SE.

**Other operating expenses** amounted to € 15.5 million (prior year: € 31.3 million including high costs in connection with the IPO of Group subsidiary IONOS Group SE in 2023) 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 € 112.7 million (prior year: € 101.9 million) resulted from profit transfers of 1&1 Mail & Media Applications SE amounting to € 110.0 million (prior year: € 98.9 million), United Internet Corporate Services GmbH amounting to € 2.5 million (prior year: € 2.8 million), and United Internet Service SE amounting to € 0.2 million (prior year: € 0.1 million).

**Income from investments** amounted to € 13.8 million (prior year: € 0) and mainly comprised dividends of 1&1 AG for the fiscal year 2023 and – due to same-period profit recognition – additionally the dividend for the fiscal year 2024. Due to same-period profit recognition for the fiscal year 2022 in the fiscal year 2022, no income from investments was recognized in the previous year.

**Expenses for loss assumptions** of € 486.5 million (prior year: € 19.2 million) related to the compensation expense of United Internet Investments Holding AG & Co. KG amounting to € 337.7 million (prior year: € 19.2 million), of United Internet Management Holding SE amounting to € 148.8 million (prior year: € 0.04 million), and of United Internet Corporate Holding SE amounting to € 0.03 million (prior year: € 0.04 million).

The year-on-year increase in the loss of United Internet Investments Holding mainly results from the decrease in the shareholding in Kublai GmbH from 40% to around 5% in the fiscal year 2024. On June 14, 2024, United Internet AG announced that it would make no further investments in Kublai GmbH, which holds 95% of shares in Tele Columbus AG. United Internet thereby waived the right to increase its stake in Kublai to 40% again after it was diluted to around 5% in the course of a capital increase in the first quarter of 2024. Against this backdrop, the annual financial statements of United Internet Investments Holding as of December 31, 2024 included a non-scheduled loss from the dilution of shares in Kublai of € 316.0 million.

United Internet is convinced that the valuation of Tele Columbus AG on which the capital increase was based is far too low, resulting in an excessive dilution of United Internet's stake. A further shareholder of Kublai is Hilbert Management GmbH, an indirect subsidiary of Morgan Stanley Infrastructure Inc (MSI), an infrastructure fund managed by the investment bank Morgan Stanley. Its majority of votes at the

shareholders' meeting enabled MSI to conduct the capital increase on the basis of a valuation determined by MSI. Via United Internet Investments Holding, United Internet has since indirectly initiated the contractually stipulated anti-dilution proceedings and arranged for a review of MSI's valuation by the German Arbitration Institute ("Deutsche Institution für Schiedsgerichtsbarkeit" – DIS). Should DIS agree with United Internet's assessment, United Internet Investments Holding might be awarded compensation of approx. € 300 million, which would be passed on to United Internet AG via the existing profit transfer agreement. If the court reaches a different conclusion, the awarded claim or compensation amount could be correspondingly lower.

The year-on-year increase in the loss of United Internet Management Holding results mainly from the assumption of the loss of 1&1 Versatel GmbH based on the profit transfer agreement signed with 1&1 Versatel GmbH in November 2024.

**Income taxes** amounted to tax income of € 17.0 million (prior year: tax loss of € -44.1 million).

Due to high expenses for loss assumptions, the **net loss** in the separate financial statements of United Internet AG for the fiscal year 2024 amounted to € -365.3 million (prior year: € 274.0 million).

## Assets and financial position of United Internet AG

The parent company's **balance sheet total** decreased from € 5,865.6 million as of December 31, 2023 to € 5,777.2 million on December 31, 2024.

**Non-current assets** of the parent company amounting to € 5,442.3 million (prior year: € 4,832.2 million) were dominated by **financial assets**. Due in particular to the transfer of € 370.0 million to capital reserves of 1&1 Versatel GmbH pursuant to section 272 (2) no. 4 HGB, **shares in affiliated companies** increased to € 4,502.2 million (prior year: € 4,132.2 million). **Loans to affiliated companies** rose to € 940.0 million (prior year: € 700.0 million). The change in loans results mainly from the increase in loans to subsidiary 1&1 Versatel GmbH as well as opposing repayments from the subsidiary IONOS Group SE.

**Current assets** of the parent company amounting to € 254.9 million (prior year: € 1,033.4 million) comprise receivables due from affiliated companies and other assets. The **receivables due from affiliated companies** decreased to € 222.0 million (prior year: € 1,010.6 million). They mainly comprise receivables as part of the cash management system of € 500.1 million (prior year: € 973.3 million), from sales tax grouping of € 59.0 million (prior year: € 54.8 million) as well as – with an opposing effect – liabilities due to affiliated companies from profit transfer agreements of € 335.0 million (prior year: € 16.2 million). The decrease in receivables due from affiliated companies is mainly the result of the decline in receivables from cash management due from the subsidiary 1&1 Versatel GmbH, resulting from the change to long-term financing. The increase in liabilities due to affiliated companies from profit transfer agreements is primarily attributable to the loss of United Internet Investments Holding AG & Co. KG, which in turn mainly results from the loss from dilution of its shareholding in Kublai GmbH in fiscal year 2024 from 40% to around 5%. **Other assets** amounting to € 33.0 million (prior year: € 22.7 million) consist mainly of receivables due from the tax office.

**Shareholders' equity** of the parent company amounted to € 3,066.2 million as of December 31, 2024 (prior year: € 3,517.4 million). The decrease in equity during the reporting period is mainly due to the dividend payout of € 86.4 million and the net loss of € -365.3 million. The equity ratio declined from 60.0% in the previous year to 53.1% as of December 31, 2024.

**MANAGEMENT REPORT**Company and  
Group profileRisk, opportunity and  
forecast reportDeclaration of  
corporate governance**Economic report**

ICS and RMS

Remuneration report

Subsequent events

Disclosures required  
by takeover law

Dependent company report

The parent company's **accruals** of € 9.9 million (prior year: € 7.7 million) mainly comprise **accrued taxes** amounting to € 6.2 million (prior year: € 5.0 million), as well as **other accrued liabilities** for employee stock ownership plans, legal, auditing and consulting fees, bonuses, and other items totaling € 3.7 million (prior year: € 2.6 million).

The **liabilities of the parent company** are shaped in particular by liabilities due to banks and to affiliated companies. In the fiscal year 2024, **liabilities to banks** increased to € 2,027.2 million (prior year: € 1,668.3 million). Bank liabilities mainly comprise four promissory note loans totaling € 1,217 million (prior year: € 1,162 million), various syndicated loans totaling € 700 million (prior year: € 150 million), credit facilities of € 94 million (prior year: € 295 million), bilateral credit agreements of € 0 million (prior year: € 50 million), and interest of € 16 million (prior year: € 11 million). **Liabilities to affiliated companies** rose to € 608.1 million (prior year: € 564.0 million). They mainly comprise liabilities from the United Internet Group's cash pooling system, liabilities due to affiliated companies from profit transfer agreements, and liabilities from sales tax grouping. **Other liabilities** of € 65.9 million (prior year: € 89.8 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.

The non-financial Group report was prepared in accordance with sections 315c in conjunction with sections 289c to 289e HGB, including the disclosures contained in this non-financial report to fulfill the requirements of Article 8 of Regulation (EU) 2020/852 (hereinafter "non-financial reporting"). With regard to the structure and presentation of the information, reporting is based on the European Sustainability Reporting Standards (ESRS). This applies in particular to the following aspects of ESRS 1:

- Qualitative characteristics of information
- Double materiality as the basis for sustainability disclosures
- Due diligence
- Value chain
- Time horizons
- Preparation and presentation of sustainability information
- Structure of sustainability statement

Based on the ESRS concept, the impacts, risks and opportunities (IROs) identified using the double materiality analysis form the starting point for identifying the material sustainability topics. Also in line with ESRS, the qualitative and, in individual cases, quantitative information for these sustainability topics is then reported.

For the selection of qualitative information, the sustainability report adopts the concept of "policies, actions and targets" as set out in ESRS 2. Moreover, further quantitative information – collected in line with ESRS if indicated separately – is provided where relevant and possible.

The chapter General Disclosures sets out the basic cross-cutting requirements for sustainability reporting, including the disclosure of corporate strategy, governance, materiality and stakeholder engagement, which are mandatory for all companies. The second chapter maps the environmental information in relation to climate change, resource use, and the circular economy. Information and key figures relating to the Company's own workforce, workers in the supply chain, and consumers and end users are presented in the Social chapter. Finally, there are chapters with content on Corporate Governance and the company-specific governance topics: Digital Ethics and Responsibility. The latter covers company-specific topics, especially with regard to the digital economy, which is relevant for the United Internet Group and the sector in general.

The Company's Sustainability Report 2024, including the Non-Financial Group Report, will be published in late March 2024 (at <https://www.united-internet.de/en/investor-relations/publications/reports.html>).



<b>MANAGEMENT REPORT</b>		
Company and Group profile	Risk, opportunity and forecast report	Declaration of corporate governance
<b>Economic report</b>	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

In anticipation of the introduction of the European Corporate Sustainability Reporting Directive (CSRD), considerable effort was devoted to meeting the increased regulatory requirements as far as possible in the fiscal year 2024. This included refining sustainability targets within the divisions, strengthening the responsible teams, and expanding and optimizing data collection processes and systems. As a result, the Company is able to present environmental, social and governance (ESG) aspects in greater detail and to make developments within the divisions more visible. At the same time, the existing risk management system was continuously adapted and expanded to ensure that the business model remains robust in the future. Moreover, the recording and updating of the ecological footprint has laid the groundwork for an even more targeted implementation of measures.

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

#### Change in the Management Board

Ralf Hartings, CFO of United Internet AG, stepped down from his position on the Management Board of United Internet AG at his own request as of December 31, 2024. With effect from January 1, 2025, Carsten Theurer is Ralf Harting's successor as CFO of United Internet AG. Carsten Theurer previously worked for the Schwarz Group for over 20 years, in his last position as Group CFO. In these roles, he accompanied the international growth of the Schwarz Group in the retail sector and played a key role in setting up the company's own production companies.

#### Use of JBIC loan after the balance sheet date

In December 2024, United Internet and Japan Bank for International Cooperation (JBIC) signed a loan agreement for up to € 800 million. As of the balance sheet date on December 31, 2024, this loan had not been drawn down and the full amount of € 800 million was thus still available (prior year: €0). In February 2025, an amount of € 290 million from the loan was drawn down. As this event occurred after the balance sheet date, it has no effect on the financial information prepared as of the balance sheet date.

#### Use of syndicated loan facility after the balance sheet date

In December 2024, United Internet successfully refinanced a syndicated loan facility with its core banks. The new syndicated loan facility of € 950 million has a term until December 2029 with contractually agreed extension options. As of the balance sheet date on December 31, 2024, € 150 million of the new syndicated loan facility had been drawn (prior year: € 150 million). As a result, funds of € 800 million (prior year: € 660 million) were still available to be drawn from the credit facility. In March 2025, the loans drawn down to date under the syndicated loan facility were repaid in full, so that the loan facility is now available in full. As the aforementioned event occurred after the balance sheet date, it has no effect on the financial information prepared as of the reporting date.

#### Federal Network Agency decision on low- and mid-band spectrum

On March 24, 2025, the German Federal Network Agency announced its decision regarding the allocation of low- and mid-band spectrum that will become available from January 2026. The decision is largely based on the consultation draft published in May 2024 and provides for an extension of existing spectrum usage rights for Deutsche Telekom, Vodafone, and Telefónica. This extension is subject to the obligation that Deutsche Telekom, Vodafone, and Telefónica grant 1&1 access to part of their low-band spectrum for shared use. To achieve this, the authority has obliged the established network operators to conduct fair negotiations with 1&1. If 1&1 has not been granted the use of low-band spectrum by 1 January 2026, the Federal Network Agency reserves the right to enforce such use.



see page 96

Apart from the above, there were no other significant events subsequent to the end of the reporting period on December 31, 2024 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".



MANAGEMENT REPORT		
Company and Group profile	<b>Risk, opportunity and forecast report</b>	Declaration of corporate governance
Economic report	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company 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 monitors the efficacy of the risk management system (RMS). The RMS is regularly subjected to external audits. The current audit was started in 2024 and will be completed in the first quarter of 2025.

## 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.

**MANAGEMENT REPORT**Company and  
Group profile

Economic report

Subsequent events

**Risk, opportunity and  
forecast report**

ICS and RMS

Disclosures required  
by takeover lawDeclaration of  
corporate governance

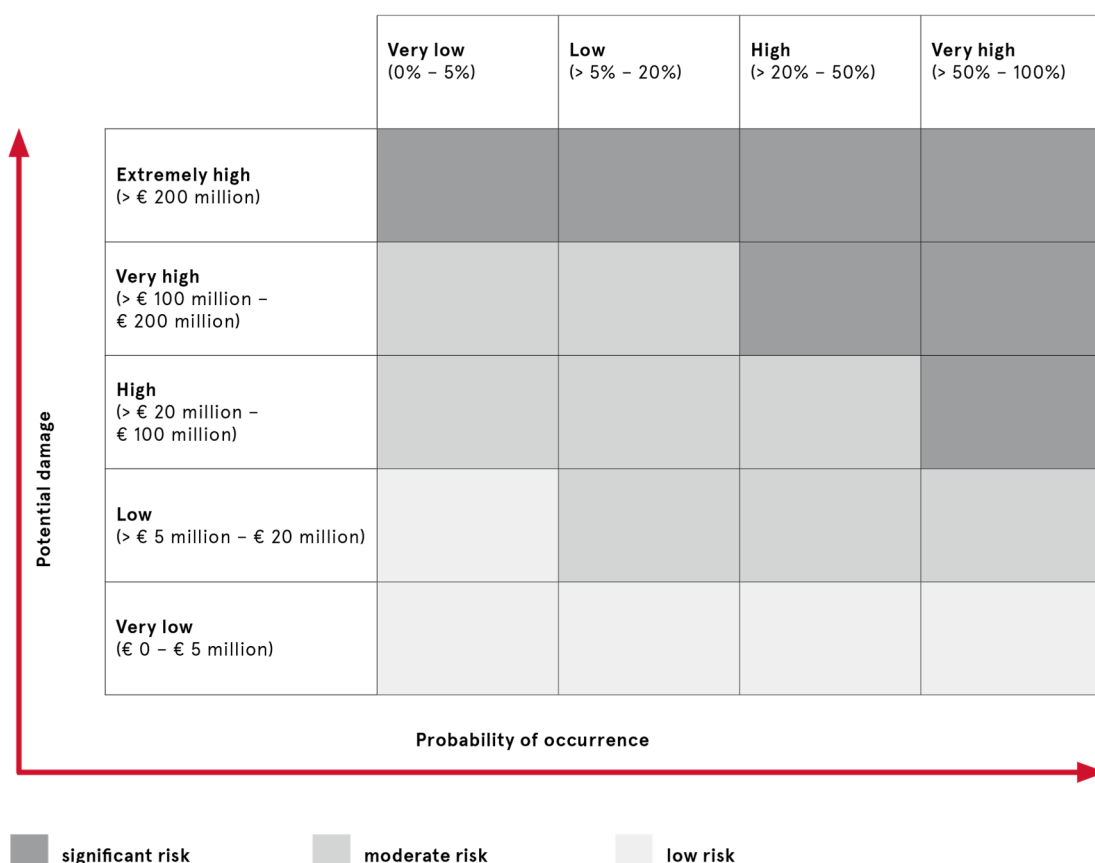
Remuneration report

Dependent company report

## 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" in percent and "potential damage" in € million. 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.

The risk categories were revised during the preparation of the Annual Financial Statements 2024 and divided into the three main categories "Strategic Market & Business Risks", "Operational Risks" and "Financial & Tax Risks". All risks were allocated to the new categories to ensure continued comparability with the previous year.

The following subcategories were renamed:

- "Legislation and regulation" to "Regulatory environment"
- "Information security" to "Cyber and information security"
- "Cooperation and outsourcing" to "Partner management"

The following subcategories were transferred:

- "Personnel recruitment", "Capacity bottlenecks", and "Personnel development and retention" to "Employees"
- "Liquidity/Financing" and "Financial market" to "Financial and liquidity risks"

The subcategories "Organizational structure and decision-making", "Projects", and "Misconduct and irregularities" have been discontinued as the material risks have been allocated to other categories.

## Strategic Market & Business Risks

### 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 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.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as moderate.

### 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.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as moderate.

MANAGEMENT REPORT		
Company and Group profile	<b>Risk, opportunity and forecast report</b>	Declaration of corporate governance
Economic report	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

## 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.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as moderate.

## 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 and profitability. 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.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as low.

### **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.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as moderate.

### **Regulatory environment**

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 has threatened to impose a fine on 1&1. Following the ruling by the Cologne Administrative Court, which declared the frequency procedure unlawful, the Federal Network Agency has announced that it will suspend the fine proceedings until further notice.

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

MANAGEMENT REPORT		
Company and Group profile	<b>Risk, opportunity and forecast report</b>	Declaration of corporate governance
Economic report	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

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.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as significant.

## Operational Risks

### 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.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as moderate.

### 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 risk of an increase in the number of non-payers and fraudsters, as well as the possible unauthorized access to customer accounts.

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.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as moderate.

### **Cyber & 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 2024, 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 309,000 in the period July 1, 2023 to June 30, 2024. This corresponds to a year-on-year increase of 26%.

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.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as significant.

### **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.

Failure to comply with EU-GDPR can result in heavy fines. The impact of data protection risks is therefore high. Moreover, further risks in this risk area were identified in the fiscal year 2024.

Compared to the previous year, the risk assessment has increased from moderate to significant.



MANAGEMENT REPORT		
Company and Group profile	<b>Risk, opportunity and forecast report</b>	Declaration of corporate governance
Economic report	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

## Employees

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.

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, 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.

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 2024".

Compared to the previous year, the risk assessment has increased from moderate to significant.

## Partner management

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.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as moderate.

## 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.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as significant.

### **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.

At the end of May 2024, 1&1 faced a temporary outage of its mobile network. In the course of troubleshooting, it became clear that central components of the core network were undersized. As a result, 1&1 ramped down the migration of existing customers to the 1&1 mobile network as a precautionary measure. Measures were immediately taken and missing components for future growth were retrofitted at the first two core data centers in summer 2024. At the same time, two further core data centers were delayed and did not go live until the fourth quarter of 2024. Only then was the large-scale migration of existing customer contracts to the 1&1 mobile network resumed.

The specific causes of the disruption have been eliminated and major outages have since been prevented. However, due to the high technical complexity of the mobile network structure, future disruptions cannot be ruled out with certainty.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as significant.

MANAGEMENT REPORT		
Company and Group profile	<b>Risk, opportunity and forecast report</b>	Declaration of corporate governance
Economic report	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

## Financial & Tax Risks

### Financial & liquidity risks

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.

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.

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.

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.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as moderate.

### 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, 2023, there has been an increase in this risk field. This is due to the substantiation of a VAT risk following the publication of an administrative opinion by the Federal Ministry of Finance.

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

Compared to the previous year, the risk assessment has increased from moderate to significant.

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



see page 264

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**



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Information on sustainability risks can be found in the Sustainability Report 2024, which will be published at the end of March 2025 (at <https://www.united-internet.de/investor-relations/publikationen/berichte.html>).

MANAGEMENT REPORT		
Company and Group profile	<b>Risk, opportunity and forecast report</b>	Declaration of corporate governance
Economic report	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

## 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 comprise the topic areas "Litigation", "Regulatory environment", "Cyber and information security", "Tax risks", and "Data privacy".
- The risk assessment of the risk field "Data privacy" rose from Low to Significant. The background is the addition of new risks.
- The risk assessment of the risk field "Employees" rose from Moderate to Significant. The background is the addition of new risks with high potential damage. In addition, an evaluation conducted due to the new risk categories resulted in the transfer of a risk from "Cyber and information security" to "Employees".
- The risk assessment of the risk field "Tax risks" rose from Moderate to Significant. The background is the increase in the probability of occurrence.
- Otherwise, the risk classifications of the risk fields of United Internet AG as at December 31, 2024 were unchanged from December 31, 2023.

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

In two of the three risk areas ("operational risks" and "financial and tax risks"), the overall risk situation for United Internet has increased slightly compared to the previous year.

In the assessment of the overall risk situation, the existing opportunities for United Internet AG were not taken into consideration. There were no risks which directly jeopardized the continued existence of United Internet AG in the fiscal year 2024, 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
<b>Risks in the "Strategic Market &amp; Business Risks" field</b>					
Sales market & competition	Business Applications	Low	High	Moderate	Unchanged
Procurement market	Business Access	Low	High	Moderate	Unchanged
Shareholdings & investments	Holding / Corporate	Low	Low	Moderate	Unchanged
Business development & innovations	Business Applications	Low	Very low	Low	Unchanged
Acts of God	Business Access Business Applications	Very low	High	Moderate	Unchanged
Regulatory environment	Consumer Access	Low	Extremely high	Significant	Unchanged
<b>Risks in the field of "operational risks"</b>					
Work processes	Business Applications	Low	High	Moderate	Unchanged
Fraud & credit default	Business Applications	High	Low	Moderate	Unchanged
Cyber and information security	Business Applications	Very low	Extremely high	Significant	Unchanged
Data privacy	Consumer Access Business Applications	Low	Extremely high	Significant	Deteriorated
Employees	Business Applications	Very low	Extremely high	Significant	Deteriorated
Partner management	Consumer Access	High	Low	Moderate	Unchanged
Litigation	Consumer Access	Low	Extremely high	Significant	Unchanged
Technical plant operation	Consumer Access Business Applications	Low	Extremely high	Significant	Unchanged
<b>Risks in the field of "financial and tax risks"</b>					
Financial and liquidity risks	Business Applications	Low	High	Moderate	Unchanged
Tax risks	Consumer Access Business Applications	Very high	High	Significant	Deteriorated

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 wars in Ukraine and the Middle East, the political changes brought about by the new US administration are leading to increased uncertainty regarding 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 diversified procurement strategies to ensure a secure and fair energy supply.

**MANAGEMENT REPORT**Company and  
Group profile

Economic report

Subsequent events

**Risk, opportunity and  
forecast report**

ICS and RMS

Disclosures required  
by takeover lawDeclaration of  
corporate governance

Remuneration report

Dependent company report

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 precarious security situation caused by the war in the Middle East and the war in Ukraine, 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.

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



MANAGEMENT REPORT		
Company and Group profile	<b>Risk, opportunity and forecast report</b>	Declaration of corporate governance
Economic report	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

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 66,000 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 2023, only 11.2% (end of 2022: 9.2%) of all broadband connections in Germany are fiber-optic connections. Germany therefore still lags well behind in 36<sup>th</sup> place among the 38 OECD countries

surveyed, and is well below the leaders Korea (89.6%), Iceland (88.7%) and Spain (85.8%) as well as significantly below the OECD average of 42.5% (end of 2022: 37.7%).

### **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 increasingly producing advance services for new customers in its own network. Wherever 1&1 does not yet have sufficient mobile coverage during the years of network expansion, it uses national roaming. The national roaming partnership with Vodafone started in late August 2024. National roaming via Vodafone will be available for all 1&1 mobile customers until the end of 2025. At the same time, national roaming services previously procured from Telefónica will be completely phased out. 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 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.

### **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 9 own data centers and 22 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.

**MANAGEMENT REPORT**Company and  
Group profile

Economic report

Subsequent events

**Risk, opportunity and  
forecast report**

ICS and RMS

Disclosures required  
by takeover lawDeclaration of  
corporate governance

Remuneration report

Dependent company report

## 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 the capital and 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), 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 17, 2025, the International Monetary Fund (IMF) updated its forecasts for the development of the global economies in 2025 and 2026.

With regard to the **global economy** as a whole, the IMF has upgraded its forecast. It now expects global economic growth of 3.3% in 2025, which is 0.1 percentage point higher than in its fall outlook. It also expects 3.3% for 2026.

According to the IMF, the risks that could affect this outlook include geopolitical conflicts such as those in Ukraine and the Middle East, as well as the political uncertainty resulting from Donald Trump's return to the US presidency. The IMF has not yet incorporated Trump's policy proposals into its forecasts.

In particular, the outlook for the **USA** improved significantly by 0.5 percentage points to 2.7% for 2025. By contrast, the IMF's experts paint a very different picture for **Germany**, United Internet's most important target market. After two years of recession in 2023 and 2024, the German economy is expected to grow by only 0.3% in 2025. The previous IMF estimate (fall outlook) was thus downgraded by 0.5 percentage points. According to the IMF, Germany will once again record the weakest growth of the leading western G7 industrialized nations in the current year. The reasons cited are weak industrial output and high energy prices, which are hampering the country's economic recovery.

Germany will therefore continue to lag behind its European neighbors in 2025. Growth will be significantly stronger in **Spain** (2.3%), but the **UK** (1.6%), **France** (0.8%) and **Italy** (0.7%) are also set to outpace Germany.

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

	2026e	2025e	2024
World	3.3%	3.3%	3.2%
USA	2.1%	2.7%	2.8%
Canada	2.0%	2.0%	1.3%
Mexico	2.0%	1.4%	1.8%
France	1.1%	0.8%	1.1%
Spain	1.8%	2.3%	3.1%
Italy	0.9%	0.7%	0.6%
Poland	3.3%	3.5%	2.8%
UK	1.5%	1.6%	0.9%
Germany	1.1%	0.3%	-0.2%

Source: International Monetary Fund, World Economic Outlook (Update), January 2025

The IMF's growth forecast for Germany in 2025 is in line with the German government's own projection. On publication of its Annual Economic Report 2025 on January 29, 2025, the government also forecast price-adjusted GDP growth of just 0.3%. In the fall of 2024, the government was still expecting GDP to grow by 1.1%.

Germany's Minister for Economic Affairs, Robert Habeck, cited the "high level of uncertainty" caused by US economic and trade policy under Donald Trump and the political situation in Germany as the main reasons for the downgraded outlook. He also pointed to measures in the growth initiative of the coalition government, which will now largely remain unimplemented due to the collapse of the coalition.

MANAGEMENT REPORT		
Company and Group profile	<b>Risk, opportunity and forecast report</b>	Declaration of corporate governance
Economic report	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

Habeck identified the lack of both unskilled and skilled labor, excessive bureaucracy and sluggish investment as the most pressing issues.

## Sector/market expectations

Despite the challenges posed by these adverse economic conditions, further growth is still expected for Germany's digital economy. The digital association Bitkom, for example, expects the **German IT and telecommunications (ICT)** market to grow by 4.6% to € 232.8 billion in 2025. ICT sales in the previous year rose by 3.3% to € 222.6 billion.

Information technology continues to be the main growth driver. According to the latest Bitkom forecast, this market is set to grow by 5.9% (prior year: 4.4%) to € 158.5 billion in 2025.

Within this segment, software sales in particular are expected to grow strongly again, by 9.8% to € 51.1 billion. The ongoing boom in artificial intelligence (AI) is particularly evident here: sales of AI platforms – on which AI applications can be developed, trained, and operated – are expected to grow rapidly by 43% to € 2.3 billion. Collaboration tools for teamwork and remote working environments are also expected to grow strongly by 12% to € 1.4 billion. Moreover, security software is likely to grow by 11% to € 5.1 billion and double-digit growth is forecast for cloud services, which are expected to grow by 17% to € 20.0 billion.

Growth is also expected across almost all segments of the IT hardware market. According to projections, the hardware market as a whole is expected to grow by 3.3% to € 53.7 billion by 2025. The main growth driver is once again expected to be the Infrastructure-as-a-Service segment, i.e. rented servers, network and storage capacities, which is expected to grow by 24.4% to € 6.2 billion.

Bitkom forecasts that revenues from IT services as a whole will increase by 5.0% to € 53.8 billion in 2025.

The most important ICT markets for United Internet's business model are the German telecommunications market 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 1.8% (prior year: 1.0%) to € 74.3 billion in 2025. The strongest growth in this segment is expected to come from business with telecommunications infrastructure, which is expected to grow by 3.5% (prior year: -4.8%) to € 8.0 billion. Sales of end-user devices are likely to increase by 2.7% (prior year: 1.6%) to € 12.8 billion. And business with telecommunications services is also expected to grow by 1.4% (prior year: 1.8%) to € 53.5 billion.

### Market forecast: telecommunications market in Germany

in € billion	2025e	2024	Change
Telecommunication revenues	74.3	73.0	+ 1.8%

Source: Bitkom, January 2025

## Global cloud computing market

According to Gartner's calculations, the global public cloud services market is expected to grow by 21.5% (prior year: 19.2%) to USD 723.4 billion in 2025. The strongest growth is expected in the areas of cloud system infrastructure services (IaaS) at 24.8%, cloud application infrastructure services (PaaS) at 21.6%, and cloud application services (SaaS) at 19.2%.

### Market forecast: global cloud computing

in \$ billion	2025e	2024	Change
Global sales of public cloud services	723.42	595.65	+ 21.5%
thereof Application Infrastructure Services (PaaS)	208.64	171.57	+ 21.6%
thereof Application Services (SaaS)	299.07	250.80	+ 19.2%
thereof Desktop as a Service (DaaS)	3.85	3.47	+ 11.1%
thereof System Infrastructure Services (IaaS)	211.86	169.82	+ 24.8%

Source: Gartner Forecasts, Worldwide Public Cloud End-User Spending, November 2024

## Online advertising market in Germany

After a 10.7% increase in online advertising in 2024, PricewaterhouseCoopers expects further growth in 2025 with an increase in total market volume (mobile advertising and desktop advertising) of 9.6% to € 20.7 billion.

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

in € billion	2025e	2024	Change
Online advertising revenues	20.74	18.93	+ 9.6%

Source: PricewaterhouseCoopers, German Entertainment and Media Outlook 2024 – 2028, September 2024

MANAGEMENT REPORT		
Company and Group profile	<b>Risk, opportunity and forecast report</b>	Declaration of corporate governance
Economic report	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

## Expectations for the Company in 2025

### Forecast for the fiscal year 2025

Adjusted for the "Energy" business field, United Internet expects the following development of sales and earnings for the Group in the fiscal year 2025:

- Sales 2025 (acc. to IFRS) are expected to rise to approx. €6.4 billion (2024: € 6.303 billion without "Energy" and "De-Mail").
- Operating EBITDA 2025 (acc. to IFRS) is expected to grow to approx. € 1.35 billion (2024: € 1.295 billion without "Energy" and "De-Mail"), including approx. € -20 million due to 1&1 changing its national roaming service provider. In the commercially equivalent national roaming agreement with Vodafone, the capacities used by 1&1 are fully recognized in EBITDA, whereas under the national roaming agreement with Telefónica they were previously capitalized in part and depreciated in scheduled amounts.

The Company will continue to invest heavily in 2025, especially in the expansion of its fiber-optic network and mobile communications network. Cash capex is expected to be approx. € 800 million (2024: € 774.6 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 2025 (2024: € -365.3 million including non-scheduled special items).

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. In the fiscal year 2025, 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 Business Access segment, the fiber-optic network is to be expanded further with the connection of new locations. In addition, the corporate customer business will continue to be developed.

- 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 addition, the segment will expand its cloud business in particular.

At the time of preparing this Management Report, the Company's Management Board believes that the Company is on track to reach the forecast presented above in the section "Forecast for the fiscal year 2025".

**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.



MANAGEMENT REPORT		
Company and Group profile	Risk, opportunity and forecast report	Declaration of corporate governance
Economic report	<b>ICS and RMS</b>	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company 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. It is monitored by, among other things, 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 comprises 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, Corporate Audit 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 liquidity 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.

MANAGEMENT REPORT		
Company and Group profile	Risk, opportunity and forecast report	Declaration of corporate governance
Economic report	<b>ICS and RMS</b>	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

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 Corporate Audit and may be the subject of subsequent audits. In order to ensure the high quality of the accounting-related ICS, Corporate Audit 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, 2024.



see page 207 and  
page 246

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

### Composition of capital

Since the 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, the subscribed capital of United Internet AG amounts to € 192,000,000 (unchanged from the end of the reporting period on December 31, 2024) and is divided into 192,000,000 registered no-par shares. Each share entitles the owner to one vote. There are no other share categories. In the case of a capital increase, the commencement of dividend entitlement for new shares may be determined separately from the moment of contribution. All shares are listed on the stock exchange.

### Limitations affecting voting rights or the transfer of shares

There are legal limitations affecting voting rights of certain shares pursuant to section 71b AktG and section 71d S. 4 in conjunction with section 71b AktG. At the end of the reporting period on December 31, 2024, United Internet AG held a total of 19,162,689 treasury shares corresponding to 9.98% of the capital stock of 192 million shares (December 31, 2023: 19,183,705 treasury shares or 9.99% of the capital stock).

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.

As at the end of the reporting period on December 31, 2024, Mr. Dommermuth indirectly held 93,955,205 shares of United Internet AG (48.94% of capital stock). Of the other Management Board members, Mr. Hartings held 21,016 shares of the Company (0.01% of capital stock) and Mr. Huhn held 500 shares of the Company (0.00% of capital stock) as of December 31, 2024.

Of the current members of the Supervisory Board, Mr. Rasch held 12,500 shares (0.01% of capital stock) as of December 31, 2024.

There are no limitations affecting the transfer of shares.

MANAGEMENT REPORT		
Company and Group profile	Risk, opportunity and forecast report	Declaration of corporate governance
Economic report	ICS and RMS	Remuneration report
Subsequent events	<b>Disclosures required by takeover law</b>	Dependent company report

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

On December 31, 2024, 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

MANAGEMENT REPORT		
Company and Group profile	Risk, opportunity and forecast report	Declaration of corporate governance
Economic report	ICS and RMS	Remuneration report
Subsequent events	<b>Disclosures required by takeover law</b>	Dependent company report

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 shares 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.



MANAGEMENT REPORT		
Company and Group profile	Risk, opportunity and forecast report	Declaration of corporate governance
Economic report	ICS and RMS	Remuneration report
Subsequent events	<b>Disclosures required by takeover law</b>	Dependent company report

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 to 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, 2<sup>nd</sup> 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

In December 2024, a bank consortium granted United Internet AG a new syndicated loan facility and syndicated loan totaling € 1,500 million. € 700 million of this amount had been drawn as at the end of the reporting period on December 31, 2024.

- 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 € 1,217.0 million are outstanding at the end of the reporting period on December 31, 2024.

- 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.

**MANAGEMENT REPORT**Company and  
Group profileRisk, opportunity and  
forecast reportDeclaration of  
corporate governance

Economic report

ICS and RMS

Remuneration report

Subsequent events

**Disclosures required  
by takeover law**

Dependent company report

## 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 2024, it consisted of three persons (namely Mr. Ralph Dommermuth, Mr. Ralf Hartings, and Mr. Markus Huhn). Following the departure of Mr. Ralf Hartings as of the end of December 31, 2024 and the appointment of Mr. Carsten Theurer as of January 1, 2025, it continues to consist of three persons.

MANAGEMENT REPORT		
Company and Group profile	Risk, opportunity and forecast report	<b>Declaration of corporate governance</b>
Economic report	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

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. The corporate culture of the United Internet Group is characterized by the traditional values of responsibility, the will to succeed, agility, solidity, fairness, and openness, which form the foundation for sustainable corporate success. To ensure exemplary corporate action and behavior, the Management Board has developed ethical guidelines which are set out in a Code of Conduct. The Code of Conduct contains the main principles of responsible corporate behavior and makes specific recommendations. In addition, the United Internet Group pays particular attention to compliance with human rights and environmental due diligence in its own business and for our supply chains, which is reported on annually. Further information on the assumption of responsibility and our commitment to sustainability can be found on the Company's website at [www.united-internet.de](http://www.united-internet.de) under "Company" in the sections "Responsibility" and "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 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 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 Management 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 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 2024:

### Management Board members on December 31, 2024

- Ralph Dommermuth, Company founder and Chief Executive Officer  
(with the Company since 1988)
- Ralf Hartings, Chief Financial Officer  
(Management Board member from April 1, 2023 to December 31, 2024; 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)

### Change in the Management Board

- Ralf Hartings, Chief Financial Officer  
(Management Board member from April 1, 2023 to December 31, 2024)
- Carsten Theurer, Chief Financial Officer  
(Management Board member since January 1, 2025; with the United Internet Group since 2025)

MANAGEMENT REPORT		
Company and Group profile	Risk, opportunity and forecast report	<b>Declaration of corporate governance</b>
Economic report	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

## Supervisory Board

### Working procedures of the Supervisory Board

In the fiscal year 2024, the Supervisory Board elected by the Annual Shareholders' Meeting consisted of six members until July 4, 2024. Since Prof. Dr. Andreas Söffing stepped down from the Supervisory Board on July 4, 2024, it has comprised five members (namely, Mr. Philipp von Bismarck, Dr. Manuel Cubero del Castillo-Olivares, Mr. Stefan Rasch, Prof. Dr. Yasmin Mei-Yee Weiss, and 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 topics sustainability, compliance and information security.

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 approximately every two years.

At its meeting on November 11, 2024, the Audit and Risk Committee of United Internet AG conducted a self-assessment for the fiscal year 2024 in the presence of all Committee members and the Chairwoman of the Committee. The self-assessment was carried out in detail at this meeting on the basis of a comprehensive catalog of questions, which included in particular an assessment of the areas "composition of the committee", "provision of information to the committee", "committee meetings",

“activities of the committee chairperson” and “monitoring of financial reporting, sustainability reporting and corporate control systems”.

After completing the self-assessment, the Audit and Risk Committee came to the conclusion that professional cooperation within the committee, as well as the trusting and cooperative relationship with the auditor, the Management Board and the company departments continues to be upheld.

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.



MANAGEMENT REPORT		
Company and Group profile	Risk, opportunity and forecast report	<b>Declaration of corporate governance</b>
Economic report	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

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 (or a Sustainability Report which replaces these), 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 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 six consultation meetings were held with the auditor in 2024. In addition, the auditor regularly attends the meetings of the Audit and Risk Committee.

The 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 targets presented below 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.

MANAGEMENT REPORT		
Company and Group profile	Risk, opportunity and forecast report	<b>Declaration of corporate governance</b>
Economic report	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

### 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 five 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 2024:

### **Supervisory Board members as at December 31, 2024**

- Philipp von Bismarck,  
Chairman of the Supervisory Board since May 2021, member of the Audit and Risk Committee since May 2021  
(member of the Supervisory Board since July 2020)
- Dr. Manuel Cubero del Castillo-Olivares,  
Deputy Chairman of the Supervisory Board since May 2021  
(member of the Supervisory Board since May 2020)
- Stefan Rasch,  
Member of the Audit and Risk Committee since May 2021  
(member of the Supervisory Board since May 2021)
- Prof. Dr. Yasmin Mei-Yee Weiss  
(member of the Supervisory Board 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  
(member of the Supervisory Board since May 2023)

### **Departed in the fiscal year 2024**

- Prof. Dr. Andreas Söffing (member of the Supervisory Board from May 2021 to July 2024)

## MANAGEMENT REPORT

Company and  
Group profileRisk, opportunity and  
forecast report**Declaration of  
corporate governance**

Economic report

ICS and RMS

Remuneration report

Subsequent events

Disclosures required  
by takeover law

Dependent company report

## Skills profile of Supervisory Board members as of December 31, 2024:

		Philipp von Bismarck	Dr. Manuel Cubero del Castillo-Olivares	Stefan Rasch	Prof. Dr. Yasmin Mei-Yee Weiss	Prof. Dr. Franca Ruhwedel
Length of	Member since	7/2020	5/2020	5/2021	7/2020	5/2023
Age limit (70)	Year of birth	1975	1963	1962	1978	1973
Personal suitability	Independence	✓	✓	✓	✓	✓
	No overboarding	✓	✓	✓	✓	✓
	Former Management Board member					
	No conflicts of interest	✓	✓	✓	✓	✓
Diversity	Gender	Male	Male	Male	Female	Female
	Nationality	German	Spanish	German	German	German
Professional suitability	Telecommunications sector	✓	✓	✓		
	Media and / or IT sector		✓	✓		✓
	Expertise / experience in other sectors	✓	✓	✓	✓	✓
	Entrepreneurial or operational experience	✓	✓	✓	✓	✓
	Use of accounting principles, internal control & risk management systems, incl. sustainability reporting	✓		✓		✓
	Auditing of financial statements, incl. auditing of sustainability reporting	✓				✓
	Expertise in sustainability issues of importance to the Company					✓
	Strategy development and implementation	✓	✓	✓	✓	
	Controlling and risk management			✓		✓
	HR planning and management		✓		✓	
	Governance and compliance	✓				✓
	Expertise regarding the needs of capital market-oriented companies	✓				✓
	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 chair 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, having dealt extensively with the content and auditing of non-financial statements since the introduction of Sections 289b and 315b HGB. Since becoming a member of the Supervisory Board and its Audit Committee, she has closely monitored the planning, preparation and creation of United Internet AG's Sustainability Report and its audit.

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.

The third 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.

The current term of office for each of the Supervisory Board members ends on expiry of the Annual Shareholders' Meeting of the year 2025.

MANAGEMENT REPORT		
Company and Group profile	Risk, opportunity and forecast report	<b>Declaration of corporate governance</b>
Economic report	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

## 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 three men.
- A target of "0" was set for the Management Board. The Management Board was composed exclusively of (three) men in the fiscal year 2024. After extensive and careful consideration, the Supervisory Board decided, based on the Company's interest in a steady continuation of its successful work, 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 three 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 five members respectively, no targets have been set with regard to geographical origin. In order to ensure international experience, the Supervisory Board already stipulates that at least one member of the Supervisory Board should have several years of experience abroad or have gained operational experience with an internationally active company.

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

The 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 for the Management Board or Supervisory Board 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,



MANAGEMENT REPORT		
Company and Group profile	Risk, opportunity and forecast report	<b>Declaration of corporate governance</b>
Economic report	ICS and RMS	Remuneration report
Subsequent events	Disclosures required by takeover law	Dependent company report

more or more specific diversity aspects would otherwise 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. The operational management of the Internal Control System is the responsibility of the Management Board member for Shared Service / HR under the leadership of the Head of Commercial and ICS Service, while the Head of Corporate Audit & ICS Governance within the CFO's area of responsibility is responsible for Internal Control System Governance.

## 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. In addition to the Head of Corporate Compliance, 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 policy management, whistleblower management, the prevention of corruption, compliance monitoring including sanction list screening, and the supply chain compliance management system.

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.



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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](http://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.

**MANAGEMENT REPORT**Company and  
Group profileRisk, opportunity and  
forecast report**Declaration of  
corporate governance**

Economic report

ICS and RMS

Remuneration report

Subsequent events

Disclosures required  
by takeover law

Dependent company report

## 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 2024.

## 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 2024 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](http://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.


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Information on Management Board and Supervisory Board remuneration can also be found in the Notes to the Consolidated Financial Statements for the fiscal year 2024 under note 42.



see page 258

## 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 17, 2024, 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](http://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:

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 June 27, 2022, and on which its last Declaration of Conformity issued on December 19, 2023 was based, with the


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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.4)**

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.

**Remuneration system for members of the Management Board  
(Recommendations G.1 to G.5 inclusive of the Code)**

With the recommendation to the Annual Shareholders' Meeting in May 2023, the remuneration system became the basis for service agreements with Management Board members. Existing service agreements already correspond to the remuneration system, with the exceptions set out below. The elaborated remuneration system takes into account the recommendations in G.1 to G.5 inclusive without any restrictions.

**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.

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.

**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

**MANAGEMENT REPORT**Company and  
Group profileRisk, opportunity and  
forecast report**Declaration of  
corporate governance**

Economic report

ICS and RMS

Remuneration report

Subsequent events

Disclosures required  
by takeover law

Dependent company report

the calculation of any compensation payments. The current service agreement of one Management Board member does 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/2024.html>. All of the Company's Declarations of Conformity in accordance with section 161 AktG since 2008 are also publicly available there.

Montabaur, March 25, 2025

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).



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The remuneration system and disclosure of compensation for members of the Management Board and Supervisory Board for the fiscal year 2024 pursuant to section 162 AktG can be found in the “Remuneration Report 2024”, which is published on the corporate website at [www.united-internet.de/en/investor-relations/publications/reports.html](http://www.united-internet.de/en/investor-relations/publications/reports.html).



see page 258

Disclosures on Management Board and Supervisory Board remuneration are also provided in note 42 of the Notes to the Consolidated Financial Statements.

**MANAGEMENT REPORT**Company and  
Group profile

Economic report

Subsequent events

Risk, opportunity and  
forecast report

ICS and RMS

Disclosures required  
by takeover lawDeclaration of  
corporate governance**Remuneration report****Dependent company report**

## 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 25, 2025

The Management Board



Ralph Dommermuth



Carsten Theurer



Markus Huhn

# CONSOLIDATED FINANCIAL STATEMENTS

---

BALANCE SHEET	154
NET INCOME	156
CASH FLOW	158
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	160
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2024	162
Basis of preparation and accounting policies	162
1. General information on the Company and accounting	162
2. Accounting and measurement principles	162
3. Significant accounting judgments, estimates, and assumptions	183
4. Business combinations and investments	189
Explanations of items in the income statement	192
5. Sales/segment reporting	192
6. Cost of sales	196
7. Selling expenses	197
8. General and administrative expenses	197
9. Other operating income/expenses	197
10. Impairment of receivables and contract assets	198
11. Depreciation, amortization, and impairment	199
12. Personnel expenses	200
13. Financial expenses	201
14. Financial income	202
15. Income taxes	203
16. Earnings per share	207
17. Dividend per share	208
Explanations of items in the balance sheet	209
18. Cash and cash equivalents	209
19. Trade accounts receivable	209
20. Contract assets	210



21. Inventories	211
22. Prepaid expenses	212
23. Other current assets	212
24. Shares in associated companies	213
25. Other non-current financial assets	215
26. Property, plant and equipment	216
27. Intangible assets (without goodwill)	217
28. Goodwill	219
29. Impairment of goodwill and intangible assets with indefinite useful lives	219
30. Trade accounts payable	226
31. Liabilities due to banks	227
32. Contract liabilities	229
33. Other accrued liabilities	230
34. Other liabilities	230
35. Maturities of liabilities	232
36. Share-based payment – employee stock ownership plans	234
37. Capital stock	246
38. Reserves	248
39. Treasury shares	248
40. Non-controlling interests	250
41. Additional details on financial instruments	252
42. Transactions with related parties	258
43. Objectives and methods of financial risk management	264
44. Contingencies, contingent liabilities, and other commitments	268
45. Leases and other financial commitments	269
46. Statement of cash flows	274
47. Exemption pursuant to section 264 (3) HGB and section 264b HGB	275
48. List of shareholdings of the United Internet AG Group acc. to section 313 (2) HGB	275
49. Subsequent events	279
50. Auditing fees	279
51. Corporate Governance Code	280
DEVELOPMENT OF INTANGIBLE AND FIXED ASSETS	282

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# BALANCE SHEET

as of December 31, 2024 in €k

ASSETS	Note	December 31, 2024	December 31, 2023
<b>Current assets</b>			
Cash and cash equivalents	18	114,857	27,689
Trade accounts receivable	19	515,832	508,945
Contract assets	20	630,307	676,110
Inventories	21	119,667	178,083
Prepaid expenses	22	394,196	303,781
Other financial assets	23.1	106,140	96,871
Income tax claims	15	93,119	34,754
Other non-financial assets	23.2	15,153	13,835
		<b>1,989,270</b>	<b>1,840,069</b>
<b>Non-current assets</b>			
Investments in associated companies	24	124,943	373,205
Other financial assets	25	85,910	8,346
Property, plant and equipment	26	3,145,015	2,405,312
Intangible assets	27, 29	1,879,794	2,001,584
Goodwill	28, 29	3,632,744	3,628,849
Trade accounts receivable	19	29,881	34,751
Contract assets	20	187,943	206,623
Prepaid expenses	22	801,242	679,795
Deferred tax assets	15	58,967	67,092
		<b>9,946,439</b>	<b>9,405,557</b>
<b>Total assets</b>		<b>11,935,709</b>	<b>11,245,626</b>

## FINANCIAL STATEMENTS

<b>Balance sheet</b>	Notes as of December 31, 2024
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

LIABILITIES	Note	December 31, 2024	December 31, 2023*
<b>Current liabilities</b>			
Trade accounts payable	30, 35	798,071	699,220
Liabilities due to banks	31, 35	356,455	582,396
Income tax liabilities	15, 35	48,004	87,996
Contract liabilities	32, 35	184,019	175,033
Other provisions	33, 35	23,313	26,428
Other financial liabilities	34.1, 35	305,806	274,921
Other non-financial liabilities	34.2, 35	165,900	176,699
		<b>1,881,568</b>	<b>2,022,693</b>
<b>Non-current liabilities</b>			
Liabilities due to banks	31, 35	2,457,246	1,881,865
Deferred tax liabilities	15	350,745	293,020
Trade accounts payable	30, 35	2,425	3,358
Contract liabilities	32, 35	30,990	32,658
Other provisions	33, 35	70,439	68,671
Other financial liabilities	34.3, 35	1,597,562	1,388,310
		<b>4,509,407</b>	<b>3,667,881</b>
<b>Total liabilities</b>		<b>6,390,975</b>	<b>5,690,574</b>
<b>EQUITY</b>			
Capital stock	37	192,000	192,000
Capital reserves	38	2,199,458	2,197,720
Accumulated profit	38	2,851,493	2,980,528
Treasury shares	39	-459,290	-459,793
Revaluation reserves	38	2,737	105
Currency translation adjustment	38	-5,152	-12,535
<b>Equity attributable to shareholders of the parent company</b>		<b>4,781,247</b>	<b>4,898,024</b>
Non-controlling interests	40	763,487	657,028
<b>Total equity</b>		<b>5,544,734</b>	<b>5,555,052</b>
<b>Total liabilities and equity</b>		<b>11,935,709</b>	<b>11,245,626</b>

\* Prior-year figure adjusted, please refer to Note 2.1.

## NET INCOME

from January 1 to December 31, 2024 in €k

		2024	2023
	Note	January - December	January - December
Sales	5	6,329,186	6,213,216
Cost of sales	6, 11, 12	-4,325,710	-4,145,136
<b>Gross profit</b>		<b>2,003,476</b>	<b>2,068,080</b>
Selling expenses	7, 11, 12	-981,865	-943,160
General and administrative expenses	8, 11, 12	-287,770	-275,924
Other operating expenses	9.1	-26,189	-33,334
Other operating income	9.2	71,998	60,565
Impairment losses on receivables and contract assets	10	-140,936	-122,264
<b>Operating result</b>		<b>638,713</b>	<b>753,963</b>
Financial expenses	13	-167,314	-143,091
Financial income	14	30,541	44,899
Share of the profit or loss of associates accounted for using the equity method	24	-28,847	-58,134
Result from the loss of significant influence	4	-170,533	0
<b>Pre-tax result</b>		<b>302,561</b>	<b>597,638</b>
Income taxes	15	-244,266	-235,394
<b>Net income</b>		<b>58,295</b>	<b>362,244</b>
<b>thereof attributable to</b>			
non-controlling interests		105,878	129,528
shareholders of United Internet AG		-47,583	232,716

**FINANCIAL STATEMENTS**

Balance sheet	Notes as of December 31, 2024
<b>Income Statement</b>	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

	Note	2024 January - December	2023 January - December
<b>Result per share of shareholders of United Internet AG (in €)</b>			
basic	16	-0.28	1.35
diluted	16	-0.28	1.33
<b>Weighted average of outstanding shares (in million units)</b>			
basic	16	172.84	172.82
diluted	16	173.25	175.40
<b>Reconciliation to total comprehensive income</b>			
Net income		58,295	362,244
Items that may be reclassified subsequently to profit or loss			
Currency translation adjustment - unrealized	38	10,812	5,452
Items that are not reclassified subsequently to profit or loss			
Market value changes of financial assets measured			
at fair value through other comprehensive income	4, 38	19,268	-504
Tax effect	38	0	0
Share in other comprehensive income of associated companies	38, 24	2,688	-675
<b>Other comprehensive income</b>		<b>32,768</b>	<b>4,273</b>
<b>Total comprehensive income</b>		<b>91,063</b>	<b>366,517</b>
thereof attributable to			
non-controlling interests	40	109,381	131,807
<b>shareholders of United Internet AG</b>		<b>-18,319</b>	<b>234,710</b>

## CASH FLOW

from January 1 to December 31, 2024 in €k

		2024	2023*
	Note	January - December	January - December
<b>Adjustments to the consolidated result for non-cash effects</b>			
Net income		58,295	362,244
Depreciation and amortization of intangible assets and property, plant and equipment	11	541,192	424,053
Depreciation and amortization of assets resulting from business combinations	11	114,058	114,040
Net effect from share-based payment programs	36	10,307	-4,262
Share of the profit or loss of associates accounted for using the equity method	24	199,379	58,134
Distributed profits of associated companies	24, 46	123	156
Other non-cash items from changes in deferred tax position	15	72,307	-40,836
Non-cash changes in fair value of operational derivatives	9.1, 9.2, 41	-2,042	6,339
Non-cash changes in fair value of non-operational derivatives	13, 14, 41	-9,191	5,058
Interest expense arising from the accretion of lease payments	13, 45	35,645	21,347
Other financing expenses		113,134	116,659
Financial income		-2,815	-2,039
Other non-cash items		-1,500	0
<b>Cash flow before changes in balance sheet items (subtotal)</b>		<b>1,128,891</b>	<b>1,060,892</b>
<b>Change in assets and liabilities</b>			
Change in receivables and other assets		-5,543	-137,078
Change in inventories		58,416	-57,522
Change in contract assets		64,483	-17,648
Change in income tax claims		-58,365	-13
Change in prepaid expenses		-211,863	-272,539
Change in trade accounts payable		35,171	136,765
Change in other provisions		7,752	22,926
Change in income tax liabilities		-39,993	35,274
Change in other liabilities		-32,780	39,496
Change in contract liabilities		7,951	17,946
<b>Change in assets and liabilities, total</b>		<b>-174,770</b>	<b>-232,394</b>
<b>Cash flow from operating activities</b>		<b>954,121</b>	<b>828,498</b>

\* Prior-year figure adjusted, please refer to Note 46.

**FINANCIAL STATEMENTS**

Balance sheet	Notes as of December 31, 2024
Income Statement	Development of intangible and fixed assets
<b>Cash flow</b>	Responsibility statement
Shareholders' equity	Audit opinion

	Note	2024 January - December	2023 January - December
<b>Cash flow from investing activities</b>			
Cash payments to acquire property, plant and equipment and intangibles	26, 27	-774,598	-797,892
Cash receipts from sales of property, plant and equipment and intangibles		4,981	5,775
Payments for the acquisition/capital increase of associated companies	4.1, 24	-1,030	-2,866
Interest received		1,826	1,464
Investments in other financial assets	25	-463	0
Subsequent payments related to business combinations	34.1	5,572	-4,416
Payments for loans granted	42	0	-259
Payments received from the repayment of other financial assets		-1,890	0
<b>Cash flow from investment activities</b>		<b>-765,602</b>	<b>-798,194</b>
<b>Cash flow from financing activities</b>			
Purchase of treasury stock	39	0	-291,892
Taking out of loans	46	1,303,475	1,087,202
Repayment of loans	46	-946,797	-782,000
Interest paid		-149,455	-91,037
Redemption of spectrum liabilities	42, 46	-61,266	-61,266
Redemption of lease liabilities	44, 45	-137,092	-121,343
Dividend payments	17	-86,408	-86,408
Dividend payments to non-controlling interests	40	-1,893	-1,893
Outgoing payments to / incoming payments from minority shareholders	4.2, 38, 46	-22,319	305,048
<b>Cash flow from financing activities</b>		<b>-101,754</b>	<b>-43,590</b>
Net decrease / increase in cash and cash equivalents		86,765	-13,285
Cash and cash equivalents at beginning of fiscal year		27,689	40,523
Currency translation adjustments of cash and cash equivalents		403	451
<b>Cash and cash equivalents at end of reporting period</b>	<b>18</b>	<b>114,857</b>	<b>27,689</b>

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the fiscal years 2024 and 2023 in €k

Note		Capital stock	Capital reserves	Accumulated profit	Treasury shares	
		37	38	38	39	
	Units	€k	€k	€k	Units	€k
<b>Balance as of January 1, 2023</b>	<b>194,000,000</b>	<b>194,000</b>	<b>1,966,150</b>	<b>2,835,819</b>	<b>7,284,109</b>	<b>-231,451</b>
Net income				232,716		
Other comprehensive income				0		
<b>Total comprehensive income</b>				<b>232,716</b>		
Purchase of treasury shares					13,899,596	-291,892
Cancellation of treasury shares	-2,000,000	-2,000	-61,550		-2,000,000	63,550
Employee stock ownership plans			-10,646			
Dividend payments				-86,408		
Profit distributions				0		
Transactions with shareholders			303,766	-1,599		
<b>Balance as of December 31, 2023</b>	<b>192,000,000</b>	<b>192,000</b>	<b>2,197,720</b>	<b>2,980,528</b>	<b>19,183,705</b>	<b>-459,793</b>
<b>Balance as of January 1, 2024</b>	<b>192,000,000</b>	<b>192,000</b>	<b>2,197,720</b>	<b>2,980,528</b>	<b>19,183,705</b>	<b>-459,793</b>
Net income				-47,583		
Other comprehensive income				19,323		
<b>Total comprehensive income</b>				<b>-28,260</b>		
Issue of treasury shares				-503	-21,016	503
Employee stock ownership plans			1,738			
Dividend payments				-86,408		
Profit distributions						
Transactions with shareholders				-14,292		
Other transactions				429		
<b>Balance as of December 31, 2024</b>	<b>192,000,000</b>	<b>192,000</b>	<b>2,199,458</b>	<b>2,851,493</b>	<b>19,162,689</b>	<b>-459,290</b>



**FINANCIAL STATEMENTS**

Balance sheet	Notes as of December 31, 2024
Income Statement	Development of intangible and fixed assets
<b>Cash flow</b>	Responsibility statement
Shareholders' equity	Audit opinion

Revaluation reserves	Currency translation difference	Equity attributable to shareholders of United Internet AG	Non-controlling interests	Total equity
38, 25	38		40	
€k	€k	€k	€k	€k
<b>1,283</b>	<b>-15,707</b>	<b>4,750,093</b>	<b>548,297</b>	<b>5,298,390</b>
		232,716	129,528	362,244
-1,179	3,173	1,994	2,279	4,273
<b>-1,179</b>	<b>3,173</b>	<b>234,710</b>	<b>131,807</b>	<b>366,517</b>
		-291,892		-291,892
		0		0
		-10,646	-6,998	-17,644
		-86,408		-86,408
		0	-1,893	-1,893
		302,167	-14,186	287,981
<b>104</b>	<b>-12,535</b>	<b>4,898,024</b>	<b>657,028</b>	<b>5,555,052</b>
<b>104</b>	<b>-12,535</b>	<b>4,898,024</b>	<b>657,028</b>	<b>5,555,052</b>
		-47,583	105,878	58,295
2,633	7,309	29,265	3,503	32,768
<b>2,633</b>	<b>7,309</b>	<b>-18,319</b>	<b>109,381</b>	<b>91,063</b>
				0
		1,738	-526	1,212
		-86,408		-86,408
			-1,893	-1,893
		-14,292	-503	-14,794
	74	503		503
<b>2,737</b>	<b>-5,152</b>	<b>4,781,247</b>	<b>763,487</b>	<b>5,544,734</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2024

## Basis of preparation and accounting policies

### 1. General information on the Company and accounting

United Internet AG (hereinafter referred to as the "United Internet Group" or the "Company") is Europe's leading internet specialist with its business divisions Access (landline and mobile internet access products) and Applications (applications for using the internet), which are each divided into Business and Consumer segments.

United Internet AG is domiciled in 56410 Montabaur, Elgendorfer Strasse 57, Germany and is registered there at the District Court under HR B 5762. The Group has numerous branches and subsidiaries in Germany and around the world.

The Consolidated Financial Statements of United Internet AG were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the relevant supplementary regulations of section 315e (1) German Commercial Code (HGB).

The reporting currency is euro (€). Amounts stated in the Notes to the Consolidated Financial Statements are in euro (€), thousand euro (€k) or million euro (€m). The Consolidated Financial Statements are always drawn up on the basis of historical costs. The exception to this rule are individual financial instruments which are stated at fair value.

The reporting date is December 31, 2024.

The Supervisory Board approved the Consolidated Financial Statements for 2023 at its meeting on March 20, 2024. The Consolidated Financial Statements were published on March 21, 2024.

The Consolidated Financial Statements for 2024 were prepared by the Company's Management Board on March 25, 2025 and subsequently submitted to the Supervisory Board. The Consolidated Financial Statements will be presented to the Supervisory Board for approval on March 25, 2025. Theoretically, there may still be changes until the Consolidated Financial Statements are approved and released for publication by the Supervisory Board. However, the Management Board expects that the Consolidated Financial Statements will be approved in the present version. They are to be published on March 27, 2025.

### 2. Accounting and measurement principles

This section first presents all accounting policies which have been applied consistently in the periods presented in these Consolidated Financial Statements. Following this, those accounting standards applied for the first time in these financial statements are explained, as are those accounting standards recently published but not yet applied.

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

## 2.1 Explanation of main accounting and measurement methods

### Consolidation principles

The Consolidated Financial Statements comprise the Annual Financial Statements of United Internet AG and of all domestic and foreign subsidiaries (majority shareholdings) controlled by it. Control is deemed to exist when an investor has power over the critical activities of a company, is exposed to variable returns from its involvement with the company and has the ability to use its power over the investee to affect its returns. United Internet AG currently only exercises control over its subsidiaries by holding a majority of the voting rights.

Expenses and income, receivables and liabilities, as well as profits and losses between the companies included in the Consolidated Financial Statements, are eliminated.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Upon loss of control, a gain or loss from the disposal of the subsidiary is recognized in the Consolidated Statement of Comprehensive Income. This gain or loss is calculated as the difference between (i) the proceeds from the disposal of the subsidiary, the fair value of the remaining shares, the carrying amount of the non-controlling interests, and the cumulative amounts of other comprehensive income attributable to the subsidiary (insofar as a reclassification to the income statement is intended), and (ii) the carrying amount of the subsidiary's net assets to be disposed of.

Non-controlling interests represent the proportion of the result and net assets which is not attributable to the Group's shareholders. Non-controlling interests are disclosed separately in the Consolidated Balance Sheet. They are disclosed in the Consolidated Balance Sheet as part of shareholders' equity but separate to the equity capital attributable to the shareholders of United Internet AG. For purchases of shares without a controlling influence (minority shareholding) or disposals of shares with a controlling influence but without loss of the controlling influence, the carrying amounts of shares without a controlling influence are adjusted to reflect the change in the respective shareholding. The amount by which compensation paid or received for the change in shareholding exceeds the carrying value of the respective share without a controlling influence is recognized directly in equity in capital reserves as a transaction with the shareholders.

Business combinations are accounted for using the acquisition method. This involves recognizing identifiable assets, liabilities and contingent liabilities of the acquired business at fair value as of the acquisition date. If the sum of the acquisition costs, the value of the non-controlling interests and the fair value of the equity interests possibly held before the acquisition date exceeds the fair value of the identifiable assets less liabilities and contingent liabilities, goodwill must be capitalized.

## Adjustment to disclosure of other liabilities

For reasons of transparency and to ensure consistency with the disclosures on financial instruments in accordance with IFRS 7, wage- and salary-related liabilities have been reported under other non-financial liabilities since January 1, 2024, instead of under other financial liabilities as before. In this context, € 47.1m was reclassified to other current non-financial liabilities for the comparative period (December 31, 2023).

## Investments in associated companies

Investments in associated companies are valued according to the equity method. An associated company is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the associated company, but not to control or jointly steer the decision-making processes.

Using the equity method, investments in associated companies are carried in the balance sheet at cost as adjusted for post-acquisition changes in the Company's share of the net assets of the associated company. Goodwill connected with an associated company is included in the carrying value of the investment and not subjected to scheduled amortization. The income statement includes the Company's portion of the success of the associated company. Changes recognized directly in the equity capital of the associated company are recognized by the Company in proportion to its shareholding and – where applicable – reported in "Changes in shareholders' equity". Profits and losses from transactions between the Company and the associated company are eliminated in proportion to the shareholding in the associated company.

Upon loss of significant influence, a gain or loss from the disposal of the associated company is recognized in the amount of the difference between (i) the proceeds from the disposal of the shares, the fair value of the remaining shares, and the cumulative amounts of other comprehensive income attributable to the associated company (insofar as a reclassification to profit and loss is provided for), and (ii) the carrying amount of the investment to be disposed of.

Insofar as they concern effects on the income statement, regular carrying amounts and valuations of investments in associated companies are disclosed in the result from associated companies.

Gains from the sale of such investments are always disclosed under other operating income, losses under other operating expenses. If significant influence over the company is lost without a sale taking place, and this is due to a reduction in the stake held (dilution effect), the resulting losses are recognized as impairments of the investment. These are recognized separately below the result from associated companies as "Result from the loss of significant influence".

The annual financial statements of the associated company are generally prepared as to the same reporting date as those of the parent company. Where necessary, adjustments are made to bring the methods in line with standard group-wide accounting and measurement methods.

In the impairment test, the carrying amount of a company measured using the equity method is compared with its recoverable amount. If the carrying amount exceeds the recoverable amount, an impairment loss in the amount of the difference must be recognized. If there is objective evidence that an impairment has occurred, an impairment test is carried out in the same way as for goodwill. Objective evidence exists, for example, if an associate is experiencing significant financial difficulties, has committed breaches of contract, is highly likely to become insolvent, requires restructuring, or an

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

active market for the net investment ceases to exist because of the financial difficulties of the associate. A significant or prolonged decline in the fair value of an associate below cost also constitutes objective evidence of impairment. A significant decline is assumed if the decrease in the fair value of an associate at the end of the reporting period is more than 25% of cost. A prolonged decline is assumed if the decrease in the fair value over a period of at least 12 months is more than 10% of the acquisition cost.

If the reasons for a previously recognized impairment no longer apply, a corresponding write-up is recognized in profit or loss.

## Foreign currency translation

### Functional currency and presentation currency

The Consolidated Financial Statements are prepared in euro, the functional and presentation currency of the Company. Each company within the Group defines its own functional currency. Items included in the financial statements of each company are measured using this particular functional currency.

### Transactions and balances

Foreign currency transactions are initially translated into the functional currency at the spot rate applicable on the date of the transaction. Monetary assets and liabilities in a foreign currency are translated into the functional currency at each reporting date using the closing rate. All foreign exchange differences are recognized in profit or loss. They are deferred in equity if they result from net investment in a foreign operation.

Non-monetary items measured at cost in a foreign currency are translated using the exchange rates prevailing on the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates prevailing when fair value was determined.

### Group companies

Assets and liabilities of foreign operations are translated into euros at the closing rate. Income and expenses are translated at the exchange rate on the date of the transaction. For practical reasons, a weighted average annual exchange rate is used for translation if exchange rates do not fluctuate significantly. The resulting translation differences are recognized as other comprehensive income. The cumulative amount recognized in equity for a foreign operation is recognized in profit or loss when the operation is sold.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are recognized as assets and liabilities of the foreign operation and translated at the closing rate.

The exchange rates of major currencies developed as follows:

(in relation to 1€)	Closing rate		Average rate	
	Dec. 31, 2024	Dec. 31, 2023	2024	2023
US Dollar	1.041	1.108	1.082	1.081
UK Pound	0.830	0.869	0.847	0.870

## Revenue recognition

Revenue is recognized according to the degree of completion of the performance. Revenue from contracts that include several separate performance obligations is recognized pro rata when the respective performance obligation has been fulfilled.

A contract asset is recognized if the Group has recognized revenue due to the fulfillment of a contractual performance obligation before the customer has made a payment or before the conditions for invoicing and thus the recognition of a receivable are met.

A contract liability is recognized if a customer has made a payment, or a receivable from the customer falls due, before the Group has fulfilled a contractual performance obligation and thus recognized revenue.

When recognizing revenue of the United Internet Group, a distinction is made between the different business segments of the Group (see also the explanations on segment reporting in Note 5).

### ■ Consumer Access segment

The Consumer Access segment mainly comprises landline-based and mobile-based internet access products. The range comprises "Mobile Internet" and "Broadband".

In these product lines, the Group generates revenue from the provision of the aforementioned access products, as well as from additional services such as internet and mobile telephony. The transaction price consists of fixed monthly basic fees, as well as variable additional usage fees for certain services (e.g., for foreign calls and mobile phone connections not covered by any flat-rate), and proceeds from the sale of the respective hardware.

Revenue recognition is based on a separation of the transaction price for the customer contract on the basis of the relative standalone selling prices of the individual performance obligations. The United Internet Group generally offers comparable tariffs both with and without hardware. In these cases, the standalone selling price for the service component is therefore based on the tariff conditions of a service tariff without hardware. By contrast, the standalone selling prices for hardware are determined on the basis of the adjusted market assessment approach, as only a very small amount of the relevant hardware is sold to customers without a mobile contract. In doing so, the Group primarily uses hardware prices that are regularly provided by a third-party provider and links these to the given contract conditions when the contract is concluded.

The resulting revenue share allocated to hardware is recognized on delivery to the customer (time-related revenue recognition). It usually exceeds the fee invoiced to the customer and then results in the recognition of a contract asset. This contract asset value is reduced by the customer's payments over the contract period. The revenue share allocated to the service component is recognized over the minimum term of the customer contract (period-related revenue recognition).

If the one-off fees invoiced to the customer on conclusion of the contract, such as activation fees, do not represent a material right (e.g., favorable renewal option), these are not recognized as a separate performance obligation but are allocated to the identified performance obligations as part of the transaction price and recognized in accordance with their performance. If the customer is granted material rights in the form of options to use additional goods or services, these represent an additional performance obligation to which part of the transaction price is allocated, taking into account the expected utilization. The corresponding revenue is recognized when these future goods or services are transferred or when the option expires. If one-off fees qualify as a favorable renewal option, revenue is recognized over the expected duration of the customer contract.

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

The United Internet Group grants its customers time-limited promotion discounts at the time of contract conclusion. These discounts are included in the calculation of the transaction price and are allocated to the performance obligations by means of an allocation mechanism.

Within the context of the 1&1 Principle, United Internet grants its customers a voluntary 30-day right of cancellation. If customers make use of the 1&1 Principle and cancel their contracts, they have the right to be reimbursed for individual transaction components, such as one-off fees and basic fees which have been invoiced. Any usage fees are excluded from the reimbursement claim. In return, United Internet has the right to demand the return of any hardware supplied. No revenue is recognized for expected customer cancellations. The payments received from the customer and to be reimbursed are carried as reimbursement liabilities and the claims for reimbursement resulting from the 1&1 Principle for delivered hardware are disclosed as non-financial assets.

The current customer contracts do not include any significant financing components.

1&1 applies the portfolio approach as permitted by IFRS 15.4 for a part of its stock of contracts. In this case, customer contracts of the same kind are pooled and average values taken for certain valuation-relevant parameters, in particular transaction prices, standalone selling prices, and amortization periods. It can be reasonably assumed that whether a portfolio or the individual contracts or performance obligations within this portfolio are assessed, it will have no material impact on the Annual Financial Statements.

### ■ Business Access segment

The Business Access segment comprises revenue from various standardized and customized telecommunications products for business and wholesale customers. In addition to the provision of traditional landline connections, the telecommunications services also include broadband services, network solutions as telecommunications infrastructure (leased lines) or VPN, added-value services, interconnection, IP services, and cloud solutions.

In the case of products that do not meet the definition of a finance lease pursuant to IAS 16, the transaction price consists of fixed monthly basic fees and/or variable, additional per-minute usage fees for certain services (which are not covered by a flat rate) and, to an insignificant extent, revenue from the sale of related hardware. Revenue recognition is based on a separation of the transaction price for the customer contract on the basis of the relative standalone selling prices of the individual performance obligations. The transaction price for the sale of hardware is based on standard market prices. The standalone selling price for the service component is based on the tariff conditions of a comparable service tariff without hardware.

Temporary discounts or basic fee exemptions are also granted to a lesser extent at the beginning of the term. These discounts are included in the transaction price and allocated on a straight-line basis in the course of revenue recognition.

Certain products are provided on a lease basis. If all material opportunities and risks from a lease are transferred to the lessee, the present value of the minimum lease payments from this economic sale is recognized as revenue on commencement of the lease; as part of the subsequent accounting of finance lease receivables, interest income is recognized in subsequent periods. Leased assets are derecognized through cost of sales. In addition to the monthly payments, the minimum lease payments include any customer activation fees payable at the beginning of the lease term.

In the case of operating leases, where the lessor retains the material opportunities and risks, the lease payments are recognized as revenue on a straight-line basis over the lease term. Activation fees for operating leases are deferred and amortized over the lease term.

### ■ Consumer Applications segment

The Consumer Applications segment comprises the marketing of the GMX, mail.com und WEB.DE portals – whether ad-financed or via fee-based subscriptions –as well as Personal Information Management applications and sales platforms for fee-based partner products and Energy.

Besides Germany, the United Internet Group also operates in Austria and the USA in this segment.

In the field of ad-financed applications, the Group generates advertising income and e-commerce commission mainly via the WEB.DE, 1&1, and GMX portals. This business is based on the high number of hits for the portals through frequent use of applications. Advertising space is offered on the websites of the portals. Revenues are generated depending on the placing of advertising and number of screenings or according to click rates. In its e-commerce business, the Group receives commissions for the sale of products or brokerage of customers. For these products, revenue is recognized at a specific point in time.

In the field of fee-based subscriptions for the WEB.DE, 1&1, GMX, and smartshopping portals, revenue is mainly generated from fixed monthly fees for the use of extended applications, as well as for administration and storage. Revenue is recognized over the period of service provision. The payments received in advance result in contractual liabilities which are reduced accordingly over the performance period.

Revenues from partner products are recognized and measured according to the Group's intermediary function. A distinction is made as to whether the company provides the delivery or service to the customer itself (principal) or whether the company is acting solely as an agent for the supplier. The determining factor is control over the specific good or service before it is transferred to the customer. As a principal, revenues are recognized gross; as an agent, revenues are recognized net after deducting supplier costs, i.e., only the amount of the remaining margin.

### ■ Business Applications segment

In the Business Applications segment, United Internet operates in the market for webhosting and cloud applications. These mainly comprise design solutions for websites (domain registration, webhosting, website building) and services in the field of Infrastructure as a Service, Platform as a Service, and Software as a Service. The Group also offers its customers performance-based advertising and sales opportunities via Sedo.

In this segment, the United Internet Group is active in Germany, as well as – in particular – France, the UK, Spain, Austria, Switzerland, Poland, Italy, Canada, Mexico, and the USA. It is one of the leading companies in all the countries mentioned. The services are rendered by various subsidiaries of the United Internet Group in Germany and abroad.

Customers generally pay in advance for a contractually fixed time period for the services to be provided by the Company. The main service in the product group Domains consists of domain registration for the end customer with the respective registry. With regard to the timing of revenue recognition from domain registration, the special rules regarding licenses are applied. As in the case of a domain, a right of use is granted for (static) intellectual property that exists at the time the license is granted, revenue is generally recognized at a point in time.

Product groups that include domains as part of multiple-component transactions primarily relate to web hosting products. The web hosting packages offered usually combine domain registrations with further services, such as storage capacity (web space) and software as a service (SaaS). The value proposition web space refers to the provision of storage space on servers in data centers of the United Internet Group. SaaS refers to the use of application software by the customer (such as for



**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

the creation of websites), which is hosted on the servers of the United Internet Group. The value propositions of web space and SaaS are both time-related performance obligations, as the customer benefits continuously from the corresponding benefit flow.

Customer contracts in the web hosting product category generally comprise domain registrations and other services provided over time, such as storage capacity (Web space) and software as a service (SaaS). The total fee for the customer contract is allocated to the different performance obligations. In the absence of separate standalone selling prices for Web space and SaaS, and a high variability of prices, the residual method is used to allocate the total fee.

Customers are granted temporary monetary discounts on the basic fee for the hosting service and/or on domains. These discounts are recognized over the term of the customer contracts in line with the associated performance obligations. In the case of domains, discounts immediately reduce revenue as they are recognized at a specific point in time.

One-time fees invoiced to customers on conclusion of a contract, such as activation and setup fees, are allocated to the identified performance obligations and recognized on a straight-line basis in line with the performance of those obligations. Setup fees for domains are recognized immediately at a specific point in time.

A further revenue group is revenue from the performance-based advertising form of domain marketing. In Domain Marketing, United Internet operates (via Sedo GmbH) a trading platform for the secondary domain market (domain trading). At the same time, the domain owners are offered the possibility to market unused domains to advertisers (domain parking). In addition to these customer domains, the Group also holds its own portfolio of marketable and salable domains. In domain trading, the Group receives sales commission from the successful sale of domains via the platform and also generates revenue from services relating to domain value assessments and transfers. The sales commissions and services are generally based on a percentage of the sales price achieved, whereas fixed prices are generally charged for the other services. In domain parking, domains are mainly marketed using text links, i.e., links on the parked domains to offers of the advertisers (primarily via cooperation agreements with search engines). The Company receives performance-based payment on a monthly basis from the cooperation partner on a pay-per-click basis, according to the number of clicks registered by the cooperation partner.

Sales commissions are recognized as revenue when the service is rendered. Revenue is thus recognized on completion of the transaction or provision of the service. In the case of domain parking, the monthly payments credited by cooperation partners are recognized as revenue.

Revenues from partner products (affiliates) are recognized and measured according to the Group's intermediary function. As a rule, the Group acts as the principal for partner products and recognizes the revenues gross. However, revenues are recognized net (after deducting supplier costs, i.e. only in the amount of the remaining margin) if the Group acts purely as an agent, in particular when providing software licenses to the customer, and does not provide any significant integration services and the Group has no right to set the respective price.

## Government grants

Government grants are recognized where there is reasonable certainty that the grant will be received and the Company will satisfy all attaching conditions. Where the grants relate to an expense item, they are recognized as income in scheduled amounts over the period necessary to match the grants to the

costs they are intended to compensate. Grants relating to an asset item reduce the carrying value of that item.

## **Financial income**

Interest income is recognized as interest accrues. It is measured using the effective interest rate, i.e., the rate which discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset. Dividend income is recognized with the inception of the legal right to payment.

## **Income taxes**

The tax expense for a period comprises current taxes and deferred taxes. Taxes are recognized in the income statement, unless they relate to transactions that are recognized in other comprehensive income or directly in equity. In these cases, taxes are recognized accordingly in other comprehensive income or directly in equity.

Current taxes are valued at the amount at which a refund from the tax authorities or a payment to the tax authorities is expected. The amount is calculated on the basis of the tax rates and tax laws applicable on the reporting date in those countries in which the Group operates and generates taxable income, or which will soon apply.

Deferred taxes are recognized for future effects arising from temporary differences between the values of assets and liabilities in the Consolidated Financial Statements and the values reported for tax purposes. As an exception to this principle, no deferred taxes are recognized from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the profit according to IFRS nor taxable profit or loss and does not lead to deductible and taxable temporary differences of the same amount. Furthermore, no deferred taxes are recognized in respect of investments in subsidiaries, associated companies, and interests in joint ventures where the timing of the reversal of the temporary differences can be controlled, it is probable that the temporary differences will not reverse in the foreseeable future and, in the case of deferred tax assets, where no sufficient taxable income will be available against which the temporary differences can be utilized. Similarly, no deferred tax liabilities are recognized from the initial recognition of goodwill.

Moreover, deferred tax assets are recognized for expected tax benefits from the future use of tax loss and interest carryforwards. The measurement is based on the tax rates applicable on the reporting date unless a change in the tax rate has already been decided upon for the period of the expected reversal of the temporary differences or the expected use of loss carryforwards and tax credits. Deferred tax assets are only recognized if it appears overwhelmingly likely that the tax benefits will be realized within the planning horizon.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted as of the reporting date.

The carrying value of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting

**FINANCIAL STATEMENTS**

Balance sheet

**Notes as of December 31,  
2024**

Income Statement

Development of intangible  
and fixed assets

Cash flow

Responsibility statement

Shareholders' equity

Audit opinion

date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are netted per company or tax group, insofar as they relate to income taxes due to the same taxation authority and the Group has a legally enforceable right to set off current tax assets against current tax liabilities.

## Intangible assets

The Group has control over an asset if it is able to obtain the future economic benefits flowing from the underlying resource and can restrict the access of third parties to these benefits.

### Software/licenses, spectrum licenses, rights similar to concessions

These intangible assets are primarily acquired individually and initially measured at cost. They are amortized on a straight-line basis over their useful life. Amortization of the 5G frequencies in the 3.6 GHz spectrum began on December 28, 2022, when the network was ready for operation. The 5G frequencies in the 2 GHz spectrum are not yet operational intangible assets, and amortization will not begin until the term of the allocated frequencies begins in 2026. Indications of impairment are identified as they arise and, if any exist, an impairment test is conducted.

### Customer base

In the case of business combinations, the customer base is initially recognized at fair value and has a finite useful life. It is amortized on a straight-line basis over its useful life.

### Trademarks

In the case of business combinations, trademarks are initially recognized at fair value and have an indefinite useful life. They are not amortized. The determination of possible impairment is described in the "Impairment" section below. An annual review is conducted to determine whether or not their useful lives are still indefinite. If this is not the case, a prospective change is made from indefinite useful life to limited useful life.

### Goodwill

In the case of business combinations, goodwill arises when the total acquisition costs, the value of the non-controlling interests, and the equity interests already held before the acquisition date exceed the fair value of the identifiable assets less liabilities and contingent liabilities. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The determination of possible impairment is described in the "Impairment" section below.

### Internally generated intangible assets

In the case of internally generated intangible assets, expenses for the development phase are capitalized if clear expense allocation is possible and both the technical feasibility and the marketing or,

in the case of future internal use, the benefit of the newly developed products can be ensured. Moreover, it must be sufficiently likely that the development activity will lead to future benefits. Capitalized development costs include all direct costs and overheads that can be attributed directly to the development project. For the United Internet Group, these are mainly technological product developments of the Consumer Applications segment and an invoicing system of the Business Applications segment. All capitalized development costs have a limited useful life. Capitalized development costs are amortized from the point in time when the asset can be used in the manner intended by management.

The useful life periods can be found in the following summary:

	Useful life in years
Trademarks	Indefinite
Customer base	4 to 25
Spectrum licenses	up to 19
Rights similar to concessions	5
Other rights and licenses	2 to 15
Software	2 to 5
Rights of use intangible assets	6
Internally generated intangible assets	3 to 5

Amortization is recognized in the expense category that corresponds to the function of the intangible asset in the company.

## Property, plant and equipment

Property, plant and equipment is stated at cost less cumulative scheduled depreciation and any impairment losses.

Items of property, plant and equipment are depreciated on a straight-line basis over their useful lives and the expenses are allocated according to their function in the company.

Scheduled depreciation of property, plant and equipment is based on the following useful life periods:

	Useful life in years
Leasehold improvements	up to 10
Buildings	10 to 50
Vehicles	5 to 6
Telecommunication equipment	7 to 10
Distribution grids	25
Other operational and office equipment	3 to 19
Office furniture and fixtures	5 to 13
Servers	3 to 5

Leasehold improvements and buildings are included in the item "Land and buildings" in the Development of Fixed Assets, while vehicles, other operational and office equipment, office furniture and fixtures, and servers are included in the item "Operating and office equipment" and telecommunication equipment and distribution grids in the item "Network infrastructure".

**FINANCIAL STATEMENTS**

Balance sheet

**Notes as of December 31,  
2024**

Income Statement

Development of intangible  
and fixed assets

Cash flow

Responsibility statement

Shareholders' equity

Audit opinion

The residual values, useful lives and depreciation methods are reviewed at the end of each fiscal year and adjusted where necessary. If there are indications of impairment, an impairment test is conducted as described in the "Impairment" section below.

Items of property, plant and equipment are eliminated either on their disposal or when no further economic use is expected from the continued use or sale of the asset. Gains and losses from the disposal of an asset are recognized in the statement of comprehensive income.

## Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred, unless they are incurred in connection with the production or acquisition of a qualifying asset. United Internet defines "qualifying assets" as those assets that necessarily require at least twelve months to prepare for their intended use or sale. No borrowing costs were capitalized in the reporting period nor in the previous year.

## Impairment

On each balance sheet date, the carrying amounts of property, plant and equipment, intangible assets and right-of-use assets with limited useful lives are reviewed for any indications of impairment. If such indications exist, an impairment test is conducted. In addition, intangible assets with indefinite useful lives (goodwill, trademarks) and capitalized development costs are regularly tested for impairment as of the balance sheet date. This involves comparing the recoverable amount of the asset concerned with its corresponding carrying amount. The recoverable amount is the higher of fair value less cost of sell and value-in-use. In order to determine the value-in-use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the interest effect and the specific risks of the asset. An appropriate valuation model is used to determine fair value less cost of sell. This is based on DCF models, valuation multiples, stock market prices of listed subsidiaries or other available indicators of fair value. If no recoverable amount can be determined for an individual asset, the recoverable amount for the cash-generating unit to which the respective asset can be allocated and which independently generates cash flows is determined. This regularly applies to the goodwill allocated to the respective cash-generating units that are expected to benefit from synergies arising from the business combination from which the goodwill arose. If the carrying amount of an asset or cash-generating unit exceeds its recoverable value, the asset or cash-generating unit is considered to be impaired and is written down to its recoverable amount. An impairment loss recognized for goodwill may not be reversed in subsequent reporting periods. For all other assets, if the reasons for an impairment loss no longer exist, the reversal of the impairment loss is limited to the amortized carrying amount that would have resulted if there had been no impairment in the past. If an impairment loss is necessary, it is recognized in the functional areas to which the respective fixed asset is assigned.

## Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value comprises the estimated sales proceeds, realizable in the ordinary course of business, less estimated necessary selling costs. Adequate allowances for excess inventories are made to provide for inventory risks.

Measurement is also based in part on time-related writedowns for inventories. Both the size and distribution over time of such writedowns represents a best-possible estimation of net realizable value

and are thus subject to uncertainties. On indication of decreased net realizable value, inventories are corrected by recognizing suitable impairment charges.

### **Contract initiation and contract fulfillment costs**

Additional costs incurred in initiating a contract with a customer (e.g., sales commissions), as well as contract fulfillment costs, are capitalized if the Group expects to recover these costs.

Contract fulfillment costs (e.g., customer activation fees and expected termination fees) are costs related to an existing or expected contract, not within the scope of a standard other than IFRS 15, for the creation of resources or the improvement of resources of the Company that will be used in the future for the fulfillment of performance obligations.

Capitalized contract initiation and fulfillment costs are expensed on a straight-line basis over the term of the contract, whereby contract initiation costs are disclosed in selling expenses and contract fulfillment costs in cost of sales. They are recognized in the balance sheet within deferred expenses.

The amortization periods for contract initiation costs are 1 to 5 years and for contract fulfillment costs 2 to 4 years.

An impairment loss is recognized if the carrying amount of the capitalized costs exceeds the remaining amount of the customer's expected consideration for the delivery of goods or the rendering of services less the costs still to be incurred.

### **Non-current assets held for sale**

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

### **Leases**

A lease exists when the lessor transfers to the lessee the right to use a clearly specified asset for a period of time in exchange for a fee, thereby giving the lessee control over the right of use. This includes the right to derive substantially all economic benefits from the use of the identified asset and the sole right to decide on its use.

United Internet acts as both lessee and lessor.

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

The majority of the Group's lessee contracts relate to the renting of network infrastructure, buildings, technical equipment and vehicles. The rented network infrastructure mainly comprises unlit fiber-optic cable (dark fiber), empty conduit systems, copper twin wires, leases of subscriber lines (local loops), and antenna locations.

## United Internet as lessee

### Lease liabilities

The present value of the future lease payments is recognized as a lease liability and disclosed under other financial liabilities. The lease payments include fixed payments (including de facto fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are divided into repayment and interest portions using the effective interest method. To determine the present value, the lease payments are discounted at an incremental borrowing rate of interest equivalent to the risk and maturity. The incremental borrowing rate is determined on the basis of reference interest rates for a period of up to 25 years from risk-free interest rates with appropriate maturities, increased by credit risk premiums and adjusted for a liquidity and country risk premium.

### Right-of-use assets

As with lease liabilities, the right to use the leased asset is capitalized at the commencement date of the lease. Right-of-use assets resulting from leases are disclosed under property, plant and equipment and intangible assets. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Useful life in years
Buildings	1 to 12
Network infrastructure	0.5 to 25
Intangible assets	6
Operating and office equipment	1 to 7

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

In the case of low-value leases (e.g., PCs), the practical expedient allowed under IFRS 16.5 is applied on a case-by-case basis, and for leases with a term of less than twelve months it is applied in full. The Group only has a small number of such leases.

There is an option to form a portfolio of contracts with the same or similar characteristics. This option has been used for the asset classes subscriber lines (local loop) and main distribution frame locations (MDFs).

The option to recognize each lease component of a contract and all related non-lease components as a single lease component is applied for the asset classes underlying fiber-optic, MDFs, and cars, but not to lease arrangements for buildings. IFRS 16 is not applied to rights held by a lessee under license agreements within the scope of IAS 38.

The Group determines the lease term as the non-cancelable basic term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised. Consideration is given to all relevant facts and circumstances that provide an economic incentive to exercise existing options.

### **United Internet as lessor**

In those cases where Group companies agree finance leases as the lessor, a receivable is recognized at an amount equal to the net investment in the lease. The lease payments are apportioned between repayment of principal and finance income.

If the Group bears all substantial risks and rewards (operating lease), the leased asset is recognized in the balance sheet by the lessor. Measurement of the leased asset is then based on the accounting policies applicable to that asset. The lease payments are recognized in revenue by the lessor.

## **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Items are recognized and measured in accordance with the provisions of IFRS 9. They are recognized on the day on which the Group becomes a party to the contract. For standard market purchases, items are recognized on the trading day.

### **Financial assets – initial recognition and measurement**

With the exception of trade accounts receivable that do not contain a significant financing component or have a maturity of less than one year, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not subsequently measured at fair value through profit or loss, directly attributable transaction costs. Trade accounts receivable that do not contain a significant financing component or have a maturity of less than one year are measured at the transaction price. In this context, reference is made to the accounting policies in the section Revenue Recognition – Revenue from Contracts with Customers.

### **Financial assets – subsequent measurement**

The classification of financial assets for subsequent measurement at amortized cost (ac), at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL) is based on the business model and the characteristics of the cash flows.



**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

## Financial assets at amortized cost (ac)

If a financial asset is held to maturity with the aim of collecting contractual cash flows and the cash flows of the financial asset are solely payments of principal and interest on the principal amount outstanding on specified dates, it is measured at amortized cost (ac).

Financial assets at amortized cost include cash and cash equivalents, trade accounts receivable, loans granted, and other financial assets.

Cash and cash equivalents consist of bank balances, other deposits, checks and cash in hand, all of which have a high degree of liquidity and a remaining term of less than three months from the date of acquisition.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

## Financial assets at fair value

The Group recognizes equity instruments and derivative financial assets as financial assets at fair value through profit or loss. Equity instruments in the United Internet Group comprise equity investments. For equity instruments not held for trading purposes, there is a one-time option for irrevocable recognition of fair value changes in equity. The option to recognize changes in fair value in equity without subsequent reclassification to the income statement was exercised for the investment in Kublai GmbH in particular. Dividends are recognized as other income in the income statement if there is a legal entitlement to payment. Equity instruments measured at fair value through other comprehensive income are not tested for impairment.

Financial assets are derecognized when their contractual cash flows have expired and all material risks and rewards have passed to the buyer.

## Impairment of financial assets

For trade accounts receivable, contract assets, and lease receivables the Group applies a simplified (one-step) method for calculating expected credit losses, whereby a loss allowance based on expected credit losses over the remaining term is recognized at each reporting date.

Expectations of future credit losses are formed on the basis of regular reviews and measurements as part of credit monitoring. Historical data is regularly used to derive relationships between credit losses and various factors (e.g., payment agreement, overdue period, dunning level etc.). On the basis of these relationships, supplemented by current observations and forward-looking assumptions regarding the portfolio of receivables and contract assets held as of the reporting date, an estimate of future credit losses is made.

The Group's operating business is mainly in the mass customer business. Default risks are thus taken into account by means of individual value adjustments and lump-sum individual value adjustments. The specific bad debt allowances for overdue receivables are mainly based on the age structure of the receivables with different valuation discounts, which are mainly derived from the success rates of those collection agencies commissioned to collect overdue receivables. All receivables that are more than 365 days overdue are written down individually by 100%, unless there is objective evidence of

successful recovery. Fully impaired trade accounts receivable are derecognized 180 days after collection has been handed over to the collection agency, unless the agency has given positive feedback or payment for an impaired receivable is unexpectedly received, or if the customer's inability to pay is known before or after transfer to the collection agencies.

The Group also recognizes an allowance for expected credit losses for all debt instruments which are not held at fair value through profit or loss and are not trade accounts receivable, contract assets or lease receivables. For financial instruments for which there has not been a significant increase in credit risk since initial recognition, a loss allowance is recognized in the amount of the expected credit losses based on a default event within the next twelve months. For those financial instruments for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized in the amount of the credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

Impairment charges in connection with non-current loans to affiliates are recognized in the financial result.

Further details on the impairment of trade accounts receivable and contract assets are provided in the following Notes:

- Significant accounting judgments, estimates, and assumptions (Note 3)
- Trade accounts receivable (Note 19)
- Contract assets (Note 20)
- Objectives and methods of financial risk management (Note 43)

## Financial liabilities

Financial liabilities mainly comprise trade accounts payable, lease liabilities and liabilities due to banks. With the exception of lease liabilities, financial liabilities are either classified as financial liabilities measured at fair value through profit or loss, or as financial liabilities measured at amortized cost.

Derivatives and conditional purchase price liabilities from the acquisition of a subsidiary are recognized at fair value through profit or loss. All other financial liabilities are classified as financial liabilities measured at amortized cost. These are recognized initially at fair value, net of directly attributable transaction costs. In subsequent periods, these financial liabilities are recognized at amortized cost using the effective interest method. Amortization using the effective interest method is included as part of finance costs in the income statement.

A financial liability is derecognized when the obligation under the liability is discharged, canceled or expires.

## Measuring the fair value of financial instruments

Financial assets and liabilities at fair value through profit or loss, or whose fair value is disclosed in the financial statements, are categorized within the fair value hierarchy described below based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** – Quoted (unadjusted) prices in active markets for identical assets or liabilities. Insofar as financial instruments are recognized in the balance sheet at their fair value, derivatives in the Group are assigned to this level.
- **Level 2** – Measurement techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable in the market. Insofar as financial instruments are

FINANCIAL STATEMENTS	
Balance sheet	Notes as of December 31, 2024
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

measured at fair value in the balance sheet, no financial instruments are currently assigned to this level.

- **Level 3** – Measurement techniques for which the lowest level input that is significant to the fair value measurement is unobservable. Insofar as financial instruments are measured at fair value in the balance sheet, derivatives and conditional purchase price liabilities in the Group are assigned to this level.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

## Accruals

Accruals are formed if the Group has a present (legal or actual) obligation resulting from a past event, the outflow of resources with economic benefit to fulfill the obligation is probable, and a reliable estimate of the amount of the obligation is possible. If the Group expects at least partial compensation for a recognized accrual (e.g., in the case of an insurance policy), this compensation is only recognized as a separate asset if the reimbursement is virtually certain. The expense from forming the accrual is recognized in the income statement after deducting the reimbursement.

Accruals are measured at present value based on management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Accruals have been formed in particular for severance pay, litigation risks and restoration obligations.

## Treasury shares

Treasury shares are deducted from shareholders' equity. The purchase, sale, issue or retirement of treasury shares is not recognized in the income statement.

The cancellation of treasury shares results in the pro rata reversal of the item "Treasury shares" disclosed in shareholders' equity at the expense of the remaining shareholders' equity. The Group uses the following application sequence:

- The cancellation of treasury shares is always deducted from share capital in the amount of the par value.
- The amount exceeding par value is first derecognized in the amount of the value contribution from employee stock ownership plans (SARs and convertible bonds) against capital reserves.
- Any amount exceeding the value contribution from employee stock ownership plans is derecognized against accumulated profit.

## Share-based payment

Group employees and Management Board members receive share-based payments as remuneration for their work in the form of equity instruments and the granting of stock appreciation rights, which for the majority of plans may be settled in cash or via equity instruments at the Company's discretion. As the United Internet Group has no current obligation to settle in cash for any agreement with such an

option, all share-based payment transactions are carried in the balance sheet as equity-settled transactions.

The cost of such equity-settled agreements is measured using the fair value of such equity instruments on the date of granting. Fair value is measured using a suitable option price model; the Black-Scholes model and Monte Carlo simulation are employed for this purpose. At each balance sheet date, the expected exercise volume is reassessed with a corresponding adjustment of the additional amount. Any necessary adjustment bookings are to be made in the period in which new information about the exercise volume becomes available. Expenses from the granting of equity-settled agreements are recognized over the period in which the related service is rendered (the so-called vesting period). This period ends on the date on which all vesting conditions (service and performance conditions) are fulfilled, i.e., the date on which the employee concerned has gained irrevocable entitlement. The cumulative expenses recognized on each reporting date until the vesting date reflect the extent to which the vesting period has expired and the Group's best-possible estimate of the number of awards that will ultimately vest. A fluctuation probability of 0% is applied in each case. The income or expense recognized in personnel expenses for the period represents the development of cumulative expenses recognized at the beginning and end of the reporting period.

When new equity instruments are granted as a result of the cancellation of previously granted equity instruments, IFRS 2.28(c) requires an entity to assess whether the newly granted equity instruments are a replacement for the previously granted or canceled instruments. For canceled equity instruments, the full outstanding expense is recognized immediately at the time of cancellation.

New equity instruments that are not granted as a replacement for canceled equity instruments are accounted for as newly granted equity instruments. If they are classified as a replacement, the new equity instruments are accounted for in the same way as an amendment to the original instruments granted. The benefits received are recognized at least at the fair value determined on the grant date (of the original instruments). If the amendments are beneficial to the employee, the additional fair value of the new equity instruments is measured and allocated over the vesting period as an additional expense. The additional fair value is measured as the difference between the fair value of the equity instruments identified as a replacement and the net fair value of the canceled equity instruments on the date on which the replacement instruments are granted.

## **Earnings per share**

Undiluted or basic earnings per share are calculated by dividing the result attributable to the holders of registered shares by the weighted average number of shares outstanding during the period.

Diluted earnings per share are calculated similarly to basic earnings per share with the adjustment that the average number of shares outstanding is increased by the number that would arise if the exercisable subscription rights resulting from the existing employee stock participation plans had been exercised.

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

## 2.2 Summary of measurement principles

The Group's measurement principles can be summarized and simplified as follows – providing there is no impairment:

Balance sheet item	Measurement
<b>ASSETS</b>	
Cash and cash equivalents	Amortized cost
Trade accounts receivable	Amortized cost
Contract assets	Amortized cost
Intangible assets	
with limited useful lives	Amortized cost
with indefinite useful lives	Impairment-only recognition
Property, plant and equipment	Amortized cost
Share in associated companies	Equity method
Other financial assets	
Equity instruments	Financial assets measured at fair value through other comprehensive income without reclassification of cumulative gains and losses on derecognition
Derivatives	Fair value through profit or loss
Other	Amortized cost
Inventories	Lower of cost and net realizable value
Prepaid expenses	Amortized cost
Income tax claims	Expected payment from the tax authorities based on tax rates applicable on the reporting date or in the near future
Other non-financial assets	Amortized cost
Deferred tax assets	Undiscounted measurement at tax rates valid in the period in which an asset is realized or a liability settled
<b>LIABILITIES</b>	
Liabilities due to banks	Amortized cost
Deferred tax liabilities	Undiscounted measurement at tax rates valid in the period in which an asset is realized or a liability settled
Income tax liabilities	Expected payment to the tax authorities based on tax rates applicable on the reporting date or in the near future
Trade accounts payable	Amortized cost
Contract liabilities	Amortized cost
Other accrued liabilities	Expected discounted amount that will lead to outflow of resources
Other financial liabilities	
Derivatives / Conditional purchase price liabilities	Fair value through profit or loss
Other	Amortized cost
Other non-financial liabilities	Amortized cost

## 2.3 Effects of new or amended IFRS standards

For the fiscal year starting January 1, 2024, the following standards were applied for the first time:

Standard		Mandatory for fiscal years beginning on or after	Endorsed by EU Commission
IAS 1	Amendment: Classification of the criteria for classifying liabilities as current or non-current and clarification in relation to non-current liabilities with covenants	January 1, 2024	Yes
IFRS 16	Amendment: Lease liabilities in the event of a sale and leaseback transaction	January 1, 2024	Yes
IAS 7, IFRS 7	Amendment: Disclosure of supplier finance arrangements	January 1, 2024	Yes

These amendments had no significant impact on the Consolidated Financial Statements and are not expected to have a material impact on the Group in the future.

## 2.4 Accounting standards already published but not yet mandatory

Apart from the IFRSs mentioned above whose application is mandatory, the IASB has also published further IFRSs and IFRICs which have already partly received EU endorsement, but which will not become mandatory until a later date. United Internet AG will probably only implement these standards when their adoption in the Consolidated Financial Statements becomes mandatory.

Standard		Mandatory for fiscal years beginning on or after	Endorsed by EU Commission
IAS 21	Amendment: Lack of Exchangeability of a Currency	January 1, 2025	Yes
IFRS 9, IFRS 7	Amendment: Classification and Measurement of Financial Instruments	January 1, 2026	No
Annual improvement of IFRS Accounting Standards - Volume 11	Amendment: IFRS 1 (Hedge Accounting for first-time users), IFRS 7 (Profit or loss in case of write-off, Disclosures to credit risks and deviations of transaction prices at fair value), IFRS 9 (Calculation of transaction price and write-off Leasing liability), IFRS 10 (Decision of "de facto"-agents), IAS 7 (incidental acquisition costs)	January 1, 2026	No
IFRS 18	Amendment: Replaces IAS 1. The standard regulates the presentation and disclosure in financial statements	January 1, 2027	No
IFRS 19	Amendment: Enabling reduced disclosure requirements for subsidiaries without public accountability	January 1, 2027	No

The new accounting standard IFRS 18 replaces the previous IAS 1 – Presentation of Financial Statements. The aim is to improve the structure and comparability of financial reporting.

The main changes introduced by IFRS 18 include:

- Introduction of mandatory subtotals in the income statement, such as "operating profit before financing and taxes", and a breakdown into clearly defined categories (operating, investing, financing).

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

- Enhanced disclosures on company-specific performance measures ("management performance measures") used in public communication in order to present management's financial perspective.
- New principles for aggregating and disaggregating financial items to provide more detailed and consistent reporting.
- Adjustments to the cash flow statement, in particular to standardize the presentation, for example by eliminating certain disclosure options.

It is expected that the application of IFRS 18 will have a significant impact on the Consolidated Financial Statements – particularly on the presentation of the Consolidated Income Statement. The specific effects are currently being analyzed as part of a Group-wide implementation project.

No significant impact for the Group is expected from other IFRS amendments already published but not yet mandatory.

### 3. Significant accounting judgments, estimates, and assumptions

The application of accounting and measurement methods in preparing the Consolidated Financial Statements requires management to make certain accounting judgments, estimates, and assumptions. These have an effect on the disclosed amounts of earnings, expenditure, assets and liabilities, as well as contingent liabilities, as of the reporting date. Actual amounts may differ from these estimates and assumptions, which may lead in future to significant adjustments to the carrying amounts of the assets and liabilities concerned.

#### Judgments, estimates, and assumptions

In the application of accounting and measurement methods, management made the following accounting judgments which significantly affect amounts in the Consolidated Financial Statements.

The most important forward-looking assumptions and other major sources of uncertainty as of the reporting date, which involve the risk of significant adjustments to the carrying amounts of assets and liabilities in the coming fiscal year, are explained below.

#### Impact of geopolitical conflicts

Society, politics and the economy are currently facing complex macroeconomic challenges resulting from a combination of a higher level of 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 conflicts in Ukraine and the Middle East, the current course of the US government is also contributing to greater uncertainty about the political and 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 conflicts, it is still confronted with the indirect effects. In view of the uncertain security situation caused by the conflict 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 conflicts 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.

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

United Internet also takes account of developments in the economic environment in its accounting and reporting in the Consolidated Financial Statements, e.g., when determining the recoverability of goodwill or the measurement of assets and liabilities.

These developments are not expected to have any significant direct impact on United Internet.

## Impact of environmental and social concerns

Environmental and social concerns can impact the recoverability of Group assets in various ways. For example, risks to recoverability may arise from rising energy prices for renewable energies to operate our 5G mobile network. The recoverability of the 5G spectrum was reviewed as part of the impairment test (Note 19).

The Company currently assumes that any impact caused by environmental and social issues will not have a material effect on the Consolidated Financial Statements.

## Revenue recognition

The standalone selling prices for hardware are determined on the basis of the adjusted market assessment approach, which requires an estimate of the relevant market prices for the respective hardware. Changes in these estimates may affect the allocation of the transaction price to the individual performance obligations and thus also affect the amount and timing of revenue recognition.

In addition, various other assumptions and estimates are made during application of the portfolio approach, which are based on past experience and available knowledge at the end of the reporting period. Changes in these assumptions and estimates in their entirety can also have a material effect on the amount and timing of revenue recognition.

The guiding principle for considering whether an entity is acting as a principal or as an agent is whether it has control over the specified good or service before transferring it to the customer. When examining the question of control, significant discretionary decisions often have to be made. This relates in particular to services in connection with the marketing of websites and the sale of third-party products and services by the Group. When a third party is involved in the performance process, the entity must determine whether the nature of its promise is a performance obligation to provide the specific good/service itself (i.e., the entity is a principal) or whether the performance obligation is to arrange for the provision of those goods/services by the third party (i.e., the entity is an agent). An entity



**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

determines for each specific good/service whether it acts as principal or agent. If the Group acts as an agent, sales are recognized on a net basis. If we act as principal, sales are reported gross.

In the Business Applications segment, new partners or third-party services newly integrated into the product portfolio, such as third-party licenses (e.g., Microsoft Office licenses), are examined to determine the extent to which licenses or services are already available to the Group prior to the conclusion of a contract with a customer, in other words, whether the licenses can be used by the Group itself without further approval. Moreover, a check is made to see whether the license or service contract with the customer must first be confirmed or released by the actual licensor. If both of these conditions are met, then an agent position is assumed. From the Group's perspective, complete flexibility with regard to tariff and pricing does not change the previously made assessment.

Also in the Business Applications segment, the role of principal is assumed in the field of domain parking, as this is not a pure brokerage business. The Group provides a platform on which it places advertising on parked domains, with the domain owner receiving a share of the revenue generated. As the Group maintains the platform and has the right to select advertising partners and set prices, it is assumed that it has control over its domain parking business. Although the Group also provides the platform for its domain trading business, however, pricing and the conclusion of contracts generally take place between buyers and sellers of domains, without the Group having the right to intervene. The Group therefore acts as an agent in this business.

In the Consumer Applications segment, the Group must decide for each contract with an agency whether it is acting as principal or as agent, in particular with regard to the marketing of online advertising space. If the Group bears the primary responsibility for contract fulfillment, as it has control over the advertising inventory, and is allowed to set a certain minimum price and reject certain advertising content, the Group acts as principal. This is predominantly the case for the Group's marketing of online advertising space.

## Costs of contract fulfillment and contract initiation

The calculation of the estimated amortization periods for contract costs is based on past experience and subject to significant uncertainties, in particular with regard to unforeseen customer or technology developments. A change in the estimated amortization period affects the timing of the recognition. The carrying amount of capitalized contract initiation and contract fulfillment costs as of December 31, 2024 amounted to € 344,738k (prior year: € 303,145k).

## Impairment of non-financial assets

Goodwill and other intangible assets with indefinite useful lives, as well as not yet usable assets with finite useful lives, are assessed at least once a year or on indication of impairment. Other non-financial assets are tested for impairment if there is any indication that the carrying value exceeds the recoverable amount. The recoverable value of the respective cash-generating unit to which the goodwill or intangible assets have been allocated is calculated either as "value-in-use" or fair value less cost of sell. As of December 31, 2024, the carrying amount of goodwill was € 3,632,744k (prior year: € 3,628,849k).

In order to estimate value-in-use or fair value less cost of sell, management must estimate expected future cash flows of the asset or cash-generating unit and select a suitable discount rate to assess the present value of these cash flows.

Further details, including a sensitivity analysis of significant assumptions, are presented in the Note "Impairment of goodwill and intangible assets with indefinite useful lives".

The most important management assumptions for the measurement of the recoverable value of cash-generating units include assumptions regarding the development of sales, margins, and the discount rate.

### **Carrying amounts and impairment test for investments in associated companies**

As of the reporting date, the United Internet Group holds investments in various associated companies. If the consideration for the acquisition of the shares is made by contributing a subsidiary or other investment, the acquisition costs of the associated company are to be determined by means of a company valuation. This valuation is closely related to the assumptions and estimates made by management with respect to the future development of the respective company and the applicable discount rate.

In accordance with IAS 28.40, the Group examines on the reporting date whether the net investment of the United Internet Group in the respective associated company requires an additional impairment charge.

The carrying amount for shares in associated companies is measured on the basis of their prorated annual results. If the annual results for the fiscal year are not known, an estimate is made on the basis of the latest publicly available financial information of the respective associated company.

The recoverable amounts of non-listed companies consider both the available past experience for the respective company and expectations of its future development. As these expectations are based on numerous assumptions, the calculation of recoverable amounts depends on discretionary factors. The carrying value of investments in non-listed associated companies as of December 31, 2024 amounted to € 124,943k (prior year: € 373,205k).

### **Share-based payment**

For share-based payment arrangements, the cost of equity-settled arrangements is measured at the fair value of such equity instruments on the date of granting. A suitable measurement model must be used to estimate fair value when granting equity instruments; this depends on the contractual terms. Suitable data must also be chosen for the valuation process, including the expected option term, volatility, exercise behavior, and dividend yield, as well as the corresponding assumptions.

In the reporting period, expenses for share-based remuneration amounted to € 10,617k (prior year: € 8,176k).

### **Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

The Group forms liabilities, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of these liabilities is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile. The carrying value of income tax liabilities as of December 31, 2024 amounted to € 48,004k (prior year: € 87,996k) and mainly related to current taxes of the fiscal year.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

## Trade accounts receivable and contract assets

Trade accounts receivable and contract assets are carried in the balance sheet less impairment charges made. Allowances for doubtful claims are made on the basis of expected credit losses by means of regular reviews as well as valuations conducted as part of credit monitoring. Assumptions concerning the payment behavior and creditworthiness of customers are subject to significant uncertainties. The carrying value of trade accounts receivable as of December 31, 2024 amounted to € 545,713k (prior year: €545,935k). The carrying value of contract assets as of December 31, 2024 amounted to € 818,250k (prior year: €882,733k).

## Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value comprises the estimated sales proceeds less the necessary expected costs up to the time of sale. Measurement is also based in part on writedowns for inventories. The size of such writedowns represents a best-possible estimation of net realizable value and is thus subject to uncertainties. The carrying amounts of inventories as of the reporting date amounted to € 119,667k (prior year: € 178,083k). Please refer to Note 21 for further details.

## Property, plant and equipment, and intangible assets

Property, plant and equipment, and intangible assets are valued at cost on initial recognition. After initial recognition, property, plant and equipment, and intangible assets with limited useful lives are depreciated over their expected economic useful lives using the straight-line method. Expected useful lives are based on historical experience and thus subject to significant uncertainties, especially with regard to unforeseen technological developments. When determining the timing of capitalization and the start of amortization for the 5G spectrum, discretionary decisions were made.

The carrying value of property, plant and equipment, and intangible assets with limited useful lives amounted to € 4,365,860k as of December 31, 2024 (prior year: € 3,491,424k). This amount includes spectrum licenses of € 988,102k (prior year: € 1,028,921k).

## **Right-of-use assets and lease liabilities**

For the duration of the lease, a right-of-use asset in the amount of the present value of the future lease payments plus initial direct costs, advance payments, and restoration costs, and less incentive payments received is capitalized and amortized over the term of the lease. At the same time, a lease liability is recognized in the amount of the future lease payments less the interest portion.

The leases for the business premises in Montabaur and Karlsruhe contain extension options. For the terms of these leases, a period until 2033 was assumed due to their strategic importance for the Group – with the exception of two leases for buildings in Karlsruhe that were newly occupied in 2020 and have assumed terms until 2035. For leases of office buildings at the other locations, extension options are predominantly not included in the determination of the terms, as these assets could be replaced by the Group without significant cost.

The leases for antenna locations in connection with the 1&1 mobile communications network usually have a non-cancelable basic lease term of twenty years. Extension options are not included in the term, as it cannot be assumed with sufficient certainty that the extension options will be exercised at the time the lease is concluded.

The incremental borrowing rate is used to measure right-of-use assets and lease liabilities. The incremental borrowing rate is determined on the basis of reference interest rates for a period of up to 25 years from risk-free interest rates with appropriate maturities, plus credit risk premiums.

## **Accounting for business combinations**

Business combinations are accounted for using the purchase method. The initial recognition of goodwill results from the excess of the acquisition cost of the entity over the fair value of the identifiable assets, liabilities and contingent liabilities acquired. Costs accrued in the course of the business combination are recognized under other operating expense.

However, assumptions made to determine the respective fair value of the acquired assets and liabilities as of the date of acquisition are subject to significant uncertainties. For the identification of intangible assets, depending on the type of intangible asset and complexity of determining its fair value, the Company either uses independent appraisals of external assessors or fair value is determined internally using a suitable assessment technique for the respective intangible asset, generally based on a forecast of total expected future cash flow generation. These valuations are closely related to assumptions and estimates which management has made about the future development of the respective assets and the applicable discounted interest rate.

## **Accruals**

Accruals are formed if the Group has a legal or actual obligation resulting from a past event which will probably give rise to the outflow of resources with an economic benefit to fulfill the obligation, provided that the level of the obligation can be reliably estimated. Such estimates are subject to significant uncertainties. The carrying value of accruals as of December 31, 2024 amounted to € 93,752k (prior year: € 95,099k).

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

## 4. Business combinations and investments

### 4.1 Business combinations in the fiscal year

As in the previous year, there were no business combinations in the fiscal year 2024.

### 4.2 Investments in the fiscal year

#### **Dilution and loss of significant influence over the stake in Kublai/Tele Columbus**

As of December 31, 2023, United Internet held a 40% stake in Kublai GmbH, which holds 95.39% of Tele Columbus AG. At the end of 2023, co-shareholder Hilbert Management GmbH, an indirect subsidiary of Morgan Stanley Infrastructure Inc. ("MSI"), requested a conditional capital increase, which United Internet was obliged to approve due to the existing provisions of the shareholders' agreement.

Due to a difference of opinion between the co-shareholders MSI and United Internet regarding the future financing of Kublai GmbH, United Internet did not participate in the capital increase. Furthermore, United Internet considered the valuation on which the capital increase was based to be inappropriately low and the resulting dilution to be too extensive. United Internet therefore initiated the contractually stipulated dilution protection proceedings as early as the end of 2023 and reserved the right to assert the contractually stipulated catch-up rights at a later date and to increase its stake again.

The capital increase was completed at the end of the first quarter of 2024 and resulted in a dilution of United Internet's stake in Kublai to 4.71%. As the catch-up rights were initially recognized as potential voting rights, the dilution did not immediately result in a loss of significant influence.

On June 14, 2024, United Internet AG announced that it would make no further investments in Kublai GmbH. In making this decision, United Internet waived its catch-up right to increase the 4.71% stake in Kublai to 40% again following the dilution effect of the capital increase. The underlying valuation of the capital increase of Kublai GmbH completed by MSI is still considered to be inappropriately low.

It was only with this decision and its announcement on June 14, 2024 that United Internet ultimately lost significant influence over Kublai.

Up to the date of loss of significant influence, an equity result based on the respective pro-rata stake of € -32.3m was recognized.

From the date of loss of significant influence, the investment represented a financial asset in accordance with IFRS 9. As a result, the investment was reclassified from "investments in associates" to "other non-current financial assets" (see also Notes 24 and 25).

The remaining stake was to be recognized at fair value from that point on, and any difference between

(a) the fair value of the remaining stake and

(b) the carrying amount of the investment when the equity method was no longer applied

was to be recognized in profit or loss.

For the fiscal year 2024, the dilution loss and loss of significant influence resulted in a non-cash impairment of the investment in Kublai GmbH of € 170,533k in total.

Following reclassification, the shares are recognized at fair value in accordance with IFRS 9, whereby changes in value are recognized in other comprehensive income (fair value through other comprehensive income – FVOCI). The option to recognize change in value in OCI was chosen as the corresponding measurement effects are not part of the operating results of the UI Group.

As at the date of loss of significant influence, the remaining 4.71% stake was recognized at a fair value of € 52.5m. An amount of € 19.3m was recognized in other comprehensive income (OCI) for the change in the value of the shares to € 71.8m as at the reporting date.

United Internet has already indirectly initiated the contractually agreed anti-dilution proceedings and submitted the valuation performed by MSI to a court of arbitration for review. If the court agrees with United Internet's assessment and confirms the valuation conducted prior to the capital increase, United Internet may be awarded compensation of approximately € 300m. If the court reaches a different conclusion, the awarded claim or compensation amount could be correspondingly lower. The accounting requirements for recognizing a possible compensation amount in profit or loss have not yet been met (contingent receivable).

#### **Planned discontinuation of the “Energy” and “De-Mail” business fields**

In March 2024, the Management Board and Supervisory Board decided to discontinue the “Energy” and “De-Mail” business fields in the Consumer Applications segment. The balance of assets and liabilities resulting from the adjustment is not material.

#### **Sale of IONOS shares by Warburg Pincus**

Following the sale of IONOS shares by Warburg Pincus in the fiscal year 2024, the latter's shareholding fell from 21.2% to 16.2%. 19.7% of shares are in free float. United Internet's stake in IONOS is unchanged at 63.8%. Moreover, the IONOS Group holds 0.3% in treasury shares.

### **4.3 Business combinations in the previous year**

#### **IPO of IONOS**

The IPO of IONOS 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 € 292m from the sale of shares, while the entire placement volume amounted to around € 389m.

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

**FINANCIAL STATEMENTS**

Balance sheet

**Notes as of December 31,  
2024**

Income Statement

Development of intangible  
and fixed assets

Cash flow

Responsibility statement

Shareholders' equity

Audit opinion

**Acquisition of shares in Street Media GmbH**

On September 5, 2023, the Group acquired 28.7% of shares in Street Media GmbH, based in Berlin, which has since been included in the Consolidated Financial Statements as an associated company using the equity method.

An additional contribution of € 1,490k was made to the equity of Street Media GmbH on October 2, 2023, whereby the shareholding ratio did not change as a result of this transaction. The total acquisition costs for the share purchase amounted to € 1,567k. Street Media GmbH specializes in the development and management of digital media projects.

## Explanations of items in the income statement

### 5. Sales/segment reporting

According to IFRS 8, the identification of operating segments to be included in the reporting process is based on the so-called management approach. External reporting should therefore be based on the Group's internal organization and management structure, as well as internal financial reporting to the Chief Operating Decision Maker. In the United Internet Group, the Management Board is responsible for assessing and controlling the success of the various segments.

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

A description of the products and services is provided in Note 2.1 in the explanation of revenue recognition. The segment "Corporate" comprises mainly management holding functions.

The Management Board of United Internet AG mainly controls operations on the basis of key performance figures. It measures segment success primarily on the basis of sales revenue, and earnings before interest, taxes, depreciation and amortization (EBITDA). Transactions between segments are charged at market prices. Information on sales revenue is allocated to the country in which the company is domiciled. Segment earnings are reconciled with the total amount for the United Internet Group.



## FINANCIAL STATEMENTS

Balance sheet	Notes as of December 31, 2024
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

Segment reporting of United Internet AG in fiscal year 2024 was as follows:

January - December 2024 (€m)	Segment Consumer Access	Segment Business Access	Segment Consumer Applications	Segment Business Applications	Corporate	Reconciliation / Consolidation	United Internet Group
Segment revenue	4,064.3	574.9	324.5	1,560.3	151.0	-345.8	6,329.2
- thereof domestic	4,064.3	574.9	322.4	897.4	151.0	-345.8	5,664.2
- thereof foreign	0.0	0.0	2.1	662.9	0.0	0.0	665.0
Segment revenue from transactions with other segments	16.0	105.6	33.6	45.7	144.9	0.0	345.8
Segment revenue from contracts with customers	4,048.3	469.3	291.0	1,514.6	6.1	0.0	6,329.2
- thereof domestic	4,048.3	469.3	288.8	851.7	6.1	0.0	5,664.2
- thereof foreign	0.0	0.0	2.1	662.9	0.0	0.0	665.0
Cost of sales	-3,022.1	-548.2	-141.1	-801.2	-29.6	216.4	-4,325.7
EBITDA	590.8	165.0	112.5	430.2	2.4	-7.0	1,294.0
Financial result							-136.8
Result from associated companies							-28.8
Result from the loss of significant influence							-170.5
EBT							302.6
Income taxes							-244.3
<b>Net income</b>							<b>58.3</b>
Assets (non-current)	2,935.7	402.2	227.5	1,197.4	1,065.5	-1,984.8	3,843.6
- thereof domestic	2,935.7	402.2	227.2	858.4	1,065.5	-1,984.8	3,504.3
- thereof shares in associated companies	0.0	0.0	0.0	2.4	122.5	---	124.9
- thereof other financial assets	2.7	4.0	1.7	364.9	943.0	-1,230.3	85.9
- thereof goodwill	2,932.9	398.3	225.5	491.2	0.0	-754.5	3,293.5
- thereof foreign	0.0	0.0	0.4	339.0	0.0	0.0	339.3
- thereof shares in associated companies	0.0	0.0	0.0	0.1	0.0	---	0.1
- thereof other financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- thereof goodwill	0.0	0.0	0.4	338.9	0.0	0.0	339.3
Investments in intangible assets and property, plant and equipment (without goodwill)	625.0	576.3	14.4	91.5	12.4	-3.2	1,316.3
Number of employments	3,281	1,640	1,109	4,226	716	---	10,972
- thereof domestic	3,281	1,640	1,106	2,255	716	---	8,998
- thereof foreign	0	0	3	1,971	0	---	1,974

Segment reporting of United Internet AG in fiscal year 2023 was as follows:

January - December 2023 (€m)	Segment Consumer Access	Segment Business Access	Segment Consumer Applications	Segment Business Applications	Corporate	Reconciliation / Consolidation	United Internet Group
Segment revenue	4,096.7	564.0	304.3	1,423.7	156.5	-331.9	6,213.2
- thereof domestic	4,096.7	564.0	302.0	759.5	156.5	-322.4	5,556.3
- thereof foreign	0.0	0.0	2.2	664.3	0.0	-9.6	656.9
Segment revenue from transactions with other segments	15.0	92.7	28.4	45.5	150.3	0.0	331.9
Segment revenue from contracts with customers	4,081.7	471.3	275.8	1,378.2	6.2	0.0	6,213.2
- thereof domestic	4,081.7	471.3	273.6	723.5	6.2	0.0	5,556.3
- thereof foreign	0.0	0.0	2.2	654.7	0.0	0.0	656.9
Cost of sales	-2,937.7	-510.0	-129.3	-737.9	-25.9	195.6	-4,145.1
EBITDA	653.8	162.9	103.5	385.4	206.7	-220.3	1,292.1
Financial result							-98.2
Result from associated companies							-58.1
Result from the loss of significant influence							0.0
EBT							597.6
Income taxes							-235.4
<b>Net income</b>							<b>362.2</b>
Assets (non-current)	2,935.5	398.4	227.7	1,205.5	1,071.9	-1,828.6	4,010.4
- thereof domestic	2,935.5	398.4	227.4	869.1	1,071.9	-1,828.6	3,673.7
- thereof shares in associated companies	0.0	0.0	0.0	3.0	368.9	---	371.9
- thereof other financial assets	2.6	0.1	1.9	374.9	703.0	-1,074.1	8.4
- thereof goodwill	2,932.9	398.3	225.5	491.2	0.0	-754.5	3,293.4
- thereof foreign	0.0	0.0	0.3	336.4	0.0	0.0	336.7
- thereof shares in associated companies	0.0	0.0	0.0	1.3	0.0	---	1.3
- thereof other financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- thereof goodwill	0.0	0.0	0.3	335.1	0.0	0.0	335.4
Investments in intangible assets and property, plant and equipment (without goodwill)	411.0	555.8	15.7	95.8	16.1	-5.3	1,089.1
Number of employments	3,320	1,522	1,072	4,364	684	---	10,962
- thereof domestic	3,320	1,522	1,069	2,386	684	---	8,981
- thereof foreign	0	0	3	1,978	0	---	1,981

## FINANCIAL STATEMENTS

Balance sheet	Notes as of December 31, 2024
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

Non-current segment assets comprise shares in associated companies, other financial assets, and goodwill.

In the fiscal year 2024, revenue of the Consumer Access segment from contracts with customers includes hardware sales of € 745,171k (prior year: € 838,444k). Revenue of the Business Access segment from contracts with customers for the fiscal year 2024 includes hardware sales of € 15,385k (prior year: € 16,364k). The remaining revenue of the two segments is attributable to service revenue. The other business segments only generate revenue from services.

In the reporting periods, there was no significant concentration of individual customers in the customer profile. As in the previous year, the United Internet Group did not generate more than 10% of total external sales revenue with any single customer. Foreign sales accounted for 10.5% (prior year: 10.6%) of total Group revenue.

In addition to investments, the highest management committee only monitors shares in associated companies, other non-current financial assets, and goodwill. The depreciation disclosed in the segments refers to other, non-monitored intangible assets, and property, plant and equipment, as these are largely determined automatically once the relevant useful life has been determined.

Contract balances developed as follows in the fiscal year 2024:

in €k	31.12.2024	31.12.2023
Trade accounts receivable (Note 19)	545,713	543,696
Contract assets (Note 20)	818,250	882,733
Contract liabilities (Note 32)	215,009	207,691

The year-on-year decrease in contract assets is mainly due to reduced hardware sales in the fiscal year 2024.

In fiscal year 2024, revenue of € 175,033k (prior year: €157,093k) was recognized which was contained in contract liabilities at the beginning of the fiscal year.

The total transaction price of performance obligations still unfulfilled at the end of the reporting period amounted to € 1,742,270k as of December 31, 2024. The following table shows the time bands in which the transaction prices from unfulfilled or partially unfulfilled performance obligations as of the reporting date are expected to be recognized:

in €k	Total	2025	2026	>2026
Consumer Access	1,496,901	1,144,073	352,828	0
Business Access	228,764	105,084	54,740	68,940
Consumer Applications	7,808	7,416	392	0
Business Applications	7,129	4,560	2,199	370
<b>Total</b>	<b>1,740,603</b>	<b>1,261,133</b>	<b>410,159</b>	<b>69,311</b>

The total transaction price of performance obligations still unfulfilled at the end of the reporting period amounted to € 1,915,122k as of December 31, 2023. The following table shows the time bands in which the transaction prices from unfulfilled or partially unfulfilled performance obligations as of the reporting date were expected to be recognized:

in €k	Total	2024	2025	>2025
Consumer Access	1,553,503	1,140,640	412,862	0
Business Access	344,767	155,048	84,816	104,902
Consumer Applications	9,651	8,406	1,246	0
Business Applications	7,201	2,742	1,858	2,602
<b>Total</b>	<b>1,915,122</b>	<b>1,306,836</b>	<b>500,783</b>	<b>107,504</b>

The transaction prices shown relate to unfulfilled performance obligations from contracts with customers with an original contract term of more than 12 months. They relate to service components with period-based revenue recognition and to contracts for which a one-off fee has been invoiced and which are now recognized as revenue over the relevant original minimum contract term.

## 6. Cost of sales

€k	2024	2023
Cost of services	2,400,046	2,329,908
Cost of goods	884,549	930,318
Amortization/depreciation	494,450	383,181
Personnel expenses	332,811	305,100
Other	213,855	196,629
<b>Total</b>	<b>4,325,710</b>	<b>4,145,136</b>

Cost of sales in relation to sales revenue increased year on year to 68.3% (prior year: 66.7%), resulting in a decline in gross margin to 31.7% (prior year: 33.3%).

The increase in the cost of sales reflects higher depreciation from the 5G segment and higher expenses for services received. For further details, please refer to Note 11.

The other cost of sales mainly include operating costs for the data centers and logistics expenses.

## FINANCIAL STATEMENTS

Balance sheet	Notes as of December 31, 2024
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

## 7. Selling expenses

€k	2024	2023
Personnel expenses	360,493	336,488
Marketing expenses	292,564	294,616
Sales commissions	147,322	124,753
Amortization/depreciation	121,569	120,379
Other	59,917	66,924
<b>Total</b>	<b>981,865</b>	<b>943,160</b>

At 15.5% (prior year: 15.2%), selling expenses as a proportion of sales increased slightly. Other selling expenses mostly comprise customer relationship costs and product management expenses.

## 8. General and administrative expenses

€k	2024	2023
Personnel expenses	125,065	118,391
Amortization/depreciation	39,231	34,533
Chargeback fees and other costs of monetary transactions	29,130	27,049
Legal and consulting expenses	19,997	22,729
Maintenance costs	14,498	12,206
Other	59,849	61,015
<b>Total</b>	<b>287,770</b>	<b>275,924</b>

The other general and administrative expenses mostly comprise expenses in connection with accounts receivable management, third-party services, insurance contributions, and auditing fees.

## 9. Other operating income/expenses

### 9.1 Other operating expenses

€k	2024	2023
Expenses from foreign currency translation	14,386	10,438
Derivatives	30	6,654
Expenses relating to other periods	4,787	5,622
Other taxes	1,043	2,858
Losses from the disposal of property, plant and equipment	284	478
Other	5,661	7,284
<b>Total</b>	<b>26,189</b>	<b>33,334</b>

Expenses from foreign currency translation mainly comprise losses from exchange rate changes between the date of origination and time of payment of foreign currency receivables and payables as well as losses from measurement as of the reporting date. Currency gains from these items are

reported under other operating income. A net consideration of this item results in a net expense of € 3,511k (prior year: net expense of €707k). In the previous year, the item "Other" mainly included expenses for the IPO of IONOS Group SE during the previous reporting period.

## 9.2 Other operating income

€k	2024	2023
Income from dunning and return debit charges	39,125	34,015
Income from foreign currency translation	10,875	9,731
Income from other periods	2,630	7,215
Income from the disposal of property, plant and equipment	1,784	1,274
Derivatives	2,071	316
Income from the reversal of accrued liabilities	1,791	1
Other	13,722	8,013
<b>Total</b>	<b>71,998</b>	<b>60,565</b>

Income from foreign currency translation mainly comprises gains from exchange rate changes between the date of origination and time of payment of foreign currency receivables and payables, as well as gains from measurement as of the reporting date. Currency losses from these items are reported under other operating expenses.

## 10. Impairment of receivables and contract assets

Impairment of receivables and contract assets comprised the following:

€k	2024	2023
Trade accounts receivable	82,486	69,215
Contract assets	58,451	53,048
<b>Total</b>	<b>140,936</b>	<b>122,264</b>

The increase in impairment is mainly due to a deterioration in the payment behavior of customers compared to the previous year.

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

## 11. Depreciation, amortization, and impairment

Depreciation, amortization, and impairment of intangible assets, and property, plant and equipment consist of the following:

€k	2024	2023
Cost of sales	494,450	383,181
Selling expenses	121,569	120,379
General and administrative expenses	39,231	34,533
<b>Total</b>	<b>655,250</b>	<b>538,093</b>

Depreciation and amortization also includes the amortization of capitalized assets resulting from business combinations. These are divided between the capitalized assets as follows:

€k	2024	2023
<b>Intangible assets</b>		
Customer base/ order backlog	108,629	108,495
Software	2,264	2,264
	<b>110,893</b>	<b>110,759</b>
<b>Tangible assets</b>		
Network infrastructure	3,165	3,281
<b>Total</b>	<b>114,058</b>	<b>114,040</b>

Intangible assets with indefinite useful lives were subjected to an impairment test on the level of the cash-generating units as of the reporting date.

Amortization of capitalized assets resulting from business combinations is divided between the business combinations as follows:

€k	2024	2023
1&1	84,696	84,705
STRATO	13,297	13,297
1&1 Versatel	8,772	8,907
home.pl	3,017	2,862
we22	2,416	2,409
World4You	1,847	1,847
Cronon	12	12
<b>Total</b>	<b>114,058</b>	<b>114,040</b>

## 12. Personnel expenses

Personnel expenses are divided among the various divisions as follows:

€k	2024	2023
Cost of sales	332,811	305,100
Selling expenses	360,493	336,488
General and administrative expenses	125,065	118,391
<b>Total</b>	<b>818,368</b>	<b>759,979</b>

Personnel expenses include wages and salaries of € 697,750k (prior year: 647,320k), and social security costs of € 120,618k (prior year: €112,658k). The rise in personnel expenses is mainly due to higher salary adjustments. Personnel expenses in connection with employee stock ownership plans totaled € 10,617k (prior year: €8,176k).



## FINANCIAL STATEMENTS

Balance sheet	Notes as of December 31, 2024
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

The number of employees increased slightly from 10,962 in the previous year to 10,972 employees at year-end:

	2024	2023
Germany	8,998	8,981
Outside Germany	1,974	1,981
thereof the Philippines	504	464
thereof Spain	444	446
thereof Poland	319	339
thereof UK	242	273
thereof Romania	284	261
thereof USA	114	118
thereof Austria	58	72
thereof France	9	8
<b>Total</b>	<b>10,972</b>	<b>10,962</b>
thereof male	68%	67%
thereof female	32%	33%

The average number of employees in fiscal year 2024 amounted to 10,965 (prior year: 10,717), of which 8,983 (prior year: 8,755) were employed in Germany and 1,982 abroad (prior year: 1,962).

With regard to company pension plans, the Group only has defined contribution plans. The Company pays contributions to the state pension fund as a result of statutory obligations. There are no other benefit obligations for the Company after payment of the contributions. The current contribution payments are disclosed as an expense in the respective year. In fiscal year 2024, they totaled € 48,529k (prior year: 45,150k) and mostly concerned contributions paid to the state pension fund in Germany.

As a result of contribution exemptions, an amount of € 0k (prior year: € 0k) of this total referred to contributions paid to related parties.

## 13. Financial expenses

€k	2024	2023
Loans and overdraft facilities	105,344	65,600
Financing costs from leases	35,645	21,347
Subsequent valuation of purchase price liability	15,155	7,812
Measurement of embedded derivatives	3,381	40,106
Interest expense from deferral of frequency liabilities	5,631	6,050
Interest expense from tax audit	1,404	1,090
Other	754	1,085
<b>Total financial expenses</b>	<b>167,314</b>	<b>143,091</b>

The subsequent valuation of purchase price liabilities and the valuation of embedded derivatives relate to the measurement through profit or loss of the purchase price liabilities and derivatives agreed in the course of the Warburg Pincus investment in the Business Applications segment, whose valuation

depends in particular on the enterprise value of the IONOS Group SE. For further information, please refer to Note 34.1.

The interest expense from the deferral of spectrum liabilities results from the agreement with the Federal Ministry of Transport and Digital Network Infrastructure under which the payment obligation for mobile communications spectrum was extended to 2030. Please refer to Note 34.3 for further details.

Please refer to Note 45 for an explanation of the financial expense from leases.

## 14. Financial income

€k	2024	2023
Measurement of embedded derivatives	25,303	12,167
Subsequent valuation of purchase price liability	2,424	30,693
Interest Income from leases	739	627
Income from loans to associated companies	293	467
Interest income from tax audit	643	417
Other financial income	1,140	529
<b>Total financial income</b>	<b>30,541</b>	<b>44,899</b>

The valuation of embedded derivatives and the subsequent valuation of the purchase price liability refer to the measurement through profit or loss of the derivatives and purchase price liabilities agreed in the course of the Warburg Pincus investment in the Business Applications segment. For further information, please refer to Note 34.1.

Other financial income mainly comprises interest income from credit balances with banks. With regard to income from loans to associated companies, please refer to Note 41.

## FINANCIAL STATEMENTS

Balance sheet	Notes as of December 31, 2024
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

## 15. Income taxes

The income tax expense is comprised as follows:

€k	2024	2023
<b>Current income taxes</b>		
- Germany	-156,263	-259,213
- Outside Germany	-17,097	-16,717
<b>Total (current period)</b>	<b>-173,360</b>	<b>-275,930</b>
<b>Deferred taxes</b>		
- Due to tax loss carryforwards	-70,890	-577
- due to tax interest carryforwards	4,241	30,697
- Tax effect on temporary differences	-4,096	9,119
- Due to tax rate changes	-162	1,297
<b>Total deferred taxes</b>	<b>-70,906</b>	<b>40,536</b>
<b>Total tax expense</b>	<b>-244,266</b>	<b>-235,394</b>

Under German tax law, income taxes comprise corporate income tax and trade tax, as well as the solidarity surcharge.

The effective trade tax rate depends on the municipalities in which the Group operates. The average trade tax rate in fiscal year 2024 amounted to approx. 15.55% (prior year: 15.60%).

As in the previous year, German corporate income tax was levied at 15% – irrespective of whether the result was retained or distributed. In addition, a solidarity surcharge of 5.5% is imposed on the assessed corporate income tax.

In addition to taxes on the current result, current income taxes include non-period tax income of €49k (prior year: tax expenses of € 4,579k).

Deferred taxes are recognized for tax loss carryforwards, interest carryforwards, and temporary differences if it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets for tax loss carryforwards in certain countries are shown in the table below:

€k	2024	2023
Germany	15,608	86,035
United Kingdom	0	464
<b>Total</b>	<b>15,608</b>	<b>86,499</b>

Deferred taxes for loss carryforwards mainly relate to the tax loss carryforwards of an income tax group within the Group, to which the 1&1 Versatel Group was added in the fiscal year 2024. Taking into consideration significant taxable temporary differences, the realization of loss carryforwards is based in particular on the strategic importance of Versatel as an intercompany service provider for the existing Layer II products of 1&1 Telecom GmbH, as well as on significant positive earnings forecasts and the planned provision of the backbone network for the establishment of the 5G mobile communications

network of 1&1 AG and the income from 1&1 Mail & Media, which also belongs to the United Internet AG group of companies. In the previous year, deferred taxes for loss carryforwards mainly related to the tax loss carryforwards of the 1&1 Versatel Group, which was not included in any tax group in the previous year.

The following time limits apply for the use of tax loss carryforwards in different countries:

- USA: 20 years for loss carryforwards incurred before 2018, indefinite for loss carryforwards incurred from 2018 onwards
- Germany: Indefinite, but minimum taxation

Tax loss carryforwards for which no deferred tax assets have been formed, refer to the following countries (excluding Germany):

€k	2024	2023
USA Federal *	35,072	27,474
USA State **	587	620
<b>Total</b>	<b>35,659</b>	<b>28,094</b>

\* Tax rate 21.0%

\*\* Tax rate 10.0%

A breakdown of income tax types results in the following loss carryforwards for Germany for which no deferred taxes have been formed:

€k	2024		2023	
	Corporation tax	Trade tax	Corporation tax	Trade tax
Germany	383,566	324,446	215,941	89,014

Loss carryforwards in Germany for which no deferred taxes have been formed mainly refer to loss carryforwards of the 1&1 Versatel Group, as well as United Internet AG, 1&1 Energy GmbH, CM4all GmbH and we22 Solutions GmbH. The loss carryforwards of 1&1 Versatel GmbH, for which in part no deferred taxes were formed in the previous year, were fixed on joining the UI income tax group in fiscal year 2024 and can be used again at a later date.

The so-called "interest cap" enshrined in German tax law limits the deductibility of interest expenses for the assessment of company income taxes. Interest expenses that cannot therefore be deducted are carried forward indefinitely to the following fiscal years (interest carryforward).

The Group's interest carryforward, for which no deferred taxes were formed, amounts to € 13,259k (prior year: €0k).

In the fiscal year 2024, deferred taxes were newly recognized for interest carryforwards of €23,008k and interest carryforwards of €7,980k were used, for which an existing deferred tax asset of €2,081k was reversed.

In fiscal year 2024, no loss carryforwards were used (prior year: € 0k) for which deferred taxes had been formed in the previous year.

## FINANCIAL STATEMENTS

Balance sheet	Notes as of December 31, 2024
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

Deferred taxes resulted from the following items:

€k	2024		2023	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Trade accounts receivable	2,040	8,237	1,317	10,530
Inventories	158	94	151	40
Contract assets - current	0	168,796	0	181,583
Contract assets - non current	0	54,427	0	60,640
Other financial assets - current	2,094	12	570	21
Other financial assets - non-current	39	941	42	526
Other assets	0	6,673	0	6,693
Prepaid expenses	215,202	122,957	217,979	97,421
Property, plant and equipment	1,990	21,050	1,968	20,489
Right-of-use from leases	595	341,384	79	248,183
Intangible assets	20,420	240,141	31,154	263,058
Other accrued liabilities	51,975	6,910	43,174	7,197
Contract liabilities	29,700	54,409	28,330	52,748
Other liabilities	4,269	10,429	2,924	3,869
Lease liabilities - current	42,190	204	32,749	36
Lease liabilities - non current	295,963	8,361	222,573	9,168
<b>Gross value</b>	<b>666,633</b>	<b>1,045,026</b>	<b>583,010</b>	<b>962,202</b>
Tax loss carryforwards	15,608	n.a.	86,499	n.a.
Tax interest carried forward	71,008	n.a.	66,766	n.a.
Offsetting	-694,282	-694,282	-669,183	-669,183
<b>Consolidated balance sheet</b>	<b>58,967</b>	<b>350,745</b>	<b>67,092</b>	<b>293,020</b>

The net balance of deferred tax liabilities of € 225,928k in the previous year increased to a net balance of deferred tax liabilities of € 291,778k. As a result, the total change in the net balance of deferred taxes amounted to € -65,850k (prior year: €27,455k). This change was mainly due to the following factors:

- Decrease in deferred tax assets on loss carryforwards of € 70.9m;
- Decrease in deferred tax liabilities from intangible assets in connection with the amortization of assets from company acquisitions of € 12.2m;
- Decrease of € 14.0m in deferred tax assets on accrued hardware subsidies and assumed activation fees in the tax balance sheet.

The change in the net balance of deferred taxes compared to the previous year is reconciled as follows:

€k	2024	2023
Deferred tax income + / Deferred tax expense -	-70,906	40,536
Deferred tax effects recognised directly in equity	5,057	-13,081
<b>Change in the net balance of deferred taxes</b>	<b>-65,850</b>	<b>27,455</b>

The deferred tax effects recognized in equity result mainly from the employee stock ownership plans, which are recognized in equity.

The aggregate tax rate is reconciled to the effective tax rate of continued operations as follows:

%	2024	2023
<b>Anticipated tax rate</b>	<b>31.4</b>	<b>31.4</b>
Actual and deferred taxes for previous years	0.2	0.5
Non-tax-deductible writedowns on financial assets	-0.4	0.3
Non-tax-deductible writedowns on intangible assets	0.0	0.2
Tax-reduced profit from disposals and income from investments	-1.2	1.2
Tax effects in connection with internal Group dividends and disposals	0.4	0.2
Differences due to tax rate changes	-3.1	-1.7
Employee stock ownership programs	0.7	0.3
Tax effects related to the settlement of intragroup impaired loans	0.0	3.9
Non-taxable result from the loss of significant influence over associates	17.7	0.0
Value adjustment of tax loss carryforwards capitalised in previous years	28.4	0.0
Use of loss carryforwards for which no deferred tax assets were recognized	-0.9	0.0
Non-taxable at-equity results	3.0	3.1
Trade tax additions	2.1	1.5
Tax effects from interest carried forward	2.0	-1.7
Balance of other tax-free income and non-deductible expenses	0.5	0.2
<b>Effective tax rate</b>	<b>80.8</b>	<b>39.4</b>

The item "Non-taxable result from the loss of significant influence over associates" is in connection with the impairment of the stake in Kublai GmbH (see also Note 24).

The item "Value adjustment of tax loss carryforwards capitalized in previous years" refers to deferred tax assets formed in previous years for loss carryforwards of the 1&1 Versatel Group. These loss carryforwards were fixed in the fiscal year 2024 due to the group joining the UI income tax group with a corresponding reversal of the deferred tax assets.

The item "Non-taxable at-equity results" mainly relates to the prorated results of the associated companies Kublai GmbH and AWIN AG.

The anticipated tax rate corresponds to the tax rate of the parent company, United Internet AG.

In accordance with IAS 12 International Tax Reform - Pillar Two Model Rules, the United Internet Group applies the temporary, mandatory exemption from the recognition of deferred taxes resulting from the introduction of global minimum taxation.

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

Of the jurisdictions to be included for Pillar Two purposes, the following have already enacted final implementing legislation: Germany, France, Canada, Poland, Austria, Spain, Romania, and the UK.

A comprehensive analysis of the financial figures of the fiscal year 2024 shows that, as things stand, no country within the Group qualifies as a low-tax country for Pillar Two purposes. Consequently, no additional tax liability is expected in the fiscal year 2024.

As in the previous year, income tax claims mainly relate to receivables from tax authorities in Germany and amounted to € 90,114k (prior year: €34,754k) as of the balance sheet date.

As in the previous year, income tax liabilities relate primarily to liabilities to tax authorities in Germany and amounted to € 48,004k (prior year: € 87,996k) as of the balance sheet date.

## 16. Earnings per share

As of December 31, 2024, capital stock was divided into 192,000,000 registered no-par shares (prior year: 192,000,000 shares) each with a theoretical share in the capital stock of € 1. On December 31, 2024, United Internet held 19,162,689 treasury shares (prior year: 19,183,705). These treasury shares do not entitle the Company to any rights or proportional dividends and are thus deducted from equity. The weighted average number of shares outstanding used for calculating undiluted earnings per share was 172,837,311 for fiscal year 2024 (prior year: 172,816,295).

As of the reporting date, the employee stock ownership plans of subsidiaries had a negative dilutive effect due to the negative result (prior year: € 0.02 per share). As a result, there is protection against dilution in the fiscal year and thus no reduction in the negative earnings per share.

The calculation of the dilutive effect from conversion is made by first determining the number of potential shares. On the basis of the average fair value of the shares, the number of shares is then calculated which could be acquired from the total amount of payments (par value of the rights plus additional payment). If the difference between the two values is zero, the total payment is exactly equivalent to the fair value of the potential shares and no dilutive effect need be considered. If the difference is positive, it is assumed that these shares will be issued in the amount of the difference without consideration.

Based on an average market price of € 20.28 (prior year: €17.77), this would result in the issuance of 408,086 shares (prior year: 2,585,413) without consideration. In addition, the employee stock ownership plans of IONOS and 1&1 had a dilutive effect of €-3,261,482 on diluted net income. The number of shares used to calculate diluted earnings per share for the fiscal year 2024 is therefore 173,245,397 (prior year: 175,401,708).

The following table shows the underlying amounts for the calculation of undiluted and diluted earnings:

€k	2024	2023
<b>Earnings attributable to the shareholders of United Internet AG</b>	<b>-47,583</b>	<b>232,716</b>
Earnings per share (in €)		
- undiluted	-0.28	1.35
- diluted	-0.28	1.33
Weighted average number of shares outstanding (in millions)		
- undiluted	172.84	172.82
- diluted	173.25	175.40

## 17. Dividend per share

The ordinary Annual Shareholders' Meeting of United Internet AG on May 17, 2024 voted to accept the proposal of the Management Board and Supervisory Board to pay a dividend of € 0.50 per share. The total dividend payment of € 86.4m was made on May 23, 2024.

In accordance with section 21 of the Company's articles, the Annual Shareholders' Meeting decides on the allocation of unappropriated profit. For the fiscal year 2024, the Management Board will propose to the Supervisory Board a dividend of € 1.90 for each share entitled to dividends for the past fiscal year 2024.

The Management Board and Supervisory Board will discuss this dividend proposal at the Supervisory Board meeting on March 25, 2025.

Pursuant to section 71b AktG, the Company does not accrue any rights from treasury shares and thus has no pro-rated dividend rights. As at the date of signing the Consolidated Financial Statements, the United Internet Group holds 19,162,689 treasury shares (prior year: 19,183,705). The number of shares with dividend rights may change before the Annual Shareholders' Meeting. In this case, a proposal will be made to the Annual Shareholders' Meeting to maintain the dividend of € 1.90 per entitled no-par value share with a corresponding adjustment to the proposal for the appropriation of profit.



## FINANCIAL STATEMENTS

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

## Explanations of items in the balance sheet

### 18. Cash and cash equivalents

As of the reporting date, cash and cash equivalents amounted to € 114,857k (prior year: €27,689k). Cash and cash equivalents consist of bank balances, checks, and cash in hand. Bank balances generally bear variable interest rates for call money. In the reporting period, United Internet received a low interest on bank balances denominated in euro of approx. 0.75% (prior year: 1.75%).

The development and application of cash and cash equivalents is stated in the Consolidated Cash Flow Statement.

### 19. Trade accounts receivable

€k	2024	2023
Trade accounts receivable	648,072	635,195
<b>Less</b>		
Bad debt allowances	-102,359	-91,499
<b>Trade accounts receivable, net</b>	<b>545,713</b>	<b>543,696</b>
thereof trade accounts receivable - current	515,832	508,945
thereof trade accounts receivable - non-current	29,881	34,751

As of December 31, 2024, bad debt allowances for trade accounts receivable amounted to € 102,359k (prior year: €91,499k). The development of bad debt allowances can be seen below:

€k	2024	2023
As of January 1	91,499	82,456
Utilization	-65,583	-63,285
Additions charged to the income statement	81,903	82,186
Reversals	-5,472	-9,796
Exchange rate differences	12	-62
<b>As of December 31</b>	<b>102,359</b>	<b>91,499</b>

Additions charged to the income statement of each period under review do not comprise receivables arising during the year and eliminated before the reporting date.

As of December 31, 2024, the age profile of trade accounts receivable less the aforementioned allowances was as follows:

€k	2024	2023
Trade accounts receivable, net		
< 5 days	475,814	479,367
6 – 15 days	16,054	12,830
16 – 30 days	17,973	10,653
31 – 180 days	26,919	30,183
181 – 365 days	7,953	9,063
> 365 days	1,000	1,600
	<b>545,713</b>	<b>543,696</b>

## 20. Contract assets

€k	2024	2023
Contract assets	894,820	953,200
<b>Less</b>		
Bad debt allowances	-76,569	70,466
<b>Contract assets, net</b>	<b>818,250</b>	<b>882,733</b>
thereof contract assets – current	630,307	676,110
thereof contract assets – non-current	187,943	206,623

The development of bad debt allowances was as follows:

€k	2024	2023
As of January 1	70,466	64,181
Utilization	-52,348	-46,762
Additions charged to the income statement	58,451	53,048
<b>As of December 31</b>	<b>76,569</b>	<b>70,466</b>

## FINANCIAL STATEMENTS

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

## 21. Inventories

As of December 31, 2024, inventories consisted of the following items:

€k	2024	2023
<b>Merchandise</b>		
Mobile telephony / mobile internet	101,043	162,873
DSL hardware	12,040	10,788
SIM cards	1,701	11,007
IP-TV	9,741	1,196
Other	940	769
Domain stock held for sale	2,231	2,648
	<b>127,697</b>	<b>189,281</b>
<b>Less</b>		
Bad debt allowances	-8,030	-11,198
Payments on account	0	0
<b>Inventories, net</b>	<b>119,667</b>	<b>178,083</b>

The decline in mobile telephony/mobile internet merchandise compared to the previous year is mainly due to the planned sell-off of smartphones and hardware.

Goods recognized as material expense from inventories in cost of sales amounted to € 884,549k in the reporting period (prior year: € 930,318k). Of this total, an amount of € 2,241k (prior year: €2,878k) refers to impairment of inventories.

Allowances include € 5,853k (prior year: €8,618k) for mobile telephony/mobile internet and IP-TV, and € 2,177k (prior year: €2,580k) for domain stock.

## 22. Prepaid expenses

	31.12.2024		
	Current	Non-current	Closing balance
Contract initiation costs	109,660	133,810	243,470
Contract fulfillment costs	54,949	46,320	101,268
Advance payments to Preliminary suppliers	148,476	616,043	764,519
Other	81,111	5,070	86,181
	<b>394,196</b>	<b>801,242</b>	<b>1,195,438</b>
	31.12.2023		
	Current	Non-current	Closing balance
Contract initiation costs	104,952	112,981	217,933
Contract fulfillment costs	44,576	40,636	85,212
Advance payments to Preliminary suppliers	93,827	522,977	616,804
Other	60,426	3,200	63,626
	<b>303,781</b>	<b>679,795</b>	<b>983,575</b>

The increase in prepaid expenses results mainly from contingent payments to pre-service providers amounting to € 262.9m.

Prepaid expenses are deferred and charged to the income statement on the basis of the underlying contractual period.

	2024	2023
Expensing of wholesale fees	128,785	57,448
Amortization of capitalized contract initiation costs	97,650	92,127
Amortization of capitalized contract performance costs	52,212	48,193
	<b>278,647</b>	<b>197,768</b>

## 23. Other current assets

### 23.1 Other current financial assets

€k	2024	2023
Derivatives	31,208	14,852
Receivables from pre-service providers	37,659	31,697
Creditors with debit balances	6,163	15,754
Payments on account	12,703	11,738
Deposits	1,718	1,081
Subsidies Arsys	416	8,964
Other	16,272	12,785
<b>Other financial assets, net</b>	<b>106,140</b>	<b>96,871</b>

**FINANCIAL STATEMENTS**

	<b>Notes as of December 31, 2024</b>
Balance sheet	
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

Derivatives mainly relate to the embedded derivatives agreed as part of Warburg Pincus' investment in the Business Applications segment, as well as other derivatives. The strong rise in derivatives results from the increased share price of the IONOS Group.

For further information, please refer to Note 34.

Payments on account mainly refer to advance payments for domains.

The receivables from pre-service providers mainly relate to advertising cost subsidies.

The creditors with debit balances mainly relate to financial recovery claims from suppliers.

## 23.2 Other current non-financial assets

€k	2024	2023
Receivables from tax office	9,536	7,650
Return claims hardware	5,617	6,184
<b>Other non-financial assets</b>	<b>15,153</b>	<b>13,835</b>

## 24. Shares in associated companies

The Group holds interests in several associated companies. The main investment in 2024 is AWIN AG, Berlin, which the Group holds via its subsidiary United Internet Investments Holding AG & Co. KG, Montabaur. As of December 31, 2023, Kublai GmbH, Frankfurt am Main, was still an associated company within the Group and was reclassified from "Shares in associated companies" to "Other non-current financial assets" on June 14, 2024. Please refer to Note 4 for further details.

AWIN AG, Berlin, is a global affiliate marketing network which offers services in the field of e-commerce and online marketing. AWIN is the world's largest affiliate marketer, linking network advertisers and publishers around the world. As in the previous year, the Group holds 20% of shares in AWIN AG.

The shares in AWIN AG, and until June 14, 2024 in Kublai GmbH, were valued using the equity method.

The following table gives an overview of the development of shares in associated companies:

€k	2024	2023
Carrying amount at the beginning of the fiscal year	373,205	429,304
Additions	1,006	2,866
Adjustments		
- Distribution	-123	-156
- Shares in result	-27,692	-58,134
- Expense from loss of significant influence	-170,533	0
- Impairment	-1,154	0
- Other	2,688	-675
Disposals	-52,454	0
<b>Share in associated companies</b>	<b>124,943</b>	<b>373,205</b>

The following table contains summarized financial information of the main associated company AWIN AG on the basis of a 100% shareholding as of December 31, 2024:

Summarized financial information on AWIN AG:	AWIN AG k€
Current assets	696,894
Non-current assets	315,141
Current liabilities	497,336
Non-current liabilities	42,227
Equity attributable to shareholders of the company	472,472
Non-controlling interests	0
Shareholders' equity	472,472
Sales	189,850
Other comprehensive income	13,434
Net profit/loss	40,281
<b>Total comprehensive income</b>	<b>53,715</b>

A reconciliation with the carrying amount in the Consolidated Financial Statements as of December 31, 2024 – with an estimation of investment results for the fourth quarter – is presented below:

€k	AWIN AG k€
Equity attributable to shareholders of the company	472,472
Share ratio of United Internet AG	20%
United Internet Group's share in the net asset values	94,494
<b>Carrying amount on Dec. 31, 2024</b>	<b>94,494</b>

The following table contains summarized financial information of the main associated companies on the basis of a 100% shareholding as of December 31, 2023:

Summarized financial information on the main associated companies:	Kublai GmbH k€*	AWIN AG k€
Current assets	159,443	672,976
Non-current assets	2,235,255	314,687
Current liabilities	246,631	525,551
Non-current liabilities	1,481,726	37,764
Equity attributable to shareholders of the company	635,623	424,347
Non-controlling interests	30,718	0
Shareholders' equity	666,342	424,347
Sales	447,100	185,818
Other comprehensive income	-574	-2,226
Net profit/loss	-139,868	33,404
<b>Total comprehensive income</b>	<b>-140,442</b>	<b>31,178</b>

\* As the full financial information of Kublai GmbH as of December 31, 2023 was not yet available to United Internet at the time of preparing these Consolidated Financial Statements, the summarized financial information at the carrying amount disclosed in United Internet's Consolidated Balance Sheet was calculated on the basis of the interim financial statements of Kublai GmbH as of September 30, 2023.

## FINANCIAL STATEMENTS

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

A reconciliation with the carrying amount in the Consolidated Financial Statements as of December 31, 2023 – with an estimation of investment results for the fourth quarter – is presented below:

€k	Kublai GmbH k€*	AWIN AG k€
Equity attributable to shareholders of the company	635,623	424,347
Share ratio of United Internet AG	40%	20%
United Internet Group's share in the net asset values	254,249	84,869
Impairment / impairment reversal effects	0	0
Closing date-related reconciliation effects	0	0
<b>Carrying amount on Dec. 31, 2023</b>	<b>254,249</b>	<b>84,869</b>

\* As the full financial information of Kublai GmbH as of December 31, 2023 was not yet available to United Internet at the time of preparing these Consolidated Financial Statements, the summarized financial information at the carrying amount disclosed in United Internet's Consolidated Balance Sheet was calculated on the basis of the interim financial statements of Kublai GmbH as of September 30, 2023.

As of December 31, 2024, other associated companies disclosed an aggregated carrying amount of € 30,449k (prior year: €34,086k) and an aggregated loss of € 3,521k (prior year: €3,352k). The earnings/loss contributions of other associated companies are only included in the aggregated loss on a prorated basis. Financial information is based in part on local accounting regulations as a reconciliation of this financial information with IFRS would incur disproportionately high costs.

## 25. Other non-current financial assets

	2024	2023
Investment in Kublai	71,800	0
Loans to affiliated companies	7,769	5,713
Other non-current assets	6,341	2,632
<b>Other non-current financial assets</b>	<b>85,910</b>	<b>8,346</b>

Due to the loss of significant influence, the investment in Kublai GmbH was reclassified from "Shares in associated companies" to "Other non-current financial assets" in the fiscal year 2024. For the investment in Kublai GmbH, the one-time option for irrevocable recognition of fair value changes in equity was exercised. As at the date of loss of significant influence, the remaining 4.71% stake was recognized at a fair value of € 52.5m. An amount of € 19.3m was recognized in other comprehensive income (OCI) for the change in the value of the shares to € 71.8m as at the reporting date.

Please refer to Note 4 for further details.

## 26. Property, plant and equipment

€k	2024	2023
<b>Acquisition costs</b>		
- Telecommunication equipment	1,676,783	1,432,196
- Right of use	1,752,812	1,329,878
- Operational and office equipment	1,089,738	700,098
- Network infrastructure	266,254	268,314
- Payments on account	399,017	454,031
- Land and buildings	39,294	37,798
	<b>5,223,899</b>	<b>4,222,315</b>
<b>Less</b>		
Accumulated depreciation	-2,078,884	-1,817,002
<b>Property, plant and equipment, net</b>	<b>3,145,015</b>	<b>2,405,312</b>

Further details and an alternative presentation of the development of property, plant and equipment in the fiscal years 2024 and 2023 can be found in the exhibit to the Notes to the Consolidated Financial Statements (Development of Non-current Assets).

The carrying value of property, plant and equipment held as lessee as part of lease arrangements amounts to € 1,104.7m as of December 31, 2024 (prior year: € 794.4m).

As of the reporting date, there are purchase obligations for property, plant and equipment totaling € 342.4m (prior year: € 591.4m).



## FINANCIAL STATEMENTS

Balance sheet	Notes as of December 31, 2024
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

## 27. Intangible assets (without goodwill)

€k	2024	2023
<b>Historical acquisition costs</b>		
- Customer base	1,239,769	1,238,396
- Spectrum licenses	1,070,187	1,070,187
- Software / licenses	556,860	247,090
- Trademarks	215,408	213,460
- Rights similar to concessions	165,000	165,000
- Internally generated intangible assets	77,894	66,664
- Payments on account	61,846	262,410
- Other intangible assets	82,789	82,794
	<b>3,469,752</b>	<b>3,346,002</b>
<b>Less</b>		
Accumulated depreciation	-1,589,959	-1,344,418
<b>Intangible assets, net</b>	<b>1,879,794</b>	<b>2,001,584</b>

Further details and an alternative presentation of the development of intangible assets in the fiscal years 2024 and 2023 can be found in the exhibit to the Notes to the Consolidated Financial Statements (Development of Non-current Assets).

The carrying amount of the customer base results from the following company acquisitions:

€k	31.12.2024	31.12.2023
1&1	57,195	141,891
Strato	54,376	67,686
1&1 Versatel	79,784	85,777
World4You	12,256	14,105
home.pl	3,123	5,991
we22	1,314	1,459
	<b>208,048</b>	<b>316,908</b>

The residual amortization period for the customer base from the acquisition of the Drillisch Group (now 1&1 AG) amounts to 1 to 9 years, depending on the customer groups, whereby 1 year applies to the major share. The residual amortization period for the customer base from the acquisition of STRATO AG amounts to 1 to 7 years, depending on the product groups, whereby 5 years applies to the major share. The residual amortization period for the customer base of the home.pl transaction amounts to 1 year, for World4You 7 years, and for we22 9 years. The residual amortization period for the customer base from the acquisition of the Versatel Group amounts to 1 to 17 years, depending on the products and services, whereby 16 years applies to the major share.

### Spectrum licenses

In the fiscal year 2019, the United Internet subsidiary 1&1 Drillisch participated in the 5G spectrum auction and purchased two frequency blocks of 2 x 5 MHz in the 2 GHz band, which are limited until December 31, 2040, and five frequency blocks of 10 MHz in the 3.6 GHz band, which are limited until

2040. While the 3.6 GHz spectrum is already available, the frequency blocks in the 2 GHz band will only be available from January 1, 2026.

The intangible assets resulting from the purchase were recognized at cost.

The carrying amounts of the frequency blocks are comprised as follows:

€k	31.12.2024	31.12.2023
3.6 GHz	653,105	693,924
2 GHz	334,997	334,997
	<b>988,102</b>	<b>1,028,921</b>

In the fiscal year 2024, the frequency blocks in the 3.6 GHz band were amortized by € 40,819k (prior year: 40,819k). The 5G frequencies in the 2 GHz spectrum are not yet operational intangible assets, and amortization will not begin until the term of the allocated frequencies begins in 2026. These spectrum licenses are not yet usable and were therefore subjected to an impairment test in the fiscal year 2024. The impairment test was performed on the balance sheet date on the level of the cash-generating unit 5G. It did not result in any impairment in the fiscal year.

The following table provides an overview of trademarks according to the cash-generating units:

€k	31.12.2024	31.12.2023
1&1 Versatel	62,000	62,000
1&1	53,200	53,200
Mail.com	26,258	24,679
Strato	20,070	20,070
WEB.DE	17,173	17,173
home.pl	11,329	11,144
Arsys	7,278	7,278
united-domains	4,198	4,198
Fasthosts	4,169	3,983
World4You	3,494	3,494
Cronon	463	463
	<b>209,632</b>	<b>207,682</b>

The carrying amounts of intangible assets with indefinite useful lives (trademarks) totaled € 209,632k (prior year: € 207,682k).

The useful life of trademarks is determined as being indefinite, as there are no indications that the flow of benefits will end in future. Intangible assets with indefinite useful lives were subjected to an impairment test on the level of the cash-generating units as of the reporting date.

The rights similar to concessions result from a one-off payment in the fiscal year 2020 in connection with the exercise of the first prolongation option of the MBA MVNO agreement in order to secure direct access to 5G technology and as a necessary component for the establishment of the Group's own mobile communications network.

Internally generated intangible assets relate to capitalized costs from software.

**FINANCIAL STATEMENTS**

Balance sheet

**Notes as of December 31,  
2024**

Income Statement

Development of intangible  
and fixed assets

Cash flow

Responsibility statement

Shareholders' equity

Audit opinion

As of the balance sheet date, there were purchase commitments for intangible assets amounting to € 19.9m (prior year: € 68.0m).

In the fiscal year 2024, payments on account are at a normal level for the business. In the previous year, payments on account mainly related to software for operating the 1&1 mobile communications network.

## 28. Goodwill

Further details, including a presentation of the development of goodwill in the fiscal years 2024 and 2023, can be found in the exhibit to the Notes to the Consolidated Financial Statements (Development of Non-current Assets).

## 29. Impairment of goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives are subjected to an impairment test at least once per year. The annual impairment test is carried out on the reporting date of December 31.

Goodwill acquired in the course of business combinations is allocated for impairment test purposes to cash-generating units.

Impairment charges are always disclosed separately in the Income Statement and the Statement on the Development of Non-current Assets.

Goodwill as of December 31 is allocated to the cash-generating units as follows:

€k	31.12.2024	31.12.2023
<b>Consumer Access</b>		
1&1 Consumer Access	2,178,460	2,178,460
	<b>2,178,460</b>	<b>2,178,460</b>
<b>Business Access</b>		
1&1 Versatel	398,261	398,261
	<b>398,261</b>	<b>398,261</b>
<b>Consumer Applications</b>		
1&1 Mail & Media	225,879	225,857
	<b>225,879</b>	<b>225,857</b>
<b>Business Applications</b>		
Strato	401,823	401,823
home.pl	121,607	120,661
Arsys	100,496	100,496
Fasthosts	65,571	62,644
World4You	51,250	51,250
united-domains	35,925	35,925
IONOS SE	43,138	43,138
InterNetX	5,237	5,237
Domain marketing	5,097	5,097
	<b>830,144</b>	<b>826,271</b>
<b>Carrying amount according to balance sheet</b>	<b>3,632,744</b>	<b>3,628,849</b>

## Goodwill after company acquisitions

The carrying amounts of goodwill according to cash-generating unit result from various transactions over the past years. The Group's goodwill is mainly the result of the following company acquisitions:

- The goodwill of the cash-generating unit we22 results from the acquisition of we22 AG in 2021 and has been part of the cash-generating unit IONOS SE since the fiscal year 2022.
- The goodwill of the cash-generating unit World4You results from the acquisition of World4You in 2018.
- The goodwill of the cash-generating unit 1&1 Consumer Access (formerly Drillisch) results from the acquisition of the Drillisch Group in 2017 and the merger of the cash-generating units 1&1 Telecom and Drillisch in 2018.
- The goodwill of the cash-generating unit IONOS Cloud (formerly: ProfitBricks) results from the acquisition of the ProfitBricks Group in 2017. Due to the merger in fiscal year 2019, the cash-generating unit IONOS Cloud has been incorporated into the cash-generating unit IONOS SE.

**FINANCIAL STATEMENTS**

	<b>Notes as of December 31, 2024</b>
Balance sheet	
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

- The goodwill of the cash-generating units Versatel and 1&1 Telecom reflect goodwill from the acquisition of the Versatel Group in 2014. In the fiscal year 2018, goodwill of the cash-generating unit 1&1 Telecom was combined with the cash-generating unit 1&1 Consumer Access.
- The goodwill of the cash-generating unit STRATO results from the acquisition of the STRATO Group in 2017.
- The goodwill of the cash-generating unit home.pl results from the acquisition of home.pl S.A. in 2015.
- The goodwill of the cash-generating unit Arsys results from the acquisition of Arsys Internet S.L. in 2013.
- The goodwill of the cash-generating unit united-domains results from the acquisition of united-domains AG in 2008.
- The goodwill of the cash-generating unit Fasthosts results from the acquisition of Fasthosts Internet Ltd. in 2006 and the acquisition of Dollamore Ltd. in 2008.
- The goodwill of the cash-generating unit InterNetX results from the acquisition of InterNetX GmbH in 2005.
- The goodwill of the cash-generating unit 1&1 Mail & Media mainly comprises goodwill from the acquisition of the portal business of WEB.DE AG in 2005.

## Scheduled impairment test on December 31, 2024

### Measurement at fair value less disposal costs

For the Business Access, Consumer Applications, and Business Applications segments, the recoverable amounts of the cash-generating units are determined on the basis of a calculation of fair value less disposal costs using cash flow forecasts. The hierarchy of fair value less disposal costs as defined by IFRS 13 is set at Level 3 for these impairment tests.

The cash flow forecasts are based on the Company's budgets for the fiscal year 2025. These planning calculations were extrapolated by management for a period of up to 10 years (prior year: up to 10 years) for the respective cash-generating units on the basis of external market studies and internal assumptions. For the Business Access segment, the detailed planning period of six years was extended by extrapolation to 2041. Following this period, management assumes the following increase in cash flow:

	31.12.2024	31.12.2023
Business Access	1.0%	1.0%
Consumer Applications	1.0%	1.0%
Business Applications	1.0% - 2.1%	1.0% - 2.2%
thereof Strato	1.0%	1.0%

The expected increase corresponds to long-term average growth of the sector in which the respective cash-generating unit operates.

The following discount rates were used for cash flow forecasts in the reporting period:

	31.12.2024	31.12.2023
Business Access	4.6%	4.9%
Consumer Applications	7.5%	7.8%
Business Applications	7.4% – 9.4%	7.5% – 9.7%
thereof Strato	7.4%	7.6%

The cash flow forecasts depend heavily on the estimation of future sales revenue. The management boards of the respective cash-generating units expect a varied development of sales within the planning horizon.

Sales revenue figures in the detailed planning period are based on the following average annual sales growth rates:

	31.12.2024	31.12.2023
Business Access	3.1%	5.0%
Consumer Applications	3.5%	6.3%
Business Applications	3.5% – 7.8%	4.5% – 9.9%
thereof Strato	4.7%	5.7%

Fair value less disposal costs is mainly based on the present value of the perpetual annuity, which is particularly sensitive to changes in assumptions on the long-term growth rate and the discount rate. For the calculation of fair value less disposal costs, disposal cost rates of between 0.3% and 3.0% were assumed (prior year: between 0.4% and 3.0%).

The business segments contain the following trademarks:

	31.12.2024	31.12.2023
Business Access	62,000	62,000
Consumer Applications	43,431	41,852
Business Applications	51,001	50,630
thereof Strato	20,070	20,070

## Measurement at value-in-use

The recoverable amount of the cash-generating unit 1&1 Consumer Access is determined on the basis of a calculation of the value-in-use with the aid of cash flow forecasts.

The cash flow forecasts are based on a Group budget for the fiscal year 2025 as well as a planning calculation for the fiscal years 2025 to 2029. These planning calculations were extrapolated by management on the basis of external market studies and internal assumptions for the cash-generating unit. As it is expected that a sustainable level of sales and earnings will not yet have been achieved by the end of the detailed planning period (2030), it has been extended to include an interim phase for the years 2030 to 2045 inclusive until a sustainable level of sales and earnings is to be achieved.

**FINANCIAL STATEMENTS**

	<b>Notes as of December 31, 2024</b>
Balance sheet	
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

The cash flow forecasts depend heavily on the estimation of future sales revenue. Another key basic assumption for the planning of the cash-generating unit 1&1 Consumer Access is the number of subscribers, the gross profit forecast based on these subscriber numbers and on empirical values, and the discount rates applied. For future years, the number of subscribers is expected to increase and the gross profit to decrease slightly.

Value-in-use is largely determined by the present value of the perpetual annuity, which is particularly sensitive to changes in the assumptions regarding the long-term growth rate and the discount rate.

The following parameters were used for measurement:

	31.12.2024	31.12.2023
Discount rate before taxes	9.3%	10.3%
Discount rates after taxes	5.9%	6.4%
Annual growth rates	1.7%	1.7%
Carrying amount of trademark rights	53,200	53,200

This growth rate corresponds to the long-term average growth rate for the sector.

## Basic assumptions of the impairment tests

The following table presents the basic assumptions used when checking impairment of individual cash-generating units to which goodwill has been allocated, in order to determine their fair value less disposal costs, or in the case of the cash-generating unit 1&1 Consumer Access the value-in-use:

	Reporting year	Total proportion of goodwill	Long-term growth rate	Discount rate after taxes	Planning horizon
<b>Consumer Access</b>					
1&1 Consumer Access	2024	60.0%	1.00%	5.86%	2025 - 2045
	2023	60.0%	1.00%	6.35%	2024 - 2040
<b>Business Access</b>					
1&1 Versatel	2024	11.0%	1.00%	4.62%	2025 - 2041
	2023	11.0%	1.00%	4.92%	2024 - 2040
<b>Consumer Applications</b>					
1&1 Mail & Media	2024	6.2%	1.00%	7.49%	2025 - 2032
	2023	6.2%	1.00%	7.77%	2024 - 2033
<b>Business Applications</b>					
Strato	2024	11.1%	1.02%	7.43%	2025 - 2034
	2023	11.1%	1.01%	7.57%	2024 - 2033
home.pl	2024	3.3%	1.56%	8.54%	2025 - 2034
	2023	3.3%	1.62%	8.83%	2024 - 2033
Arsys	2024	2.8%	2.07%	9.42%	2025 - 2034
	2023	2.8%	2.17%	9.72%	2024 - 2033
Fasthosts	2024	1.8%	1.40%	8.15%	2025 - 2034
	2023	1.7%	1.44%	8.38%	2024 - 2033
World4You	2024	1.4%	1.27%	7.92%	2025 - 2034
	2023	1.4%	1.29%	8.15%	2024 - 2033
united-domains	2024	1.0%	1.00%	7.39%	2025 - 2034
	2023	1.0%	1.00%	7.58%	2024 - 2033
InterNetX	2024	0.1%	1.00%	7.37%	2025 - 2034
	2023	0.1%	1.00%	7.54%	2024 - 2033
Domain marketing	2024	0.1%	1.00%	7.36%	2025 - 2034
	2023	0.1%	1.00%	7.51%	2024 - 2033
IONOS SE (formerly 1&1 Hosting)	2024	1.2%	1.22%	7.80%	2025 - 2034
	2023	1.2%	1.24%	7.99%	2024 - 2033
we22	2024	n/a	n/a	n/a	n/a
	2023	n/a	n/a	n/a	n/a

## Sensitivity of assumptions

The sensitivity of the assumptions made with respect to the impairment of goodwill or trademarks depends on the respective cash-generating units.



## FINANCIAL STATEMENTS

	Notes as of December 31, 2024
Balance sheet	
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

For the current year, the changes in the parameters considered possible, including the adjustment of the discount rates and a CGU-specific appropriate decline in the long-term growth rate or the EBITDA margin of the perpetual annuity, do not result in an impairment for any cash-generating unit.

In the previous year, an increase in the discount rate of 1.3 percentage points and a decline in the EBITDA margin of 4.8 percentage points would have resulted in an impairment of € 2.2m for the World4You cash-generating unit. Without an increase in the discount rate, the headroom would have amounted to € 8m.

## Spectrum

The 5G spectrum carried in the balance sheet results from the 5G spectrum auction in 2019. 1&1 purchased two frequency blocks of 2 x 5 MHz in the 2 GHz band and five frequency blocks of 10 MHz in the 3.6 GHz band, which are each usable for a limited period up to December 31, 2040. The frequency blocks in the 3.6 GHz band have been available since acquisition and the frequency blocks in the 2 GHz band will be available from January 1, 2026.

The recoverable amount of the cash-generating unit 5G is determined by calculating value-in-use with the aid of cash flow forecasts.

The cash flow forecasts depend to a large extent on the estimate of future revenue, the assumptions regarding investments in the network infrastructure, and the ongoing operating costs of network operations. The main revenue drivers for the cash-generating unit 5G are growth in the number of 1&1 network subscribers and planning for the future data consumption of customers. The planning calculations were based on subscriber growth in the cash-generating unit 1&1 Consumer Access, while assumptions regarding future customer data consumption are based on empirical values. Planning for investments in the network infrastructure are based on specific rollout plans, which are mainly based on the rollout obligations arising from the spectrum acquisition and the contractually agreed rollout costs. Planning for the ongoing costs of network operation are based on agreements already concluded and assumptions about the development of energy costs based on experience. A further key basic assumption for the planning of the cash-generating unit is the discount rates used.

The following parameters were used for measurement:

Radio spectrum	31.12.2024	31.12.2023
Increase in cash flow for perpetual annuity	1.0%	n/a
Discount rate before taxes	5.2%	6.0%
Discount rates after taxes	4.6%	4.5%

The planning calculation on which the impairment test is based includes profit and loss planning and investment planning for the fiscal years 2025 to 2045. Based on the planning calculation, the perpetual annuity begins in 2046, which should represent a sustainable level of sales and earnings. Planning is based on the assumption that 1&1 will continue to have sufficient spectrum to operate its own mobile network in the future. In the previous year, the valuation was based on the period 2024 to 2040, as the allocation of the currently available spectrum expires in that year. As a result, the parameters used in the previous year are only comparable to a limited extent.

There was no impairment need in the reporting period. This also reflects the Management Board's qualitative expectations due to the high degree of strategic importance.

### Sensitivity of assumptions

The sensitivity of the assumptions made with respect to an impairment of the intangible asset not yet available for use (spectrum) depends on the basic assumptions for the cash-generating unit.

In the course of analyzing sensitivity for the cash-generating unit 1&1 mobile telecommunications network, various changes in key valuation parameters were examined. In particular, the impact of an increase in the discount rate (WACC before taxes) of 1.0 percentage point, a reduction in the long-term growth rate in perpetuity of 1.0 percentage point, and a reduction in the EBITDA margin in perpetuity of 1.0 percentage point on the book value and the current headroom of € 1,212m was analyzed.

While an increase in the WACC would result in an impairment of € 388m, a reduction in the growth rate of 1.0 percentage point would not result in an impairment and there would still be headroom of € 436m. A reduction of 1.0 percentage point in the EBITDA margin of the perpetual annuity would also not result in impairment and there would still be headroom of € 1,096m.

In the previous year, an assumed increase of 1.0 percentage point in the cost of capital and a 5.0 percent increase in operating costs for active network technology (in particular energy costs) would have resulted in an impairment of approximately € 261m. Opportunities arising from possible price adjustments due to increased operating costs were not taken into account in the sensitivity analysis.

The current valuation takes into account a perpetual annuity from 2046, while in the previous year the valuation was based on a period from 2024 to 2040, as the allocation of the currently available spectrum expires in that year. As a result, the prior-year figures are only comparable to a limited extent.

## 30. Trade accounts payable

Trade accounts payable amount to € 800,496k (prior year: 702,578k), of which liabilities with terms of more than one year total € 2,425k (prior year: € 3,358k).

## FINANCIAL STATEMENTS

Balance sheet	Notes as of December 31, 2024
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

## 31. Liabilities due to banks

### a) Liabilities due to banks

in € million	Promissory note loan	Syndicated loan	Loans	Total
Loan liability as of December 31.2024	1,217.0	1,500.0	94.0	2,811.0
Deferred expenses	-1.7	-11.9	0.0	-13.6
Interest liabilities	11.2	5.0	0.1	16.3
<b>As of December 31, 2024</b>	<b>1,226.4</b>	<b>1,493.2</b>	<b>94.1</b>	<b>2,813.7</b>
<b>thereof current</b>	<b>260.4</b>	<b>2.0</b>	<b>94.1</b>	<b>356.5</b>
<b>thereof non-current</b>	<b>966.0</b>	<b>1,491.2</b>	<b>0.0</b>	<b>2,457.2</b>

in € million	Promissory note loan	Syndicated loan	Loans	Total
Loan liability as of December 31.2023	1,162.0	950.0	344.8	2,456.8
Deferred expenses	-1.6	-3.5	0.0	-5.1
Interest liabilities	8.2	3.9	0.5	12.6
<b>As of December 31, 2023</b>	<b>1,168.6</b>	<b>950.4</b>	<b>345.3</b>	<b>2,464.3</b>
<b>thereof current</b>	<b>233.2</b>	<b>3.9</b>	<b>345.3</b>	<b>582.4</b>
<b>thereof non-current</b>	<b>935.4</b>	<b>946.5</b>	<b>0.0</b>	<b>1,881.9</b>

### Promissory note loans

In the fiscal year 2024, United Internet AG successfully placed a promissory note loan ("Schuldscheindarlehen") – as in the years 2017, 2021 and 2023 – with an amount of € 280.0m. 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 € 225.0m were redeemed on schedule in the fiscal year 2024.

At the end of the reporting period on December 31, 2024, total liabilities from the promissory note loans 2017, 2021, 2023 and 2024 with maximum terms until April 2031 therefore amounted to € 1,217m (prior year: € 1,162.0m).

### Syndicated loans & syndicated loan facilities

On the basis of the financing agreements concluded or extended in previous years, there was a revolving syndicated loan facility of € 810m with a term until January 2025. Interest is charged at a variable rate, whereby United Internet can choose to peg it to the one-, three- or six-month EURIBOR rate.

In December 2024, United Internet successfully refinanced this syndicated loan facility with its core banks. The new revolving syndicated loan facility has a volume of € 950m and a term until December 2029. Interest continues to be variable, with the option to choose the 1-, 3- or 6-month EURIBOR rate. Moreover, contractually guaranteed extension options were agreed. As of the balance sheet date on December 31, 2024, € 150m of the new facility had been drawn (prior year: € 150m). As a result, funds of € 800m (prior year: € 660m) were still available to be drawn as at the balance sheet date.

In addition, the Group took out a syndicated loan of € 550m in December 2024, which will fall due in December 2027. This loan has a variable interest rate pegged to the three- or six-month EURIBOR rate. Currently, interest is based on the three-month EURIBOR. United Internet AG incorporated part of its existing bilateral credit lines with core banks into this syndicated loan, enabling it to successfully refinance them in the long term. As of the balance sheet date on December 31, 2024, this loan had been drawn in full (€ 550m; previous year: € 0m).

In addition to the € 700m, the disclosed loan liability of € 1,500m also includes the loan of € 800m concluded by IONOS with a banking syndicate in December 2023. This loan was used fully for the partial refinancing of the 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.

Furthermore, United Internet and Japan Bank for International Cooperation (JBIC) signed a loan agreement in December 2024 for up to € 800m. The funds will be provided by one direct tranche from JBIC, which is wholly owned by the Japanese government, and one tranche from a consortium of European and Japanese commercial banks guaranteed by JBIC. This loan has a variable interest rate pegged to the six-month EURIBOR.

The funds from this loan are earmarked for subsidiary 1&1's development of a 5G network based on Open RAN technology in Germany. As of the balance sheet date on December 31, 2024, this loan had not been drawn down and the full amount of € 800m was thus still available (prior year: €0).

The new loan agreements concluded in the fiscal year 2024 are tied to so-called financial covenants (loan conditions). A breach of the defined net debt-to-EBITDA ratio could result in the lenders terminating the outstanding loans. Compliance with the existing covenants as of December 31, 2024 was reviewed during the preparation period and there were no effects on the financial statements.

#### **Bilateral credit agreements / bilateral credit facilities**

Furthermore, United Internet has various bilateral credit facilities amounting to € 294m (prior year: € 475m). These have been granted in part until further notice and in part have terms until September 30, 2025. Drawings of € 94m (prior year: € 295m) had been made from these credit lines as at the end of the reporting period on December 31, 2024. As a result, funds of € 200m are still available. United Internet therefore had **free credit lines** from syndicated loan facilities and bilateral credit agreements totaling € 1,800m (prior year: € 840m) as at the end of the reporting period on December 31, 2024.

<b>Loan commitments (excluding syndicated loans and syndicated credit lines):</b>		
€k	2024	2023
Credit lines granted	294,000	475,000
Credit lines utilized	94,000	294,800
Available credit lines	200,000	180,200
Average interest rate	3.89%	4.89%

No collateral was provided for any of the liabilities due to banks.

With the exception of the interest-bearing tranches of the promissory note loan, the fair values of bank liabilities mainly correspond to their carrying amounts. For further information on the promissory note loan, please refer to Note 41.

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

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.

**b) Guaranty credit facilities**

In addition to the above mentioned credit lines, the Group had guaranty credit facilities of € 106.0m (prior year: € 105.0m) 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.

<b>Guarantee credit line:</b>		
€k	2024	2023
Guaranty lines granted	106,000	105,000
Guaranty lines utilized	77,067	25,594
Available guaranty lines	28,933	79,406
Average interest rate	0.40%	0.40%

The guaranty credit facilities are available in particular for the provision of operational bank guarantees. The guaranty credit facilities granted are mostly for unlimited periods ("until further notice"). One agreement is limited until December 30, 2028. No collateral was provided to banks.

The stated average interest rate as of the reporting date is based on utilization.

**32. Contract liabilities**

€k	2024	2023
<b>Contract liabilities</b>	<b>215,009</b>	<b>207,691</b>
thereof current	184,019	175,033
thereof non-current	30,990	32,658

Contract liabilities mainly relate to payments on account received, deferred revenue, and deferred activation fees.

### 33. Other accrued liabilities

The development of accruals in fiscal year 2024 was as follows:

€k	Termination fees	Litigation risks	Restoration obligation	Other	Total
<b>As of January 1</b>	<b>32,501</b>	<b>24,576</b>	<b>34,345</b>	<b>3,677</b>	<b>95,099</b>
Utilization	11,242	1,241	201	1,993	14,677
Reversals	0	10,553	2,915	1,124	14,592
Addition	7,307	1,338	21,909	9,746	40,300
Reclassification	0	0	-11,634	-1,132	-12,766
Effects of accrued interest	0	0	387	0	387
<b>Balance as of December 31, 2024</b>	<b>28,566</b>	<b>14,121</b>	<b>41,891</b>	<b>9,173</b>	<b>93,752</b>

The accrual for termination fees refers to payments due to network operators in the case that a connection is terminated.

Litigation risks consist of various legal disputes of Group companies and potential fines imposed by the authorities. As a result of legal developments in the fiscal year, the probability of a possible fine has decreased significantly, so that the accrual formed for this purpose could be reversed.

The accruals for restoration obligations mainly refer to possible obligations to remove active telecommunication technology in leased main distribution frames (MDFs). Where applicable, the reversal was offset against non-current assets directly in equity. The reclassification of € 11,634k from accruals to liabilities results from the conclusion of a contractual agreement and thus the specification of restoration obligations.

Other accruals refer mainly to accruals for warranties and impending losses.

### 34. Other liabilities

#### 34.1 Other current financial liabilities

€k	2024	2023
<b>Other current financial liabilities</b>		
- Leasing liabilities	140,888	129,414
- Spectrum liabilities	61,266	61,266
- Marketing and selling expenses / commissions	31,992	28,279
- Conditional purchase price liabilities	23,653	10,922
- Creditors with debit balances	14,818	13,008
- Legal and consulting fees, auditing fees	11,443	9,285
- Service / maintenance / restoration obligations	3,102	3,036
- Other	18,642	19,711
<b>Total</b>	<b>305,806</b>	<b>274,921</b>

\* Prior-year figure adjusted, please refer to Note 2.1.

## FINANCIAL STATEMENTS

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

The current conditional purchase price liabilities refer to variable purchase price components from the acquisition of STRATO AG amounting to € 23,653k (prior year: € 10,922k). The increase in contingent purchase price liabilities results from the increased valuation of the IONOS Group based on its stock market price. This valuation is the basis for measuring the variable purchase price components from the acquisition of STRATO AG.

### 34.2 Other current non-financial liabilities

€k	2024	2023
<b>Other current non-financial liabilities</b>		
- Liabilities to the tax office	96,092	112,715
- Salary liabilities	51,661	47,064
- Other	18,147	16,919
<b>Total</b>	<b>165,900</b>	<b>176,699</b>

\* Prior-year figure adjusted, please refer to Note 2.1.

Liabilities to the tax office mainly refer to sales tax liabilities.

### 34.3 Other non-current financial liabilities

€k	2024	2023
<b>Other non-current non-financial liabilities</b>		
- Spectrum liabilities	641,326	702,592
- Leasing liabilities	932,109	667,836
- Other loans	8,149	8,149
- Other	15,978	9,733
<b>Total</b>	<b>1,597,562</b>	<b>1,388,310</b>

Please refer to Note 45 regarding liabilities from lease commitments.

Spectrum liabilities refer to the licenses acquired at auction in the fiscal year 2019. In 2019, the United Internet subsidiary 1&1 AG signed an agreement with the German Federal Ministry of Transport and Digital Infrastructure (BMVI) and the German Federal Ministry of Finance (BMF) regarding the construction of mobile communication sites in so-called "not-spots". 1&1 AG is thus helping to close existing supply gaps and improve the provision of mobile communications in rural regions by building base stations. In return, 1&1 AG benefits from an agreement allowing it to pay for the acquired 5G spectrum in installments. As a result, the license fees which were originally to be paid to the German government 2019 and 2024 can now be spread over the period up to 2030.

## 35. Maturities of liabilities

The maturities of liabilities are as follows:

€k	Dec. 31, 2024			
	Total	up to 1 year	1 to 5 years	Over 5 years
<b>Financial liabilities</b>				
Liabilities due to banks				
- Revolving syndicated loan facility	150,000	0	150,000	0
- Syndicated loan	793,012	1,813	791,200	0
- Term Loan UI	550,240	240	550,000	0
- Promissory note loan	1,226,449	260,402	926,547	39,500
- Credit	94,000	94,000	0	0
Trade accounts payable	800,496	798,071	2,425	0
Other financial liabilities				
- Lease liabilities	1,072,997	140,888	359,734	572,375
- Others	830,371	164,918	524,728	140,726
<b>Total financial liabilities</b>	<b>5,517,565</b>	<b>1,460,331</b>	<b>3,304,633</b>	<b>752,601</b>
<b>Non-financial liabilities</b>				
Income tax liabilities	48,004	48,004	0	0
Contract liabilities	215,010	184,019	30,990	0
Other accrued liabilities	93,752	23,313	30,698	39,741
Other non-accrued liabilities	165,900	165,900	0	0
<b>Total non-financial liabilities</b>	<b>522,665</b>	<b>421,236</b>	<b>61,688</b>	<b>39,741</b>
<b>Liabilities</b>	<b>6,040,230</b>	<b>1,881,568</b>	<b>3,366,321</b>	<b>792,341</b>



## FINANCIAL STATEMENTS

Balance sheet	Notes as of December 31, 2024
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

The maturities of liabilities in the previous year were as follows:

€k	Dec. 31, 2023*			
	Total	up to 1 year	1 to 5 years	Over 5 years
<b>Financial liabilities</b>				
Liabilities due to banks				
- Revolving syndicated loan facility	150,000	0	150,000	0
- Promissory note loan	1,168,560	233,195	911,365	24,000
- Credit	345,300	345,300	0	0
Trade accounts payable	702,578	699,220	3,358	0
Other financial liabilities				
- Lease liabilities	797,249	129,414	308,283	359,553
- Others	865,982	145,507	524,976	195,499
<b>Total financial liabilities</b>	<b>4,830,069</b>	<b>1,556,536</b>	<b>2,694,481</b>	<b>579,052</b>
<b>Non-financial liabilities</b>				
Income tax liabilities	87,996	87,996	0	0
Contract liabilities	207,691	175,033	32,658	0
Other accrued liabilities	95,099	26,428	41,045	27,626
Other non-accrued liabilities	176,699	176,699	0	0
<b>Total non-financial liabilities</b>	<b>567,485</b>	<b>466,157</b>	<b>73,703</b>	<b>27,626</b>
<b>Liabilities</b>	<b>5,397,554</b>	<b>2,022,692</b>	<b>2,768,184</b>	<b>606,678</b>

\* Prior-year figure adjusted, please refer to Note 2.1.

In the course of determining the maturities of liabilities due to banks, management assumed that the amount drawn from the revolving syndicated loan facility as at the respective reporting date would remain constant until the end of the term (2029).

## 36. Share-based payment – employee stock ownership plans

There were five different employee stock ownership plans in the reporting period 2024. One model with so-called Stock Appreciation Rights model United Internet (SAR UI) is aimed at the group of management board members, senior executives and managers and based on virtual stock options of United Internet AG. The second plan, the Long-Term Incentive Plan Hosting (LTIP Hosting) was introduced in the second half of 2017 and is aimed at the group of management board members, executives and other employees in key positions in the Business Applications segment. The third plan, the Long Term Incentive Plan Versatel (LTIP Versatel) was introduced in the first half of 2018 and is aimed at the group of managing directors, executives and employees in key positions in the Business Access segment. The fourth plan, the Stock Appreciation Rights Drillisch (SAR Drillisch) was introduced in the first half of 2020, is also aimed at the group of management board members, executives and employees in key positions in the Consumer Access segment and replaced in part the former SAR plan of Drillisch in 2020. The fifth plan, the Long-Term Incentive Plan Portal (LTIP Portal) was introduced in the first half of 2019 and is aimed at the group of management board members, executives and employees in key positions in the Consumer Applications segment. The sixth program, the Stock Appreciation Rights IONOS (SAR IONOS), was introduced in the course of the IPO of IONOS in 2023 and is aimed at management board members and key executives of IONOS Group SE. In 2024, the program was extended to selected executives. In addition, the existing LTIP hosting agreements were modified in the course of the IPO.

### 36.1 Stock Appreciation Rights (SAR United Internet)

United Internet AG has had a Stock Appreciation Rights plan (SAR plan) since 2009. SARs refer to the commitment of United Internet AG (or a subsidiary) to pay the beneficiary a cash amount equivalent to the difference between the share price on the date of granting the option (agreed strike price) and the share price on exercising the option. The exercise hurdle is 120% of the strike price, which is calculated as the average closing price in electronic trading (Xetra) of the Frankfurt Stock Exchange over the ten days preceding issuance of the option. Payment of value growth to the beneficiary is limited – depending on the arrangements of the different tranches – to 100% of the calculated share price (strike price).

An SAR corresponds to a virtual subscription right for one share of United Internet AG. However, it is not a share right and thus not a (genuine) option to acquire shares of United Internet AG. The beneficiaries are not entitled to a possible dividend payment by the Company. As a rule, settlement is in cash. Nevertheless, United Internet AG retains the right to fulfill its commitment (or the commitment of a subsidiary) to pay the SAR in cash by also transferring United Internet AG shares from its stock of treasury shares to the beneficiary, at its own discretion. The program is thus recognized as an equity-settled plan.

As a rule, 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, provided that the beneficiary concerned has not given notice of termination at the end of each year. For one issue, however, exercise is possible after 12, 24, 36 and 48 months. The SARs have a basic term of six years, so that after this period all unexercised SARs lapse without compensation. Beyond this, no further conditions have to be met for the SARs to be successfully awarded.

The fair value of the issued options as at the grant date is determined using an option pricing model (Black-Scholes model) in accordance with IFRS 2.

## FINANCIAL STATEMENTS

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

Using an option pricing model (Black-Scholes model) in accordance with IFRS 2, the options issued were calculated using the following material measurement parameters:

Issue date	01.01.2023		01.01.2024	
Volume	6,608	SARs	13,840	SARs
Average market value per option	2.43	€	1.46	€
Strike price	18.92	€	21.72	€
Share price	18.89	€	15.67	€
Dividend yield	2.7	%	3.19	%
Volatility of the share	27.00	%	39.57	%
Expected term (years)	5		5	
Risk-free interest rate	2.48	%	1.99	%

The limited payout per SAR was reflected by deducting the value of an option valuation at twice the strike price. With regard to the exercise windows of the SARs, the Black-Scholes valuation assumed the earliest possible exercise. The Monte Carlo simulation also assumed the earliest possible exercise. Irrespective of the selected valuation method, the respective exercise hurdles were also taken into account when exercising the option.

As the SARs have no dividend entitlement, a dividend yield based on the dividend for the respective fiscal year and the share price of United Internet AG as at the reporting date was taken into account when measuring the SARs in accordance with IFRS 2.B34.

The volatility used to determine the fair value was calculated as a weighted average on the basis of the historical volatility for the last 6 (1/3 weighting) and 12 months (2/3 weighting) prior to the measurement date, respectively. The strike price is calculated on the basis of the average share price of the last 10 days prior to the issuance date.

The SAR United Internet plan has the following effects:

€k	2024	2023
Total program expenditure	37,988	39,222
Accumulated expenses until the end of the fiscal year	37,974	38,075
Expenses attributable to future years	14	1,147
Personnel expenses in fiscal year	-102	-1,152

The changes in the virtual stock options granted and outstanding are shown in the following table:

	SAR	Average strike price (€)
<b>Outstanding as of December 31, 2022</b>	<b>450,000</b>	<b>32.50</b>
expired / forfeited	-275,000	34.09
New emission	300,000	16.91
<b>Outstanding as of December 31, 2023</b>	<b>475,000</b>	<b>21.73</b>
Exercisable as of December 31, 2023	175,000	n/a
expired / forfeited	-344,827	23.67
exercised	-75,000	16.91
New emission	40,275	19.88
<b>Outstanding as of December 31, 2024</b>	<b>95,448</b>	<b>17.75</b>
Exercisable as of December 31, 2024	75,000	n/a
Exercisable as of December 31, 2023	0	n/a
Weighted average remaining term as at 31 December 2024 (in months)	13	
Weighted average remaining term as at 31 December 2023 (in months)	26	

The range of strike prices for stock options outstanding at the end of the reporting period is between € 16.91 and € 21.72 (prior year: € 16.91 and € 30.00).

## 36.2 Long-Term Incentive Plan Business Applications (LTIP Hosting)

### Long-Term Incentive Plan Business Applications (LTIP Hosting)

An additional employee stock ownership plan (Long-Term Incentive Plan, LTIP) was introduced for the Business Applications segment (IONOS Group) in the fiscal year 2017. The LTIP is designed to align the long-term interests of management (management board members and senior executives), as well as other key employees of the IONOS Group (Business Applications segment), with the interests of the company, in order to raise the equity value of IONOS Group SE and other companies of the IONOS Group.

Within the LTIP plan, qualifying employees in the Hosting division are awarded so-called Management Incentive Plan (MIP) units (stock appreciation rights). Vesting is on a straight-line basis (beginning with the date of issue) and on condition that the employee concerned has not resigned before the occurrence of an event defined in the LTIP agreement (trigger event). This refers to the complete sale of all shares in IONOS Group SE held by Warburg Pincus.

The partial sale of shares by Warburg Pincus does not constitute such a trigger event – neither in 2021, nor in 2023 and 2024.

In the event of a trigger event, the MIP units represent a claim equivalent to the difference between the individually determined strike price and the enterprise value of IONOS Group SE. The strike price is increased or decreased by equity contributions or repayments.

The entitlements under the LTIP plan can be settled in the form of shares or cash. In the case of settlement in the form of shares, rights may be settled by the provision of shares or options to acquire shares. As there is no current obligation for cash settlement, the plan is carried as equity-settled.

## FINANCIAL STATEMENTS

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

As in the previous year, there were no new MIP issues from the LTIP Hosting plan in the reporting period.

Fair value is determined on the basis of the individual strike price, the enterprise value as at the grant date and the remaining term until the trigger event, using the Black-Scholes model and taking into account the other assumptions mentioned above. As the exercise prices of the MIP units already take into account equity returns, it is not necessary to additionally consider a dividend yield when measuring the entitlements.

The volatility used to determine fair value was calculated using the weighted average price fluctuations of the Business Applications peer group over the last 180 days (1/3 weighting) and the last 360 days (2/3 weighting), respectively.

The Long Term Incentive Plan Business Applications has the following effects:

€k	2024	2023
Total program expenditure	37,585	37,674
Accumulated expenses until the end of the fiscal year	37,568	37,656
Expenses attributable to future years	17	18
Personnel expenses in fiscal year	-87	1,155
Fair value of the commitments granted in the fiscal year at the grant date	0	0

The changes in the MIP units granted and outstanding are shown in the following table:

	Units	Average strike price (€)
<b>Outstanding as of December 31, 2022</b>	<b>460,071</b>	<b>173.36</b>
Additional Consideration in relation to the IPO	20,429	330.0
Change in the program "Rollover"	-389,625	168.6
expired / forfeited	-625	358.8
<b>Outstanding as of December 31, 2023</b>	<b>90,250</b>	<b>130.29</b>
expired / forfeited	-1,500	310
<b>Outstanding as of December 31, 2024</b>	<b>88,750</b>	<b>127.25</b>
Exercisable as of December 31, 2024	0	n/a
Exercisable as of December 31, 2023	0	n/a

The IPO did not involve a complete exit of WP XII Ventures Holdings S à r l, but only a partial sale. The IPO of IONOS Group SE on February 8, 2023 did not therefore constitute a triggering event as defined by the LTIP Hosting agreement. Accordingly, the IPO did not result in the claims of the individual participants becoming due. For the remaining participants in the LTIP Hosting, however, a further approx. 11% of the claims from the LTIP Hosting will be fixed at the issue price of the IPO on February 8, 2023.

Against this backdrop, all active employees of the LTIP Hosting plan were offered a so-called IPO transition agreement or rollover agreement (hereinafter referred to as the "rollover"). As part of this

rollover, active employees could convert their LTIP Hosting MIP units into subscription rights for IONOS Group SE shares.

In the course of the rollover, 389,625 MIPs were converted. The remaining MIPs mainly relate to former members of the management board.

The IPO awards (virtual stock options as part of the rollover) were calculated in a two-step process based on the assumption of a complete divestment by Warburg Pincus (WP). In the first step, the increase in value per participant was derived on the basis of the LTIP (Long Term Incentive Plan) Hosting conditions. An increase in value was determined for around 25% of the shares due to a share buyback in 2021 and an enterprise value of € 4.8 billion. For the remaining approx. 75% of the MIP I units (LTIP Hosting), the increase in value at the time of the IPO was considered relevant, whereby the IPO issue price of € 18.50 was used to determine the increase in value. The total increase in value per participant was determined on the basis of these calculations.

In a second step, the increase in value achieved per participant was divided by the IPO issue price to determine the number of virtual shares in IONOS Group SE. Participants who did not achieve an increase in value by the time of the IPO did not receive any virtual shares but had the option of remaining in the LTIP Hosting. The number of calculated IPO awards was then fixed and distributed in three tranches.

The IPO awards were generally allocated in three equal tranches over a period of up to 24 months after the IPO. The number of virtual stock options could vary slightly between the tranches so that the number of options per participant and the number per tranche for each participant was a whole number. The tranches were allocated as follows:

- Tranche 1 on the IPO date (February 8, 2023),
- Tranche 2 eighteen months later (August 2024) and
- Tranche 3 twenty-four months after the IPO (February 2025).

The payment of Tranche 2 and Tranche 3 is generally linked to remaining in the company until the payment date. It can be made in cash or in equity instruments, whereby the company reserves the right to decide how this is granted. The cash payment amount depends on the performance of the IONOS share. The cash payment for the 2023 tranche is to be classified as an exception due to the lock-up period for the sale of shares in connection with the IPO, meaning that an equity-settled commitment continues to be recognized in accordance with IFRS 2. This is consistent with the issuance of the second tranche in August 2024, which was made in shares.

A different arrangement was made for certain participants as their service agreements ended prematurely. A total of 2,210,243 virtual stock options were calculated as of February 8, 2023.

## FINANCIAL STATEMENTS

Balance sheet	Notes as of December 31, 2024
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

The changes in the outstanding virtual share options resulting from the conversion of the MIP units are shown in the following table:

	Virtual share options	Average strike price (€)
<b>Outstanding as of December 31, 2022</b>	<b>0</b>	<b>n/a</b>
Emission IPO	2,210,243	n/a
Payout IPO	-736,756	n/a
expired / forfeited	-13,743	n/a
<b>Outstanding as of December 31, 2023</b>	<b>1,459,744</b>	<b>n/a</b>
Payment of Tranche 2	-729,877	n/a
Prepayment of Tranche 3	-6,411	n/a
expired / forfeited	-10,023	n/a
<b>Outstanding as of December 31, 2024</b>	<b>713,433</b>	<b>n/a</b>

In the fiscal year 2024, an amount of € 16,566k was paid out for Tranche 2. The claim was settled by transferring 383,067 treasury shares and the ancillary wage costs were paid by IONOS. In the previous year, a total of € 13.6m was paid out to the beneficiaries in the course of fulfilling Tranche 1. In the fiscal year 2024, an advance payment of the third tranche was also made to the beneficiaries in the form of treasury shares (3,368 shares).

### 36.3 Stock Appreciation Right (SAR IONOS)

In December 2022, a new incentive plan was also introduced for the management board members and key executives of IONOS Group SE on condition of a successful IPO. The SAR plan employs so-called Stock Appreciation Rights (SARs) and is treated as an equity-settled, shared-based payment transaction. SARs refer to the commitment of IONOS Group SE to pay the beneficiary a cash amount equivalent to the difference between the share price on the date of granting the option (agreed strike price) and the share price on exercising the option. The exercise hurdle is 110% of the strike price after three years, 115% after four years, and 120% after five years. The strike price is calculated as the average closing price in electronic trading (Xetra) of the Frankfurt Stock Exchange over the ten days preceding issuance of the option. Payment of value growth to the beneficiary is limited – depending on the arrangements of the different tranches – to 100% of the calculated share price (strike price), or to 150% of the calculated share price (strike price).

An SAR corresponds to a virtual subscription right for one share of IONOS Group SE. However, it is not a share right and thus not a (genuine) option to acquire shares of IONOS Group SE. The beneficiaries are not entitled to a possible dividend payment by the Company. As a rule, settlement is in cash. Nevertheless, IONOS Group SE retains the right to fulfill its commitment to pay the SAR in cash by also transferring IONOS Group SE shares from its stock of treasury shares to the beneficiary, at its own discretion. The program is thus recognized as an equity-settled plan, as there is no present obligation to settle in cash.

Up to 33.33% of the option right may be converted at the earliest 36 months after the date of issue of the option; up to 66.66% at the earliest 48 months after the date of issue of the option; and the full amount at the earliest 60 months after the date of issue of the option, provided that the beneficiary

concerned has not given notice of termination at the end of each year. Vesting is thus one-third in each of the aforementioned periods.

In 2024, the SAR IONOS program was also extended to selected executives. The SAR IONOS program is generally based on the rules and regulations of the SAR IONOS program for management board members. The exercise hurdle for selected executives is 110% of the strike price after two years, 115% after three years, 120% after four years and 125% after five years. The option right may be exercised with respect to a partial amount of up to 25.0% at the earliest 24 months after the date of issue of the option, with respect to a partial amount totaling up to 50.0% at the earliest 36 months after the date of issue of the option, with regard to a partial amount of 75.0%, at the earliest after a period of 48 months from the date of issue and with regard to the total amount, at the earliest after a period of 60 months from the date of issue of the option, provided that the beneficiary in question has not given notice to the end of each year. A quarter of the options will therefore vest over each of the periods mentioned.

However, the SARs have a basic term of six years, so that after this period all unexercised SARs lapse without compensation. Moreover, reductions in the amounts paid out are possible for the management board members in connection with predefined ESG targets. Within the framework of the ESG targets, the entitlements can be reduced by a maximum of 10% if targets are not met. The SAR IONOS program for executives does not provide for a reduction of the payout amounts in connection with predefined ESG targets.

The exercise behavior for management board members and other executives is based on the assumption that participants will exercise their SARs at the earliest possible date, similar to comparable programs within the United Internet Group. It is expected that one third of the SARs will be exercised in the first window after the third year, a further third after the fourth year and the final third after the fifth year, where possible. The exercise of SARs is limited to two 10-day windows per calendar year, starting shortly after the Annual Shareholders' Meeting and the publication of the 9-month report.

Using an option pricing model (Monte Carlo simulation) in accordance with IFRS 2, the fair value at the grant date of the options issued was calculated as follows:

Issue date	08.02.2024		01.09.2024		10.09.2024	
Number of SARs	307,052		14,764		7,960	
Starting price	19.66 - 26.05	€	25.95	€	25.95	€
Strike price	18.50	€	25.64	€	25.13	€
Average market value per option	6.45	€	6.90	€	7.10	€
Dividend yield	0.15 - 0.20	%	0.15	%	0.15	%
Volatility of the share	32.67 - 37.09	%	37.22	%	37.22	%
Expected term (years)	6	years	6	years	6	years
risk-free interest rate	2.25 - 3.43	%	2.12 - 2.77	%	2.12 - 2.77	%



## FINANCIAL STATEMENTS

	Notes as of December 31, 2024
Balance sheet	
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

Issue date	Feb. 08, 2023		Apr. 01, 2023		Jul. 01, 2023	
Number of SARs	4,016,216		195,000		762,000	
Starting price	18.50	€	14.82	€	13.02	€
Strike price	18.50	€	14.13	€	13.13	€
Average market value per option	4.81	€	3.92	€	3.28	€
Dividend yield	0.20	%	0.27	%	0.31	%
Volatility of the share	37.39	%	36.77	%	33.54	%
Expected term (years)	6	years	6	years	6	years
risk-free interest rate	2.31 - 2.66	%	2.27 - 2.71	%	2.45 - 3.35	%

As part of the simulation, both the limit on the payout per SAR and the respective exercise hurdles per tranche were taken into account. As the SARs are not entitled to dividends, a dividend yield based on the dividend for the respective fiscal year and the share price of IONOS Group SE as at the reporting date was taken into account when measuring the SARs in accordance with IFRS 2.B34.

The volatility used to determine the fair value was calculated from the weighted average of the price fluctuations of the last 180 days (1/3 weighting) or the last 360 days (2/3 weighting) of IONOS Group SE.

The SAR IONOS plan had the following effects in the fiscal year:

€k	2024	2023
Total program expenditure	24,089	22,601
Accumulated expenses until the end of the fiscal year	11,586	5,706
Expenses attributable to future years	12,503	16,895
Personnel expenses in fiscal year	5,880	5,706

The changes in the SARs granted and outstanding are shown in the following table:

	Number	Average strike price (€)
<b>Outstanding as of December 31, 2022</b>	<b>0</b>	<b>0.00</b>
expired / forfeited	0	0.00
Expenses	4,973,216	17.51
<b>Outstanding as of December 31, 2023</b>	<b>4,973,216</b>	<b>17.51</b>
expired / forfeited	-135,135	18.50
Expenses	329,776	18.98
<b>Outstanding as of December 31, 2024</b>	<b>5,167,857</b>	<b>17.57</b>

### 36.4 Long-Term Incentive Plan Versatel (LTIP Versatel)

An additional employee stock ownership plan (Long-Term Incentive Plan, LTIP) was introduced for the Business Access segment in the fiscal year 2018. The LTIP is designed to align the long-term interests of management board members and other key employees of the 1&1 Versatel Group (Business Access

segment) with the interests of the company, in order to raise the equity value of the company (1&1 Versatel GmbH) and other companies of the 1&1 Versatel Group.

The plan entitles the beneficiaries to participate in a specified share of any increase in value of the 1&1 Versatel Group. Within the LTIP plan, qualifying employees in the Business Access segment are allocated stock appreciation rights.

Vesting is on a straight-line basis over a period of six years (beginning with the date of issue), or until the occurrence of an event defined in the LTIP plan conditions (trigger event), and provided that the employee concerned has not resigned by the end of each year or by the occurrence of a trigger event. The LTIP entitlement arises as soon as the full term of the LTIP contract ends (i.e., after six years) or an event as defined by the LTIP plan conditions occurs. After six years or on occurrence of a trigger event the respective LTIP entitlement becomes due.

The LTIP entitlement is calculated as the difference between the final value and the individual starting value (in each case based on the enterprise value at the time in question), which is multiplied by the respective stock appreciation right and a dilution factor.

The recognition of expenses per participant is on a straight-line basis over the period ending with the expiry of the respective LTIP contract, provided no trigger event occurs. In the event of an (imminent) trigger event, expenses are recognized in full up to the (expected) occurrence of the trigger event. As no trigger event is currently expected, this variant is not considered in the measurement of claims. This assessment is reviewed at each reporting date. Based on the current estimates, a total period of six years is assumed in each case.

The entitlements under the LTIP plan can be settled in the form of shares or cash. In the case of settlement in the form of shares, rights may be settled by the provision of shares or options to acquire shares. As there is no current obligation for cash settlement, the plan is carried as equity-settled.

The fair value of the issued options as at the grant date is determined using an option pricing model (Black-Scholes model) in accordance with IFRS 2.

The volatility used to determine fair value was calculated using the weighted average price fluctuations of the Versatel peer group over the last 180 days (1/3 weighting) and the last 360 days (2/3 weighting), respectively.

The Long Term Incentive Plan Versatel has the following effects:

€k	2024	2023
Total program expenditure	14,818	12,053
Accumulated expenses until the end of the fiscal year	6,161	4,878
Expenses attributable to future years	8,657	7,175
Personnel expenses in fiscal year	1,283	1,316

The changes in the virtual stock options granted and outstanding are shown in the following table:

## FINANCIAL STATEMENTS

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

		Average fair value of the appreciation portion per % (€k)
<b>Outstanding as of December 31, 2023</b>	<b>3.9%</b>	<b>3,122.00</b>
expired	0.6%	2,203.00
Allocation	1.0%	3,999.00
<b>Outstanding as of December 31, 2024</b>	<b>4.3%</b>	<b>3,446.00</b>
Exercisable as of December 31, 2024	0.5%	2,312.00
Exercisable as of December 31, 2023	0	0.00

### 36.5 Stock Appreciation Rights Drillisch (SAR 1&1)

The Stock Appreciation Rights Drillisch (SAR Drillisch) plan introduced in the first half of 2018 existed until April 17, 2020. It was aimed at management board members, executives and employees in key positions and based on virtual stock options of 1&1 AG (formerly 1&1 Drillisch AG).

The old SAR Drillisch plan was canceled during the course of fiscal year 2020. At the time of cancellation, 77,400 stock options were outstanding and replaced by new equity instruments.

A new plan was introduced on April 17, 2020. The new employee stock ownership model, the so-called Stock Appreciation Rights Drillisch (SAR Drillisch), is aimed at the group of management board members, executives and employees in key positions and based on virtual stock options of 1&1 AG. According to the current conditions, an SAR Drillisch is the commitment of 1&1 AG (or one of its subsidiaries), to pay the option beneficiary a consideration equivalent to the difference between the share price on the date of granting (strike price) and the share price on exercising the option. The exercise hurdle is 120% of the strike price. The strike price is the average closing price for the company share in electronic trading (Xetra) of the Frankfurt Stock Exchange over the ten days preceding issuance of the option. Payment of value growth to the entitled person is capped at 100% of the calculated share price (strike price). In 2024, an additional issue (second issue) of SARs was made for existing participants. In the second issue, the payout amount of the first issue was offset against the second issue for one participant, in deviation from the previous issues.

An SAR corresponds to a virtual subscription right for one share of 1&1 AG. However, it is not a share right and thus not a (genuine) option to acquire shares of 1&1 AG. The beneficiaries are not entitled to a possible dividend payment by the company. As a rule, settlement is in cash. Nevertheless, 1&1 AG retains the right to fulfill its commitment (or the commitment of a subsidiary) to pay the SAR in cash by also transferring 1&1 AG shares from its stock of treasury shares to the beneficiary, at its own discretion. As there is currently no obligation to settle in cash from the Group's perspective, these obligations are recognized as equity-settled transactions.

Those entitled to exercise options have an exercise window of 10 days. This begins on the 3rd day after the annual shareholders' meeting or after publication of the 9-month report. 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, provided that the beneficiary concerned has not given notice of termination at the end of each year. The SARs have a basic term of six years, so that after this period all unexercised SARs lapse without compensation. Tranches that are not exercised

during the available exercise window can be exercised during the next regular exercise window for the tranche. Beyond this, no further conditions have to be met for the SARs to be successfully awarded.

Using an option pricing model (Black-Scholes model / Monte Carlo simulation) in accordance with IFRS 2, the fair value as at the grant date of the options issued was calculated as follows:

Issue date		09.09.2024		27.09.2024
Number of SARs	500,000		195,000	
Starting price	12.60	€	12.60	€
Strike price	11.85	€	11.85	€
Average market value per option	2.82	€	2.49	€
Dividend yield	0.40	%	0.40	%
Volatility of the share	31.17	%	31.17	%
Expected term (years)	2 to 5	years	2 to 5	years
risk-free interest rate	2.71 - 3.14	%	2.13 - 2.12	%

Issue date		01.10.2022
Number of SARs	5,250	
Starting price	13.49	€
Strike price	14.28	€
Average market value per option	1.81	€
Dividend yield	0.37	%
Volatility of the share	22.47	%
Expected term (years)	5	years
risk-free interest rate	1.36	%

The volatility used to determine the fair value was calculated as a weighted average on the basis of the historical volatility for the last 6 (1/3 weighting) and 12 months (2/3 weighting) prior to the measurement date, respectively. The strike price is calculated on the basis of the average share price of the last 10 days prior to the issuance date.

The capped payout per SAR was reflected by deducting the value of an option valuation at twice the strike price. With regard to the exercise windows of the SARs, the option valuation assumed the earliest possible exercise. As the SARs have no dividend entitlement, a dividend yield based on the dividend for the respective fiscal year and the share price of 1&1 AG as at the reporting date was taken into account when measuring the SARs in accordance with IFRS 2.B34.

A Monte Carlo simulation was used to calculate the fair value of the secondary issues in order to illustrate the offsetting of the payout amount between the old tranche and the second tranche for selected participants. With regard to the exercise windows, the earliest possible exercise was assumed for the simulation. Moreover, both the capped payout per SAR and the respective exercise hurdles per tranche were taken into account. In accordance with IFRS 2.B34, a dividend yield based on the dividend for the respective fiscal year and the 1&1 AG share price as at the reporting date was taken into account when measuring the SARs.

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

The SAR Drillisch plan has the following effects:

€k	2024	2023
Total program expenditure	16,838	15,066
Accumulated expenses until the end of the fiscal year	11,158	8,252
Expenses attributable to future years	5,679	6,814
Personnel expenses in fiscal year	2,907	1,375

The changes in the virtual stock options granted and outstanding are shown in the following table:

	Number	Average strike price (€)
<b>Outstanding as of December 31, 2022</b>	<b>2,627,500</b>	<b>20.58</b>
expired / forfeited	-483,000	21.76
Expenses	3,328,000	10.23
<b>Outstanding as of December 31, 2023</b>	<b>5,472,500</b>	<b>14.18</b>
expired / forfeited	-290,750	17.33
Expenses	695,000	11.85
<b>Outstanding as of December 31, 2024</b>	<b>5,876,750</b>	<b>13.75</b>

### 36.6 Long-Term Incentive Plan Portal (LTIP Consumer Application)

An additional employee stock ownership plan (LTIP Portal) was introduced by 1&1 Mail & Media Applications SE in the fiscal year 2019. The LTIP is designed to attract and retain skilled employees as well as to align the long-term interests of management board members, executives, and other key employees of the group with the interests of the company, in order to raise the equity value of the company (1&1 Mail & Media Applications SE) and other companies of the group.

The plan entitles the beneficiaries to participate in a certain proportion of the increase in value of the 1&1 Mail & Media Group. Within the LTIP plan, qualifying employees are allocated stock appreciation rights.

Vesting is on a straight-line basis over an individually defined period (four to six years, beginning with the date of issue), or until the occurrence of a special event defined in the LTIP plan conditions (trigger event), and provided that the employee concerned has not resigned by the end of each year or by the occurrence of a trigger event. The LTIP entitlement arises as soon as the full term of the LTIP contract or a trigger event occurs.

The recognition of expenses per participant is on a straight-line basis over the period ending with the expiry of the respective LTIP contract, provided no trigger event occurs. In the event of an (imminent) trigger event, expenses are recognized in full up to the (expected) occurrence of the trigger event. As no trigger event is currently expected, this variant is not considered in the measurement of claims. This assessment is reviewed at each reporting date. Based on the current estimates, a total period of four to six years is assumed (depending on the individual agreement).

The entitlements under the LTIP plan can be settled in the form of shares or cash. In the case of settlement in the form of shares, rights may be settled by the provision of shares in the company.

provided they are traded on a stock exchange in the meantime, or shares in another company listed on a stock exchange, or the corresponding options to acquire shares. As there is no current obligation for cash settlement, the plan is carried as equity-settled.

The fair value of the issued options as at the grant date is determined using an option pricing model (Black-Scholes model) in accordance with IFRS 2.

The volatility used to determine fair value was calculated using the weighted average price fluctuations of the Portal peer group over the last 180 days (1/3 weighting) and the last 360 days (2/3 weighting), respectively.

The LTIP Consumer Application has the following effects:

T€	2024	2023
Total program expenditure	8,943	8,943
Accumulated expenses until the end of the fiscal year	6,747	5,906
Expenses attributable to future years	2,195	3,037
Personnel expenses in fiscal year	842	978
Fair value of commitments granted in the financial year	0	0

The changes in the virtual stock options granted and outstanding are shown in the following table:

	Value growth shares	Average fair value of the appreciation portion per % (€k)
<b>Outstanding as of December 31, 2023</b>	<b>5.3%</b>	<b>1,982.00</b>
Allocation	0.0%	0.00
expired	0.9%	2,352.00
<b>Outstanding as of December 31, 2024</b>	<b>4.4%</b>	<b>1,905.00</b>
Exercisable as of December 31, 2024	0.9%	1,487.00
Exercisable as of December 31, 2023	0	0.00

## 37. Capital stock

As of December 31, 2024, the fully paid-in capital stock amounted to € 192,000,000 (prior year: € 192,000,000) divided into 192,000,000 registered no-par shares with a theoretical share in the capital stock of € 1.00 each.

### Authorized Capital

The Management Board is authorized, subject to the approval of the Supervisory Board, to increase the capital stock in the period ending August 31, 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

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

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 capital stock is conditionally increased by up to € 18,500,000.00, divided into up to 18,500,000 new no-par value registered shares (Conditional Capital 2023). The conditional capital increase will only be implemented to the extent that the bearers or holders of warrant rights or conversion rights or obligations under bonds with warrants or convertible bonds that have been issued or guaranteed by the Company or any of the Company's subordinated Group companies 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 will be issued at the warrant or conversion price to be determined in accordance with the above authorizing resolution. The new shares will 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 determine, subject to the approval of the Supervisory Board, 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.

#### Interim dividend

The Annual Shareholders' Meeting of May 20, 2020 created the option of paying an interim dividend with a corresponding amendment to section 21 of the Articles of Association.

## 38. Reserves

As of December 31, 2024, capital reserves amounted to € 2,199m (prior year: € 2,197m).

The accumulated result includes the past results of consolidated companies, less amounts for dividends payouts, as well as the change in the value of the interest in Kublai GmbH reclassified from shares in associated companies to other non-current assets in the amount of € 19.3m (see Notes 25 and 41).

At the end of the reporting period, the revaluation reserve attributable to shareholders of United Internet AG consisted of the following items:

€k	31.12.2024	Dec. 31, 2023
<b>Financial assets at fair value through other comprehensive income</b>		
Share in other comprehensive income of associated companies:	3,607	920
<b>Other shares</b>	<b>-870</b>	<b>-816</b>
<b>Total</b>	<b>2,737</b>	<b>105</b>

Translation differences from the annual financial statements of foreign subsidiaries without an effect on profit or loss are recognized in the currency translation adjustment.

An overview of the composition and changes in the reserves described above for the fiscal years 2024 and 2023 is provided in the Statement of Changes in Shareholders' Equity.

## 39. Treasury shares

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 up 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 19,162,689 treasury shares were held.



**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

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

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

- As (partial) consideration in connection with the acquisition of companies or interests in companies or parts of companies or in connection with business combinations.
- To float shares of the Company on foreign stock exchanges on which they were previously not admitted to trading.
- 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 are excluded in accordance with sections 71 (1) no. 8 and 186 (3) and (4) AktG to the extent that these shares are used pursuant to the above authorizations. Furthermore, the Managing Board is authorized to exclude shareholders' subscription rights for fractional shares if treasury shares are sold by means of an offer to all shareholders.

The authorization may not be used for the purpose of trading with treasury shares.

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 13.9m shares at a price of € 21.00 per share. The total volume of the share buyback offer therefore amounted to up to € 291.9m. 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 13.9m 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. In the course of the share buyback program, the Company acquired 13,899,596 shares (without fractional amounts).

The Group did not purchase any treasury shares in the fiscal year 2024.

As of the balance sheet date, a total of 19,162,689 treasury shares were held (prior year: 19,183,705). The change results from the issuance of treasury shares for share-based payments.

Treasury shares reduce equity and have no dividend entitlement.

## 40. Non-controlling interests

Non-controlling interests developed as follows:

€k	AG / Consumer Access (21.68%)	IONOS Group SE/Business Applications (35.98%)	Total
<b>01.01.2024</b>	<b>657,042</b>	<b>-14</b>	<b>657,028</b>
Pro-rated result	45,703	60,176	105,878
Pro-rated other comprehensive income	9	3,494	3,503
Pro-rated changes	0	-503	-503
Other changes in equity	625	-1,151	-526
Dividend	-1,893	0	-1,893
<b>31.12.2024</b>	<b>701,485</b>	<b>62,002</b>	<b>763,487</b>

€k	1&1 AG / Consumer Access (21.68%)	IONOS Group SE/Business Applications (36.16%)	Total
<b>01.01.2023</b>	<b>591,048</b>	<b>-42,751</b>	<b>548,297</b>
Pro-rated result	67,651	61,877	129,528
Pro-rated other comprehensive income	-59	2,338	2,279
Pro-rated changes	0	-14,185	-14,185
Other changes in equity	295	-7,293	-6,998
Dividend	-1,893	0	-1,893
<b>31.12.2023</b>	<b>657,042</b>	<b>-14</b>	<b>657,028</b>

The net amount of € 14,292k reported as "Transactions with equity providers" in the Consolidated Statement of Changes in Equity for the fiscal year 2024 consists of the acquisition of treasury shares by IONOS amounting to € 22,319k and the issuance of shares under employee stock ownership plans amounting to € 8,027k.

Pro-rated changes in the previous year relate to the sale of shares in IONOS Group SE, due to the IPO of IONOS Group SE. Please refer to Note 4.

## FINANCIAL STATEMENTS

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

The following financial information comprises summarized details on the assets, liabilities, profits or losses, and cash flows of subgroups with material non-controlling interests.

**1&1 AG (Consumer Access)**

in € million	2024	2023
Current assets	1,844	1,928
Non-current assets	6,286	5,813
Current liabilities	731	717
Non-current liabilities	1,306	1,137
<b>Shareholders' equity</b>	<b>6,094</b>	<b>5,887</b>
Sales revenue	4,064	4,097
<b>Pre-tax result</b>	<b>305</b>	<b>465</b>
Income taxes	-92	-150
<b>Net income</b>	<b>213</b>	<b>315</b>
Cash flow from operating activities	311	226
Cash flow from investment activities	-181	-125
Cash flow from financing activities	-130	-102

**IONOS Group SE (Business Applications)**

in € million	2024	2023
Current assets	270	225
Non-current assets	1,374	1,372
Current liabilities	360	297
Non-current liabilities	1,125	1,300
<b>Shareholders' equity</b>	<b>159</b>	<b>0</b>
Sales revenue	1,560	1,424
<b>Pre-tax result</b>	<b>244</b>	<b>215</b>
Income taxes	-74	-39
<b>Net income</b>	<b>170</b>	<b>177</b>
Cash flow from operating activities	387	315
Cash flow from investment activities	-100	-116
Cash flow from financing activities	-279	-202

## 41. Additional details on financial instruments

The following table shows the carrying amounts for each category of financial assets and liabilities for fiscal year 2024:

€k	Measurement category acc. to IFRS 9	Carrying amount on Dec. 31, 2024	Amortized cost	Fair value not through profit or loss	Fair value through profit or loss	Measurement acc. to IFRS 16	Fair value as of Dec. 31, 2024
<b>Financial assets</b>							
Cash and cash equivalents	ac	114,857	114,857				114,857
Trade accounts receivable							
- Receivables from finance leases	n.a.	36,342				36,342	33,200
- Others	ac	509,371	509,371				509,371
Other current financial assets							
- At amortized cost	ac	74,931	74,931				74,931
- Fair value through profit or loss	fvtpl	31,208			31,208		31,208
Other non-current financial assets							
- At amortized cost	ac	14,110	14,110				13,865
- Fair value through other comprehensive income	fvoci	71,800	0	71,800			71,800
<b>Financial liabilities</b>							
Trade accounts payable	flac	-800,496	-800,496				-800,496
Liabilities due to banks	flac	-2,813,701	-2,813,701				-2,811,308
Other financial liabilities							
- Lease liabilities	n.a.	-1,072,997				-1,072,997	-
- Fair value through profit or loss	fvtpl	-23,715			-23,715		-23,715
- Others	flac n.a.	-806,656	-759,592				-719,065
<b>Thereof aggregated acc. to measurement categories:</b>							
Financial assets at amortized cost	ac	713,270	713,270				713,024
Financial assets at fair value through other comprehensive income without recycling to profit or loss	fvoci	71,800	0	71,800			71,800
Financial assets at fair value through profit or loss	fvtpl	31,208			31,208		31,208
Financial liabilities at amortized cost	flac	-4,420,852	-4,373,788				-4,330,868
Financial liabilities measured at fair value through profit or loss	fvtpl	-23,715			-23,715		-23,715

## FINANCIAL STATEMENTS

Balance sheet	Notes as of December 31, 2024
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

The following net results were stated for the individual categories of financial instruments acc. to IFRS 9 in fiscal year 2024:

Net result acc. to measurement categories 2024 (in k€)	Net profits and losses from subsequent measurement					Net result
	Measurement category IFRS 9	From interest and dividends	At fair value	Currency translation	Allowance	
€k						
Financial assets at amortized cost	ac	293	--	-2,458	-82,486	-84,650
Financial assets at fair value						
- through other comprehensive income	fvoci	0	0	--	--	0
- through profit or loss	fvtpi		21,929	--	--	21,929
Financial liabilities at amortized cost	flac	-140,989	--	-1,053	--	-142,042
Financial liabilities measured at fair value						
- through profit or loss	fvtpi		-10,696			-10,696
<b>Total</b>		<b>-140,696</b>	<b>11,233</b>	<b>-3,511</b>	<b>-82,486</b>	<b>-215,460</b>

The following table shows the carrying amounts for each category of financial assets and liabilities for fiscal year 2023:

€k	Measurement category acc. to IFRS 9	Carrying amount on Dec. 31, 2023	Amortized cost	Fair value not through profit or loss	Fair value through profit or loss	Measurement acc. to IFRS 16	Fair value as of Dec. 31, 2023
Financial assets							
Cash and cash equivalents	ac	27,689	27,689				27,689
Trade accounts receivable							
- Receivables from finance leases	n.a.	41,239				41,239	37,429
- Others	ac	502,457	502,457				502,457
Other current financial assets							
- At amortized cost	ac	82,020	82,020				82,019
- Fair value through profit or loss	fvtpi	14,852			14,852		14,852
Other non-current financial assets							
- At amortized cost	ac	8,346	8,346				7,981
<b>Financial liabilities</b>							
Trade accounts payable	flac	-702,578	-702,578				-702,578
			-				
Liabilities due to banks	flac	-2,464,260	2,464,260				-2,478,576
Other financial liabilities							
- Lease liabilities	n.a.	-797,249				-797,249	-
- Fair value through profit or loss	fvtpi	-13,019			-13,019		-13,019
- Others	flac n.a.	-900,027	-852,963				-761,409
<b>Thereof aggregated acc. to measurement categories:</b>							
Financial assets at amortized cost	ac	620,512	620,512				620,146
Financial assets at fair value through profit or loss	fvtpi	14,852			14,852		14,852
			-				
Financial liabilities at amortized cost	flac	-4,066,864	4,019,800				-3,942,563
Financial liabilities measured at fair value through profit or loss	fvtpi	-13,019			-13,019		-13,019

The following net results were stated for the individual categories of financial instruments acc. to IFRS 9 in fiscal year 2023:

Net result acc. to measurement categories 2023 (in k€)	Measurement category IFRS 9	Net profits and losses from subsequent measurement				Net result
		From interest and dividends	At fair value	Currency translation	Allowance	
€k						
Financial assets at amortized cost	ac	467	--	-495	-69,215	-69,244
Financial assets at fair value						
- through profit or loss	fvtp		-32,618	--	--	-32,618
Financial liabilities at amortized cost	flac	-86,947	--	-212	--	-87,159
Financial liabilities measured at fair value						
- through profit or loss	fvtp		21,221			21,221
<b>Total</b>		<b>-86,481</b>	<b>-11,397</b>	<b>-707</b>	<b>-69,215</b>	<b>-167,800</b>

The fair value of financial assets and liabilities is stated at the amount at which the instrument concerned might be exchanged in a current transaction (excluding a forced sale or liquidation) between willing business partners.

The methods and assumptions used to determine fair values are shown below:

- Cash and cash equivalents, trade accounts receivable (except for receivables from finance leases), trade accounts payable, and other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The same applies to current liabilities due to banks.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. The fair value of these financial instruments is categorized within hierarchy level 2. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at December 31, 2024, and as in the previous year, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.
- Investments and derivatives are carried at fair value. In the case of the remaining other non-current financial assets carried at amortized cost, it is assumed that their carrying amounts correspond to fair value.
- Due to changed interest rates, there are slight deviations between the carrying value and fair value of receivables in connection with finance leases.
- The conditional purchase price liabilities are carried at fair value. In the case of the remaining other non-current financial liabilities carried at amortized cost, it is assumed that their carrying amounts correspond to fair value.
- The fair value of bank loans and other financial liabilities is estimated by discounting future cash flows using interest rates currently available for debt on similar terms, credit risk and remaining maturities. They are therefore allocated to level two of the fair value hierarchy.
- Non-current liabilities to banks mainly comprise promissory note loans, syndicated loans, bank loans, and credit facilities. Depending on their structure, these have either fixed or variable interest rates.

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

In the case of most variable-interest liabilities, both the basic interest rate and the margin are variable. The margin depends on predefined KPIs of the United Internet Group. Due to these factors, it is assumed that their carrying amounts of non-current liabilities correspond approximately to fair value. The fair value measurement of the promissory note loans is based on input parameters observable on the market. It is therefore categorized as a level 2 valuation. For further details on interest and maturity, please refer to Note 31.

- Financial assets and liabilities measured at fair value are measured using appropriate measurement techniques. Where available, stock exchanges prices on active markets are used. The valuation of shares in non-listed companies is based mainly on present value models. The valuation of derivatives and conditional purchase price liabilities is based mainly option pricing models.

## Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by measurement technique:

**Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities

**Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

**Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

## Assets and liabilities measured at fair value

€k	as of Dec. 31, 2024	Level 1	Level 2	Level 3
Financial assets at fair value through other comprehensive income without recycling to profit or loss	71,800			
Non-listed equity instruments	71,800			71,800
Financial assets at fair value through profit or loss	31,208	43		31,165
Derivatives	31,208	43		31,165
Financial liabilities measured at fair value through profit or loss	-23,715	-62		-23,653
Purchase price liabilities	-23,653			-23,653
Derivatives	-62	-62		

As in the previous year, there were no transfers between levels during the reporting period.

€k	as of Dec. 31, 2023	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss	14,852	36		14,816
Derivatives	14,852	36		14,816
Financial liabilities measured at fair value through profit or loss	-13,019			
Purchase price liabilities	-10,922			-10,922
Derivatives	-2,097	-2,097		

The following table shows the main non-observable input factors for the fair value measurements categorized in Level 3 of the fair value hierarchy and a quantitative sensitivity analysis as of December 31, 2024:

31.12.2024	Measurement method	Main non-observable input factors	Considered in measurement	Sensitivity of input factor on fair value	
Foreign currency-based derivatives	Monte Carlo simulation	Exit date of Warburg Pincus from Business Application segment	0.5 years	0.75 years	0.25 years
				- € 0.3 million	€ 0.3 million
		Volatility	4.2%	+1%	-1%
				€ 0.0 million	- € 0.0 million
Earnings-based derivatives	Black-Scholes model	Exit date of Warburg Pincus from Business Application segment	0.5 years	0.75 years	0.25 years
				- € 1.9 million	€ 3.6 million
		Volatility	35.0%	+1%	-1%
				- € 0.3 million	€ 0.3 million
Conditional purchase price obligation	Black-Scholes Modell	Exit date of Warburg Pincus from Business Application segment	0.5 years	0.75 years	0.25 years
				- € 1.7 million	€ 3.1 million
		Volatility	35.0%	+1%	-1%
				- € 0.3 million	€ 0.3 million
Investment in Kublai	DCF	WACC	5.0%	+0.5%	-0.5%
				- € 17.8 million	€ 22.8 million
		EBITDA-margin in the perpetual annuity	46.5%	+1%	-1%
				€ 3.8 million	-3.8 million €



## FINANCIAL STATEMENTS

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

The following table shows the main non-observable input factors for the fair value measurements categorized in Level 3 of the fair value hierarchy and a quantitative sensitivity analysis as of December 31, 2023:

Dec. 31, 2023	Measurement method	Main non-observable input factors	Considered in measurement	Sensitivity of input factor on fair value	
<b>Foreign currency-based derivatives</b>	<b>Monte Carlo simulation</b>	<b>Exit date of Warburg Pincus from Business Application segment</b>	<b>0.25 years</b>	<b>0.5 years</b>	<b>n.a.</b>
				- € 0.2 million	n.a.
				+1%	-1%
				€ 0.2 million	- € 0.2 million
<b>Earnings-based derivatives</b>	<b>Black-Scholes model</b>	<b>Exit date of Warburg Pincus from Business Application segment</b>	<b>0.25 years</b>	<b>0.5 years</b>	<b>n.a.</b>
				€ 1.9 million	n.a.
				+1%	-1%
				€ 0.2 million	- € 0.2 million
<b>Conditional purchase price liability</b>	<b>Black-Scholes model</b>	<b>Exit date of Warburg Pincus from Business Application segment</b>	<b>0.25 years</b>	<b>0.5 years</b>	<b>n.a.</b>
				€ 1.2 million	n.a.
				+1%	-1%
				€ 0.1 million	- € 0.1 million

Reconciliation to fair value in Level 3:

€k	Unlisted equity instruments	Derivatives	Conditional purchase price obligation
<b>As of January 1, 2023</b>		<b>64,536</b>	<b>-38,656</b>
Changes in value recognized in other operating expenses		-6,654	
Changes in value recognized in other operating income		316	
Changes in value recognized in financial expenses		-40,106	-7,812
Changes in value recognized in financial income		12,167	30,693
Derecognition		-17,504	4,853
<b>As of December 31, 2023</b>		<b>12,755</b>	<b>-10,922</b>
Addition due to reclassification from investments in associates	52,477		
Changes in value recognized in other operating expenses		-30	
Changes in value recognized in other operating income		2,071	
Changes in value recognized in financial expenses		-3,381	-15,155
Changes in value recognized in financial income		25,303	2,424
Revaluation recognized in other comprehensive income	19,323		
Disposal		-5,572	
<b>As of December 31, 2024</b>	<b>71,800</b>	<b>31,146</b>	<b>-23,653</b>

## 42. Transactions with related parties

IAS 24 defines related parties as those persons and companies that control or can exert a significant influence over the other party. Mr. Ralph Dommermuth, the major shareholder, as well as from the members of the Management Board and Supervisory Board of United Internet AG and their close relatives were classified as related parties. Moreover, companies over which the related parties exert a controlling influence are classified as related parties.

Prof. Dr. Andreas Söffing left the Supervisory Board on July 4, 2024.

In the fiscal year 2024, the members of the Supervisory Board also held seats on supervisory boards or similar committees of the following companies:

Phillip von Bismarck

- maincubes Holding & Service GmbH, Frankfurt am Main (member of the advisory committee)
- Asteria TopCo B.V., Amsterdam, Netherlands (chair of the advisory committee)
- Greenscale Data Centres Ltd., London, United Kingdom (member of the advisory committee)

Dr. Manuel Cubero del Castillo-Olivares

- Nürnberg Institut für Marktentscheidung e.V., Nürnberg (chair)
- Tele Columbus AG, Berlin (February to June 2024)
- Semper idem Underberg AG (chair, since July 2024)

**FINANCIAL STATEMENTS**

Balance sheet

**Notes as of December 31,  
2024**

Income Statement

Development of intangible  
and fixed assets

Cash flow

Responsibility statement

Shareholders' equity

Audit opinion

Prof. Dr. Andreas Söffing (until end of Supervisory Board activity on July 4, 2024)

- 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

Stefan Rasch

- Fond Of Group Holding GmbH, Cologne (chair of the advisory committee)

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

Prof. Dr. Franca Ruhwedel

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

The remuneration system for members of the Supervisory Board is based on statutory requirements and takes into account the recommendations of the German Corporate Governance Code (the "Code"). The members of the Supervisory Board receive fixed annual remuneration as well as attendance fees, but no variable or share-based remuneration. The Company shall support the members of the Supervisory Board in taking part in necessary further training measures for their activities on the Supervisory Board and on the Audit and Risk Committee and shall also bear the costs incurred to a reasonable extent.

The fixed annual remuneration amounts to € 30,000.00. The fixed annual remuneration for the Chairman of the Supervisory Board is € 120,000.00, and for the Deputy Chairman € 45,000.00. 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 per year. Members of the Supervisory Board and of the Audit and Risk Committee receive an attendance fee of € 1,500.00 for each time they attend a meeting held in person. If the meetings are held virtually and last no more than one hour, no attendance fee is paid. Members who virtually attend meetings held in person receive 25% of the attendance fee.

Total remuneration for the members of the Supervisory Board pursuant to IAS 24 and total remuneration pursuant to section 314 (1) no. 6 HGB, including attendance fees, amounted to € 522k in the fiscal year 2024 (prior year: € 525k). The remuneration plus any sales tax is due at the end of the fiscal year, and expenses are reimbursed immediately.

The Management Board of United Internet AG comprised the following members in the fiscal year 2024:

Management Board members on December 31, 2024

- Ralph Dommermuth, CEO
- Ralf Hartings, CFO (until December 31, 2024)
- Markus Huhn, Management Board member responsible for Shared Services

New Management Board member since January 1, 2025

- Carsten Theurer, CFO (since January 1, 2025)

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 (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") are not affected by this change. In accordance with the remuneration system of United Internet AG (as well as the largely comparable remuneration system of 1&1 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).

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 sales and earnings figures. The target attainment corridor is between 90% to 120%. If less than 90% of the target is achieved, there is no entitlement to payment of the STI. If more than 120% of the target is achieved, the overfulfilment is only taken into account up to 120% of the STI target. No subsequent amendment of the performance targets is allowed. As a rule, no minimum STI amount is guaranteed. Payment is made after the Annual Financial Statements have been adopted by the Supervisory Board. The long-term incentive program (LTI) is based on virtual stock options (Stock Appreciation Rights (SAR) program). Further details on United Internet's SAR program can be found in Note 36.

In consultation with the Supervisory Board, Mr. Ralph Dommermuth has waived his Management Board remuneration since the fiscal year 2016.

Total Management Board remuneration as defined by section 314 (1) number 6 a and b HGB amounted to € 1,456k in the reporting period (prior year: € 1,614k).

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

In accordance with IAS 24, the total Management Board and Supervisory Board remuneration was as follows:

€k	2024	2023
Short-term benefits	1,977	2,677
Benefits after termination of employment	0	0
Other benefits due in the long term	0	0
Benefits on the occasion of termination of employment	0	500
Share-based payments	675	-811
	<b>2,653</b>	<b>2,366</b>

In the fiscal year 2024, accruals were formed for outstanding payments in connection with the short-term variable remuneration (STI) of the Management Board members. These accruals amount to a total of € 450k (previous year: € 338k). The payments had not yet been made as of the balance sheet date and will be disbursed in the coming fiscal year

As of December 31, 2024, the Management Board members Mr. Ralph Dommermuth, Mr. Rolf Hartings, and Mr. Markus Huhn held 93,955,205 (prior year: 93,955,205), 21,016 and 500 (prior year: 500) shares in United Internet AG, respectively, and the Supervisory Board members Mr. Stefan Rasch and Prof. Dr. Andreas Söffing held 3,500 (prior year: 3,500) and 12,500 (prior year: 12,500) shares in United Internet AG, respectively.

As in the previous year, no advances or loans were granted to current or former members of the Management Board nor to current or former members of the Supervisory Board in the reporting period. Similarly, no guaranties were pledged in favor of this group of people.

Further individualized disclosures and explanations, as well as a description of the remuneration system for members of the Management Board and Supervisory Board, are provided in the Remuneration Report.

In addition, the United Internet Group can exert a significant influence on its associated companies.

### Transactions with related parties

Sales to and purchases from related parties are conducted at standard market conditions. The open balances at year-end are unsecured, non-interest-bearing (with the exception of cash pooling), and settled in cash. There are no guarantees for receivables from or liabilities due to related parties. Receivables are regularly reviewed for impairment. No allowances were recognized for receivables from related parties in fiscal year 2024 or the previous year. This includes an assessment of the financial position of the related party and the development of the market in which they operate.

As in the previous year, United Internet's premises in Montabaur and Karlsruhe are leased in part from Mr. Ralph Dommermuth, the Chief Executive Officer and a major shareholder of the Company, as well as his close family members. The corresponding lease agreements have different terms until the end of 2035. The resulting rent expenses are customary and amounted to € 18,355k in the fiscal year 2024 (prior year: € 15,376k).

Ms. Judith Dommermuth is a member of the supervisory board of Borussia Dortmund GmbH & Co. KGaA. In this context, the sponsorship payments made to Borussia Dortmund in the past fiscal year amounting to € 20,000k are to be classified as related party transactions.

In addition, transactions with the following foundations are classified as related party transactions:

- Ralph und Judith Dommermuth Stiftung
- Stiftung United Internet for UNICEF
- Internet Economy Foundation
- Westerwelle Foundation

In the past fiscal year 2024, the Internet Economy Foundation charged United Internet AG € 50k. There were no other transactions.

The following table presents rights of use in connection with related parties in the fiscal year 2024.

€k	Opening balance	Addition of fiscal year	Amortization / depreciation	Carrying amount
Rights of use	148,815	3,399	-14,638	137,576

The following table presents lease liabilities in connection with related parties in the fiscal year 2024.

€k	Opening balance	Addition of fiscal year	Redemption / interest	Carrying amount
Lease liabilities	154,203	3,399	-12,617	144,986

Due to the expansion of the group of related parties, the opening balances of the rights of use increased by € 20,328k and the opening balances of the lease liabilities by € 21,077k compared to the carrying amounts at the end of the fiscal year 2023.

At the end of the reporting period, there were two loan agreements with associated companies totaling € 4,996k (prior year: € 6,729k).

The loans have terms of one and up to two years. The tranches each have fixed interest rates of up to 11.75% p.a.

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

The following table presents the outstanding balances and total transactions volumes with associated companies and related parties in the respective fiscal year:

	<b>Purchase/ services from related parties</b>		<b>Sales/ services to related parties</b>		<b>Liabilities due to related parties</b>		<b>Receivables from related parties</b>	
€k	2024	2023	2024	2023	2024	2023	2024	2023
<b>Total</b>	<b>36,439</b>	<b>33,911</b>	<b>540</b>	<b>4,096</b>	<b>899</b>	<b>519</b>	<b>40</b>	<b>451</b>
thereof related	21,826	21,232	411	580	2	310	30	119
thereof associated	14,613	12,679	129	3,516	897	209	10	332

	<b>Financial income</b>		<b>Financial expenses</b>	
€k	2024	2023	2024	2023
<b>Total</b>	<b>293</b>	<b>467</b>	<b>0</b>	<b>0</b>
thereof related	0	0	0	0
thereof associated	293	467	0	0

In addition to supply and service relationships, purchase/services mainly include rental payments to related parties.

## 43. Objectives and methods of financial risk management

### Principles of risk management

The risk management system introduced by the United Internet Group is based on the COSO-ERM framework and is described in detail in the Management Report.

The principles of finance policy are set by the Management Board and monitored by the Supervisory Board. Certain transactions require the prior approval of the Supervisory Board.

The main financial liabilities of the Group include bank loans, promissory note loans and overdraft facilities, trade accounts payable, and other financial liabilities.

The Group holds various financial assets which result directly from its business activities. They consist mainly of trade accounts receivable, and short-term deposits.

As of the reporting date, the Group mainly held primary financial instruments.

The aim of financial risk management is to limit these risks through ongoing operating and financial activities. The Group is hereby exposed to certain risks with regard to its assets, liabilities, and planned transactions, especially liquidity risks and market risks, as described below.

### Liquidity risk

Liquidity risk constitutes the risk that a company will be unable to meet the financial obligations arising from its financial liabilities. As in the previous year, the general liquidity risk of United Internet consists of the possibility that the Group may not be able to meet its current financial obligations in due time. Especially in view of the cost-intensive rollout of the mobile communications network over many years, both short-term liquidity forecasts and longer-term financial planning are conducted in order to secure the solvency and the financial flexibility of the United Internet Group at all times. We expect to be able to cover investments in the mobile communications network predominantly from existing liquidity and future cash flows from operating activities, as well as loans.

As a result of the expected positive contribution to liquidity from operations and the interest-optimized use of the credit lines already granted, the Group is able to ensure the continual coverage of its financial needs at all times. The credit commitments granted to the Company by banks and the existing syndicated loan facility offer sufficient flexibility for these needs. In order to maintain financial stability, a balanced financial structure is sought which provides both the diversification of financial instruments and a balanced maturity profile.

Global cash requirements and surpluses are managed by the central liquidity management system. The daily automated pooling of bank balances held by the participating Group companies (cash pooling) provides United Internet AG at all times with the predominant proportion of its cash denominated in euro. The Group has established standardized processes and systems to manage its bank and netting accounts as well as for the execution of payment transactions.

At the end of the reporting period, the Company had total liquid funds of € 114.9m (prior year: € 27.7m) as well as free credit lines of € 1,800m (prior year: € 840m) and thus has more than sufficient liquidity



## FINANCIAL STATEMENTS

Balance sheet	Notes as of December 31, 2024
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

reserves for the fiscal year 2025. The Management Board assumes that additional lines can be raised on the capital market if necessary.

The following tables show all contractually fixed cash flows for redemption, repayments, and interest for financial liabilities carried in the balance sheet as of December 31, 2024 and December 31, 2023:

€k	Carrying amount on						Total
	Dec. 31, 2024	2025	2026	2027	2028	> 2028	
Liabilities due to banks	2,813,701	437,323	1,272,736	914,798	100,644	330,375	3,055,876
Trade accounts payable	800,496	798,071	0	0	0	2,425	800,496
Other financial liabilities	830,371	179,428	133,701	128,437	128,438	260,367	830,371
	<b>4,444,568</b>	<b>1,414,822</b>	<b>1,406,436</b>	<b>1,043,235</b>	<b>229,082</b>	<b>593,167</b>	<b>4,686,743</b>
Lease liabilities	1,072,997	162,795	119,028	118,121	107,124	798,895	1,305,963
	<b>5,517,565</b>	<b>1,577,617</b>	<b>1,525,465</b>	<b>1,161,356</b>	<b>336,206</b>	<b>1,392,062</b>	<b>5,992,706</b>

Payments from other financial liabilities mainly comprise payment obligations in connection with the 5G spectrum auction of € 61.3m (prior year: € 61.3m) in the fiscal year 2025. Payments to the German government do not follow a linear pattern. Cash outflows of € 61.3m (prior year: € 61.3m) are expected in the fiscal year 2025, as well as cash outflows of € 128m (prior year: € 128m) each year in the fiscal years 2026 to 2029.

€k	Carrying amount on						Total
	Dec. 31, 2023	2024	2025	2026	2027	> 2027	
Liabilities due to banks	2,464,260	621,195	335,441	1,384,175	229,847	78,839	2,649,496
Trade accounts payable	702,578	699,220	0	0	0	3,358	702,578
Other financial liabilities	865,982	153,342	128,568	133,523	128,438	322,111	865,982
	<b>4,079,884</b>	<b>1,520,820</b>	<b>464,009</b>	<b>1,517,698</b>	<b>358,285</b>	<b>404,308</b>	<b>4,265,119</b>
Lease liabilities	797,249	137,742	94,463	92,905	85,765	483,575	894,450
	<b>4,877,133</b>	<b>1,658,562</b>	<b>558,472</b>	<b>1,610,602</b>	<b>444,050</b>	<b>887,883</b>	<b>5,159,569</b>

For the calculation of cash flows from liabilities to banks, management assumed that the portion of the revolving syndicated loan facility currently used amounting to € 150m (prior year: € 150m) would remain constantly drawn until the end of its term (2029).

Please refer to Note 31 for details on interest and redemption payments for liabilities to banks.

The Company has no significant concentration of liquidity risks.

## Market risk

The activities of United Internet are mainly exposed to financial risks from changes in interest rates, exchange rates, stock exchange prices, and credit or contingency risks.

### Interest risk

The interest (rate) risk refers to the risk that fair values or future interest payments on existing and future financial liabilities may fluctuate due to changes in market interest rates.

The Group is fundamentally exposed to interest risks as some of its financial instruments as of the reporting date bear variable interest rates with varying terms. There is an interest rate risk for drawings from the revolving syndicated loan, the syndicated loan, the bilateral credit lines and the variable-rate promissory note loans totaling € 1,080.5m (previous year: € 704.3m).

With the aid of the liquidity planning, various investment possibilities or possibilities to reduce surplus liquidity are constantly analyzed. The maturity profile and amount of the Group's variable-rate financial instruments are regularly reviewed and appropriate measures are taken to ensure liquidity and the management of interest risks.

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 reporting date. A 1% increase or decrease in the Euribor would have affected the financial result of the fiscal year by € -9,250k and € +9,256k, respectively.

The Group does not expect any material changes in risk premiums in the foreseeable future. United Internet currently regards the interest risk for its existing variable-rate financial instruments as low.

The interest risk is negligible for other interest-bearing liabilities. At the end of the reporting period, there were no external interest-hedging transactions.

### Currency risk

A currency risk is the risk that fair values or future cash flows of financial instruments may fluctuate due to changes in exchange rates. The Group companies are mainly exposed to currency risks as a result of their operations (if revenue and/or expenses are in a currency other than the functional currency of the respective company). In order to cover such foreign currency risks, United Internet strives to achieve an equilibrium between the incoming and outgoing payments in non-functional currencies (so-called natural hedging). Currency risks which do not affect cash flows (i.e., risks from translating the assets and liabilities of the Group's foreign companies) are not hedged against. With regard to operating activities, individual Group companies perform their business mainly in their respective functional currencies. As in the previous year, the currency risk from operations is therefore regarded as low. In the reporting period, there were no currency risks which significantly affected cash flows. At the end of the reporting period, there were no external currency-hedging transactions.

FINANCIAL STATEMENTS	
Balance sheet	Notes as of December 31, 2024
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

The currency risks arising from original financial instruments in a currency and of a monetary nature other than that of the functional currency as of the reporting date were valued by the Company. No material currency risks arose from this analysis.

### Stock exchange risk (valuation risk)

The United Internet Group recognizes financial assets (equity instruments) as follows:

- measured at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition or
- measured at fair value through profit or loss.

Depending on the measurement category and the share price development of listed investments, changes in equity without affecting income, or income and expenses, may arise.

There were no listed equity instruments as at the end of the reporting period.

### Credit and contingency risk

As a result of its operating activities, the Group is exposed to a contingency risk. In order to reduce default risks, a sophisticated and preventive fraud management system has been established which is permanently enhanced. Outstanding amounts are monitored locally and on a continual basis. Individual and lump-sum allowances are made to account for non-avoidable contingency risks.

With regard to trade accounts receivable, the maximum risk in the gross amount stated in the balance sheet is before allowances. Trade accounts receivable which are not impaired as of the reporting date, are classified according to periods in which they become overdue (see Note 19).

### Internal rating system

A pre-contractual fraud check is generally conducted and collection agencies are also used for the management of receivables. In addition, a pre-contractual check of creditworthiness is made in the media sales business.

The Company has no significant concentration of credit risks.

### Risks from financial covenants

The existing loans of United Internet AG are tied to so-called financial covenants. The infringement of a certain net debt-to-EBITDA ratio could result in individual banks terminating outstanding loans with the Company. In view of the low net debt-to-EBITDA ratio of United Internet at present, the probability of infringement is regarded as low. Compliance with the covenants is regularly monitored by the Company's Management Board and was met throughout the year.

### Capital management

In addition to the legal provisions for stock corporations, United Internet AG has no further obligations to maintain capital according to its statutes or other agreements. The key financial indicators used by the Company are mainly performance-oriented. The targets, methods, and processes of capital management are thus subordinate to these performance-oriented financial indicators.

In order to maintain and adapt its capital structure, the Company can adjust dividend payments or pay capital back to its shareholders, can purchase treasury shares and place them again if required, or issue new shares. Please refer to the statement of changes in shareholders' equity. As of December 31, 2024 and December 31, 2023, no changes were made to the Company's targets, methods, and processes.

Please refer to Note 31 for further details.

## 44. Contingencies, contingent liabilities, and other commitments

### Contingent liabilities

Contingent liabilities represent a possible obligation whose existence depends on the occurrence of one or more uncertain future events, or a current obligation whose payment is not likely or whose amount cannot be reliably estimated.

In the previous years, advance service providers have filed claims in the low three-digit million range (for the purposes of internal classification, amounts of up to € 333m are defined as being in the low three-digit million range, and the claims filed do not exceed this amount in total). As of the reporting date December 31, 2023, United Internet AG considers the claims of the counterparties to be unfounded and still regards an outflow of resources for these contingent liabilities as unlikely.

### Litigation

Litigation risks mainly relate to various legal disputes of Group subsidiaries.

Accruals for litigation were formed for any commitments arising from these disputes (see Note 33).

### Guarantees

As of the reporting date, the Group has issued no guarantees.

### Guarantees and other obligations

The Company is jointly and severally liable for credit lines granted to companies of the United Internet Group by a bank. The credit facilities had only been utilized with regard to guarantees as of the reporting date.

The Management Board has no knowledge of any other facts which could have a significant, adverse effect on the business activities, the financial situation or the operating result of the Company.

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

## 45. Leases and other financial commitments

### Group as lessee

The obligations mainly comprise leased network obligations including subscriber lines, buildings, technical equipment, and vehicles.

Most leases have options to prolong the contractual relationship. The terms of these prolongation options are negotiable or identical with the current terms. The Company currently intends to exercise all material prolongation options. The Company does not intend to exercise any material termination options. In the case of leases for antenna locations in connection with the 1&1 mobile network, however, no prolongation options beyond the non-cancelable basic term are included in the term as there is no reasonable certainty that they will be exercised (see Note 3). If exercised, the prolongation options not included in the measurement pursuant to IFRS 16 will result in future payment obligations of € 482m (December 31, 2023: € 133m). These are mainly payment obligations for the network infrastructure.

The following expenses from leases were incurred in the reporting period:

€k	2024	2023
<b>Depreciation of right-of-use assets</b>		
- Land and buildings	53,737	49,629
- Operating and office equipment	2,446	1,944
- Network infrastructure	77,019	61,820
- Licenses	1,591	1,591
<b>Total depreciation of right-of-use assets</b>	<b>134,793</b>	<b>114,983</b>
<b>Interest expense from lease liabilities</b>	<b>35,645</b>	<b>21,347</b>
<b>Expense for short-term leases</b>	<b>1,703</b>	<b>2,014</b>
<b>Expense for low-value leases</b>	<b>596</b>	<b>351</b>

As of December 31, 2024, the carrying amounts of right-of-use assets by class of underlying assets are as follows:

€k	Carrying amount on Dec. 31, 2024	Carrying amount on Dec. 31, 2023
Land and buildings	413,153	400,765
Operating and office equipment	4,976	5,163
Network infrastructure	686,597	388,519
Licenses	1,591	3,182

As of December 31, 2024, existing lease liabilities have the following terms:

€k	Dec. 31, 2024	Dec. 31, 2023
up to 1 year	140,888	129,414
1 to 5 years	359,734	308,283
Over 5 years	572,375	359,553
<b>Total</b>	<b>1,072,997</b>	<b>797,249</b>

As of December 31, 2024, lease obligations developed as follows:

€k	Dec. 31, 2024	Dec. 31, 2023
As of January 1	797,250	646,954
Additions	450,689	291,165
Interest effect	35,645	21,347
Payments	-172,738	-142,690
Disposals	-37,849	-19,527
As of December 31	1,072,997	797,250
thereof current	140,888	129,414
thereof non-current	932,109	667,836

Payments as a result of lease obligations are disclosed in cash flow from financing activities.

For further information, please refer to the explanations in 2.3 and Note 43.

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

## Group as lessor

### Finance leases

The Group acts as the lessor of finance leases via the 1&1 Versatel Group. Receivables from finance leases are disclosed in trade accounts receivable. The following table shows a reconciliation of gross investments in leases and the present value of outstanding minimum lease payments, as well as their maturities:

€k	Dec. 31, 2024	Dec. 31, 2023
<b>Gross investment</b>		
(thereof unguaranteed residual value)		
thereof due within 1 year	6,276	6,742
thereof due in 1-5 years	18,150	20,849
thereof due after more than 5 years	13,189	15,090
Unearned finance income	-2,598	-3,101
<b>Net investment</b>	<b>35,016</b>	<b>39,580</b>
Accumulated impairment	0	0
Receivables from sales taxes and other	1,326	1,659
<b>Carrying amount of finance lease receivables</b>	<b>36,342</b>	<b>41,239</b>
thereof present value of unguaranteed residual values	0	0
<b>Present value of outstanding minimum lease payments</b>	<b>35,016</b>	<b>39,580</b>
thereof due within 1 year	6,146	6,636
thereof due in 1-5 years	17,132	19,635
thereof due after more than 5 years	11,739	13,309

Finance lease receivables relate solely to leases for the provision and use of dark fiber lines.

In fiscal year 2024, no new finance lease agreements were concluded regarding the provision of fiber pairs (prior year: € 0m). As in the previous year, the maturities range from 15 to 29 years.

### Operating leases

1&1 Versatel is a lessor as part of operating leases. The underlying agreements mainly relate to the leasing of fiber-optic pairs. The agreements do not contain any residual value guarantees or variable lease payments. Due to the strategic importance of the leased fiber-optic pairs for the respective lessees, the residual value risk is considered to be minor.

Total income from operating leases amounted to € 39,848k in fiscal year 2024 (prior year: € 40,656k). These are entirely attributable to fixed lease payments.

The maturities of lease payments from operating leases is shown in the table below:

Due dates in k€	Dec. 31, 2024	Dec. 31, 2023
up to 1 year	22,137	26,849
1 to 2 years	18,121	20,920
2 to 3 years	17,093	18,060
3 to 4 years	14,539	17,344
4 to 5 years	6,321	15,915
Over 5 years	16,297	20,005
<b>Total</b>	<b>94,507</b>	<b>119,093</b>

Cash inflows from leases as a lessor are recognized in cash flow from operating activities.

## Other financial commitments

The main other financial commitments are described below:

<b>Dec. 31, 2024</b>		
€k	Current	Non-current
Unrecognized lease obligations	1,488	306
Supply and service relationships	124,981	683,974
thereof from advertising contracts	10,105	0
<b>Total</b>	<b>126,469</b>	<b>684,280</b>

<b>Dec. 31, 2023</b>		
€k	Current	Non-current
Unrecognized lease obligations	1,418	250
Supply and service relationships	131,203	390,539
thereof from advertising contracts	9,935	21,920
<b>Total</b>	<b>132,621</b>	<b>390,790</b>

The Group applies the exemptions provided by IFRS 16 for leases with terms ending within 12 months from the date of initial application and where the underlying asset is of low value. Lease obligations not recognized in the balance sheet due to this application relief amounted to € 1,794k as of December 31, 2024 (prior year: € 1,668k).

As part of the MBA MVNO agreement with Telefónica, the United Internet subsidiary 1&1 AG made a binding purchase of network capacity consisting of data volume as well as voice and SMS contingents for the term of the contract until July 2025. The capacity to be purchased under the terms of the MBA MVNO agreement represents 20% to 30% of the used capacity of the Telefónica network. Following the conclusion of the MBA MVNO agreement, 1&1 is able to decrease or increase the acquired contingents to a defined extent on a quarterly basis. The payments for the service components of the agreement amount to a mid-three-digit million amount per year. An exact amount cannot be determined because the payments depend on various contractual variables, as well as any future decrease or increase of capacities. Since summer 2024, 1&1 has been using national roaming from Vodafone as planned and is gradually reducing its advance services from Telefónica Germany. Vodafone's national roaming services



**FINANCIAL STATEMENTS**

Balance sheet

**Notes as of December 31,  
2024**

Income Statement

Development of intangible  
and fixed assets

Cash flow

Responsibility statement

Shareholders' equity

Audit opinion

account for around € 635,337k (prior year: € 285,000k) of the commitments from supply and service relationships.

In addition, there are purchase commitments until September 30, 2027, resulting from a purchase agreement amounting to € 182.0m in the short term and € 673.5m in the long term.

On September 5, 2019, the United Internet subsidiary 1&1 AG signed an agreement with the German Federal Ministry of Transport and Digital Infrastructure (BMVI) and the German Federal Ministry of Finance (BMF) regarding the construction of mobile communication sites in so-called "not-spots". As a result, 1&1 is committed to make total investments of € 50m. 1&1 is thus helping to close existing supply gaps and improve the provision of mobile communications in rural regions by building base stations. These commitments are not included in the other commitments listed above as they are interest-like in nature.

## 46. Statement of cash flows

Income tax payments in fiscal year 2024 amounted to € 301.9m (prior year: € 267.1m), while income tax proceeds totaled € 29.7m (prior year: € 26.6m). The tax inflows and outflows are recognized in cash flow from operating activities.

As in the previous year, cash and cash equivalents do not include amounts which are only usable under certain conditions.

### Reconciliation of balance sheet changes in liabilities from financial activities:

	Jan. 01, 2024	cash transactions			non-cash transactions		Dec. 31, 2024
	Carrying amounts	Redemption	Interest payments	Borrowings from liabilities	Interest expenses	Transfers and other changes	Carrying amounts
Non-current loan liabilities	1,881.8	-400.0	-76.0	980.0	76.0	-4.6	2,457.2
Current loan liabilities	581.9	-546.8	-37.9	323.5	37.0	-1.3	356.5
Lease liabilities	797.2	-137.1	-35.6	412.9	35.6	0.0	1,073.0
Spectrum liabilities	763.6	-61.3	0.0	0.0	5.6	-5.4	702.6
<b>Total liabilities from financing activities</b>	<b>4,024.6</b>	<b>-1,145.2</b>	<b>-149.5</b>	<b>1,716.4</b>	<b>154.2</b>	<b>-11.2</b>	<b>4,589.3</b>

	Jan. 01, 2023	cash transactions			non-cash transactions		Dec. 31, 2023
	Carrying amounts	Redemption	Interest payments	Borrowings from liabilities	Interest expenses	Transfers and other changes	Carrying amounts
Non-current loan liabilities	1,498.8	-400.0	-45.0	1,012.0	45.0	-229.0	1,881.8
Current loan liabilities	656.7	-382.0	-20.0	75.0	21.8	230.4	581.9
Lease liabilities	646.9	-121.3	-21.4	271.6	21.3	0.0	797.2
Spectrum liabilities	825.0	-61.3	0.0	0.0	6.1	-6.1	763.6
<b>Total liabilities from financing activities</b>	<b>3,627.4</b>	<b>-964.6</b>	<b>-86.4</b>	<b>1,358.6</b>	<b>94.2</b>	<b>-4.7</b>	<b>4,024.6</b>

Initial recognition of the 5G spectrum in the fiscal year 2019 was made against the background of the deferral and installment payment agreed with the German government, extending the balance sheet and thus neutralizing cash flow. Leases are always recognized directly in equity upon initial recognition. Current payments include interest and repayment components and are reported in cash flow from financing activities.

Cash flows in connection with the change in other financial liabilities of € 131.1m (prior year: € 111.8m) are recognized in cash flow from operating activities.

In the course of preparing the current cash flow statement, a position from the previous year was adjusted retroactively. This adjustment results from a refinement of the methodical accrual and serves to improve comparability of the figures. The correction has no influence on total cash flows, but only affects allocation within cash flow from operating activities. The following adjustments were made:

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

in million €

2023

	New	Old
Finance revenue	-2	-45
Change in payables and other assets	-137	-94
<b>Cash flow from operating activities</b>	<b>828</b>	<b>828</b>

## 47. Exemption pursuant to section 264 (3) HGB and section 264b HGB

The following subsidiaries of United Internet AG make use of the exempting provisions of section 264 (3) HGB:

- 1&1 De-Mail GmbH, Montabaur
- 1&1 Energy GmbH, Montabaur
- 1&1 Mail & Media Development & Technology GmbH, Montabaur
- 1&1 Mail & Media Service GmbH, Montabaur
- 1&1 Mail & Media Applications SE, Montabaur
- 1&1 Versatel GmbH, Düsseldorf
- A 1 Marketing, Kommunikation und neue Medien GmbH, Montabaur
- United Internet Corporate Holding SE, Montabaur
- United Internet Corporate Services GmbH, Montabaur
- United Internet Investments Holding AG & Co. KG, Montabaur
- United Internet Management Holding SE, Montabaur
- United Internet Media GmbH, Montabaur
- United Internet Service SE, Montabaur
- United Internet Sourcing & Apprenticeship GmbH, Montabaur

## 48. List of shareholdings of the United Internet AG Group acc. to section 313 (2) HGB

As of December 31, 2023, the Group includes the following subsidiaries in which United Internet AG holds a direct or indirect majority interest (as indicated by the shareholdings in brackets). Unless otherwise stated, the shareholding corresponds to the proportion of voting rights:

- **1&1 Mail & Media Applications SE, Montabaur (100.0%)**
  - 1&1 Mail & Media Development & Technology GmbH, Montabaur (100.0%)
  - 1&1 Mail & Media GmbH, Montabaur (100.0%)
    - 1&1 De-Mail GmbH, Montabaur (100.0%)
    - 1&1 Energy GmbH, Montabaur (100.0%)
    - 1&1 Mail & Media Inc., Philadelphia / USA (100.0%)
  - 1&1 Mail & Media Service GmbH, Montabaur (100.0%)
  - UIM United Internet Media Austria GmbH, Vienna / Austria (100.0%)
  - United Internet Media GmbH, Montabaur (100.0%)

■ **United Internet Management Holding SE, Montabaur (100.0%)**

- 1&1 Versatel GmbH, Düsseldorf (100.0%)
  - 1&1 Versatel Deutschland GmbH, Düsseldorf (100.0%)
    - TROPOLYS Service GmbH (in liquidation), Düsseldorf (100.0%)
    - TROPOLYS Netz GmbH (in liquidation), Düsseldorf (100.0%)
    - Versatel Immobilien Verwaltungs GmbH (in liquidation), Düsseldorf (100.0%)

■ **1&1 AG, Montabaur (78.32%)**

- 1&1 Telecommunication SE, Montabaur (100.0%)
  - 1&1 Logistik GmbH, Montabaur (100.0%)
  - 1&1 Telecom Holding GmbH, Montabaur (100.0%)
    - 1&1 Telecom GmbH, Montabaur (100.0%)
  - 1&1 Telecom Sales GmbH, Montabaur (100.0%)
  - 1&1 Telecom Service Montabaur GmbH, Montabaur (100.0%)
  - 1&1 Telecom Service Zweibrücken GmbH, Zweibrücken (100.0%)
- Blitz 17-665 SE, Maintal (100.0%)
- Blitz 17-666 SE, Maintal (100.0%)
- CA BG AlphaPi AG, Vienna / Austria (100.0%)
- Drillisch Logistik GmbH, Maintal (100.0%)
- Drillisch Online GmbH, Maintal (100.0%)
  - 1&1 Mobilfunk GmbH, Düsseldorf (100.0%)
  - 1&1 Towers GmbH, Düsseldorf (100.0%)
- IQ-optimize Software GmbH, Maintal (100.0%)

■ **IONOS Group SE, Montabaur (63.84%)**

- IONOS Holding SE, Montabaur (100.0%)
  - STRATO GmbH, Berlin (100.0%)
    - Cronon GmbH, Berlin (100.0%)
    - STRATO Customer Service GmbH, Berlin (100.0%)
  - IONOS SE, Montabaur (100.0%)
    - 1&1 Internet Development SRL, Bucharest / Romania (100.0%)
    - IONOS Inc., Philadelphia / USA (100.0%)
      - A1 Media USA LLC, Philadelphia / USA (100.0%)
      - 1&1 Cardgate LLC, Philadelphia / USA (100.0%)
    - IONOS Cloud Inc., Newark / USA (100.0%)
    - IONOS Datacenter SAS, Niederlauterbach / France (100.0%)
    - IONOS Cloud S.L.U., Madrid / Spain (100.0%)
    - IONOS Cloud Ltd., Gloucester / UK (100.0%)
    - IONOS (Philippines) Inc., Cebu City / Philippines (99.96%)
    - IONOS S.A.R.L., Saargemünd / France (100.0%)
    - IONOS Service GmbH, Montabaur (100.0%)
    - IONOS Cloud Holdings Ltd., Gloucester / UK (100.0%)
      - Fasthosts Internet Ltd., Gloucester / UK (100.0%)
    - Arsys Internet S.L.U., Logroño / Spain (100.0%)
      - Arsys Internet E.U.R.L., Perpignan / France (100.0%)
      - Tesys Internet S.L.U., Logroño / Spain (100.0%)
    - home.pl S.A., Stettin / Poland (100.0%)
      - AZ.pl Sp. z o.o., Stettin / Poland (100.0%)
      - HBS Cloud Sp. z o.o., Stettin / Poland (100.0%)
      - premium.pl Sp. z o.o., Stettin / Poland (75.0%)

**FINANCIAL STATEMENTS**

Balance sheet	<b>Notes as of December 31, 2024</b>
Income Statement	Development of intangible and fixed assets
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

- Immobilienverwaltung AB GmbH, Montabaur (100.0%)
- InterNetX Holding GmbH, Regensburg (100.00%)
  - InterNetX GmbH, Regensburg (100.0%)
    - Domain Robot Enterprises Inc., Vancouver / Canada (100%)
    - InterNetX. Corp., Miami / USA (100.0%)
    - PSI-USA, Inc.. Las Vegas / USA (100.0%)
    - Schlund Technologies GmbH, Regensburg (100.0%)
    - PrivateName Services Inc., Richmond / Canada (100.0%)
  - Sedo GmbH, Cologne (100.0%)
    - DomCollect International GmbH, Montabaur (100.0%)
    - Sedo.com LLC, Cambridge / USA (100.0%)
    - Sedo.cn Ltd., Shenzhen / China (100.0%)
- united-domains GmbH, Starnberg (100.0%)
  - united-domains Reselling GmbH, Starnberg (100.0%)
- we22 GmbH, Cologne (100.0%)
  - we22 Solutions GmbH, Berlin (100.0%)
  - CM4all GmbH, Cologne (100.0%)
    - Content Management Inc., New York / USA (100.0%)
- World4You Internet Services GmbH, Linz / Austria (100.0%)

**Other:**

- CA BG AlphaRho AG, Vienna / Austria (100.0%)
- United Internet Corporate Holding SE, Montabaur (100.0%)
- United Internet Corporate Services GmbH, Montabaur (100.0%)
  - A 1 Marketing Kommunikation und neue Medien GmbH, Montabaur (100.0%)
- United Internet Investments Holding AG & Co. KG, Montabaur (100.0%)
- United Internet Service SE, Montabaur (100.0%)
  - United Internet Sourcing & Apprenticeship GmbH, Montabaur (100.0%)

**Associated companies**

Investments over whose financial and business policies the Group has a significant influence are carried as associated companies using the equity method pursuant to IAS 28 and comprise the following main companies:

- DomainsBot S.r.l, Rome / Italy (49.0%)
  - DomainsBot Inc., Dover / USA (100.0%)
- rankingCoach GmbH, Cologne (31.52%)
- Street Media GmbH, Berlin (28.70%)
- Open-Xchange AG, Cologne (25.39%)
- Stackable GmbH, Pinneberg (27.54%)
- uberall GmbH, Berlin (25.1%)
- AWIN AG, Berlin (20.0%)

**Other investments**

Companies in which the Group has invested and over whose financial and business policies it has no significant influence (< 20% of voting shares) are included as financial instruments pursuant to IFRS 9 and held as financial assets measured at fair value through other comprehensive income (equity instruments with no recycling of cumulative gains and losses upon derecognition):

- MMC Investments Holding Company Ltd., Port Louis / Mauritius (in liquidation) (11.36%)

- Worcester Six Management Company Ltd., Birmingham / UK (6.45%)
- High-Tech Gründerfonds III GmbH & Co. KG, Bonn (0.95%)
- Growth Brands Opportunity Group LLC, Wilmington / USA (10.00%)
- Kublai GmbH, Frankfurt am Main (4.71%)

### **Changes in the reporting unit**

The following companies were acquired in the fiscal year 2024:

- No events

The following companies were founded in the fiscal year 2024:

- No events

The legal status of the following companies was changed in the fiscal year 2024:

- STRATO GmbH (formerly Strato AG), Berlin (100.0%)
- united-domains GmbH (formerly united-domains AG), Starnberg (100.0%)

The following companies were renamed in the fiscal year 2024:

- No events

The following companies were merged with an existing Group company in the fiscal year 2024:

- rankingCoach International GmbH (merged with rankingCoach GmbH), Cologne (31.52%)

The following companies were liquidated in the fiscal year 2024:

- Content Management Support GmbH, Cologne (100.0%)

**FINANCIAL STATEMENTS**

Balance sheet

**Notes as of December 31,  
2024**

Income Statement

Development of intangible  
and fixed assets

Cash flow

Responsibility statement

Shareholders' equity

Audit opinion

## 49. Subsequent events

### Change in the Management Board

On January 2, 2025, United Internet announced that Mr. Ralf Hartings, CFO of United Internet AG, was stepping down from his position at United Internet AG as of March 31, 2025.

With effect from January 1, 2025, Carsten Theurer is Ralf Harting's successor as CFO of United Internet AG. Carsten Theurer previously worked in various divisions of the Schwarz Group for over 20 years, in his last position as Group CFO. In these roles, he accompanied the international growth of the Schwarz Group in the retail sector and played a key role in setting up the company's own production companies.

### Use of JBIC loan after the balance sheet date

In December 2024, United Internet and Japan Bank for International Cooperation (JBIC) signed a loan agreement for up to € 800m.

As of the balance sheet date on December 31, 2024, this loan had not been drawn down and the full amount of € 800m was thus still available (prior year: €0).

In February 2025, an amount of € 290m from the loan was drawn down. This event has no effect on the financial information prepared as of the balance sheet date.

### Use of syndicated loan facility after the balance sheet date

In December 2024, United Internet successfully refinanced a syndicated loan facility with its core banks. A term until December 2029 was agreed for the new syndicated loan facility of € 950m, which includes contractually agreed extension options.

As of the balance sheet date on December 31, 2024, € 150m of the new syndicated loan facility had been drawn. As a result, funds of € 800m were still available to be drawn from the credit facility.

In March 2025, the loans drawn down to date under the syndicated loan facility were repaid in full, so that the loan facility is now available in full. This event has no effect on the financial information prepared as of the balance sheet date.

Apart from the above, there were no other significant events subsequent to the end of the reporting period on December 31, 2024 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.

## 50. Auditing fees

In fiscal year 2024, auditing fees totaling € 5.4m (prior year: € 5.5m) were expensed in the Consolidated Financial Statements. These include auditing fees of € 4.5m (prior year: € 4.1m), other assurance services of € 0.9m (prior year: € 1.4m), and other services € 0m (prior year: € 0m). Auditing fees comprise both statutory audits, as well as audits of Group packages. Other assurance services mainly relate to voluntary audits and assurances in connection with the Sustainability Report. In the previous year, there

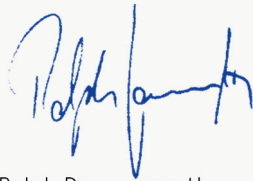
were additional assurances in connection with the IPO of IONOS Group SE. The other services mainly relate to fees for project-based consultancy services.

## 51. Corporate Governance Code

The declaration pursuant to section 161 AktG on observance of the German Corporate Governance Code was submitted by the Management Board and Supervisory Board and has been made available to shareholders via the internet portal of United Internet AG at [www.united-internet.de](http://www.united-internet.de). The declaration for 1&1 AG is available at [www.1und1.de](http://www.1und1.de) and for IONOS Group SE at [www.ionos.de](http://www.ionos.de).

Montabaur, March 25, 2025

The Management Board



Ralph Dommermuth



Carsten Theurer



Markus Huhn



FINANCIAL STATEMENTS	
Balance sheet	Notes as of December 31, 2024
Income Statement	<b>Development of Intangible and fixed assets</b>
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

## DEVELOPMENT OF INTANGIBLE AND FIXED ASSETS

for the fiscal year 2024 and 2023 in €k

2024	Acquisition and production costs					Dec. 31, 2024
	Jan. 01, 2024	Additions	Disposals	Reclassificat ions	Exchange rate differences	
<b>Intangible assets</b>						
Software / licenses	247,090	78,665	20,533	251,288	351	556,860
Spectrum licenses	1,070,187	-	-	-	--	1,070,187
Trademarks	213,460	-	2	-	1,950	215,409
Customer base	1,238,396	-	-	-	1,373	1,239,769
Goodwill	3,672,371	-	-	-	4,057	3,676,428
Rights similar to concessions	165,000	-	-	-	-	165,000
Internally generated intangible assets	66,664	11,119	8	-	118	77,893
Other intangible assets	73,513	26	33	-	-1	73,506
Rights of use from leases	9,282	-	-	-	0	9,282
Payments on account	262,410	53,634	-	-254,198	-	61,846
<b>Total (I)</b>	<b>7,018,373</b>	<b>143,444</b>	<b>20,575</b>	<b>-2,910</b>	<b>7,848</b>	<b>7,146,180</b>
<b>Property, plant and equipment</b>						
Land and buildings	37,798	729	355	351	770	39,294
Telecommunication equipment	1,432,196	121,401	60,231	183,418	-	1,676,784
Network infrastructure	268,315	470	12,943	10,412	0	266,253
Operating and office equipment	700,098	235,017	50,304	196,276	8,652	1,089,738
Payments on account	454,031	336,283	3,837	-387,547	87	399,017
Leasing	1,329,878	478,984	56,487	-	438	1,752,813
<b>Total (II)</b>	<b>4,222,314</b>	<b>1,172,884</b>	<b>184,156</b>	<b>2,910</b>	<b>9,948</b>	<b>5,223,899</b>
<b>Total</b>	<b>11,240,687</b>	<b>1,316,328</b>	<b>204,732</b>	<b>-</b>	<b>17,796</b>	<b>12,370,079</b>

## FINANCIAL STATEMENTS

Balance sheet	Notes as of December 31, 2024
Income Statement	<b>Development of Intangible and fixed assets</b>
Cash flow	Responsibility statement
Shareholders' equity	Audit opinion

Accumulated depreciation						NET BOOK VALUE		
	Jan. 01, 2024	Additions	Disposals	Reclassifications	Exchange rate differences	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024
	154,635	73,525	19,860	-574	250	207,976	92,456	348,884
	41,266	40,819	-	-	-	82,085	1,028,921	988,102
	5,778	-	2	-	-	5,777	207,682	209,632
	921,489	108,935	-	-	1,297	1,031,720	316,908	208,048
	43,522	-	-	-	162	43,684	3,628,849	3,632,744
	115,500	33,000	-	-	-	148,500	49,500	16,500
	28,468	6,535	-	-	38	35,041	38,196	42,852
	71,183	15	31	-	0	71,168	2,330	2,338
	6,099	1,591	-	-	0	7,690	3,182	1,591
	-	-	-	-	-	-	262,410	61,846
	<b>1,387,940</b>	<b>264,420</b>	<b>19,892</b>	<b>-574</b>	<b>1,749</b>	<b>1,633,642</b>	<b>5,630,433</b>	<b>5,512,538</b>
	15,898	614	354	-	33	16,191	21,900	23,103
	690,029	119,455	53,448	574	-	756,610	742,166	920,174
	146,243	10,328	11,633	-	-	144,938	122,071	121,315
	420,749	122,899	48,800	-	6,664	501,512	279,349	588,226
	8,650	4,333	1,437	-	-	11,546	445,380	387,471
	535,431	133,202	20,833	-	287	648,088	794,447	1,104,725
	<b>1,817,001</b>	<b>390,830</b>	<b>136,505</b>	<b>574</b>	<b>6,984</b>	<b>2,078,884</b>	<b>2,405,313</b>	<b>3,145,015</b>
	<b>3,204,941</b>	<b>655,250</b>	<b>156,397</b>	<b>-</b>	<b>8,733</b>	<b>3,712,527</b>	<b>8,035,746</b>	<b>8,657,553</b>

2023	Acquisition and production costs					Dec. 31, 2023
	Jan. 01, 2023	Additions	Disposals	Reclassifications	Exchange rate differences	
<b>Intangible assets</b>						
Software / licenses	233,935	29,281	33,218	16,774	318	247,090
Spectrum licenses	1,070,187	-	-	-	-	1,070,187
Trademarks	213,554	-	66	-	-30	213,460
Customer base	1,234,815	1,116	1	-	2,467	1,238,396
Goodwill	3,666,238	-	-	-	6,132	3,672,371
Rights similar to concessions	165,000	-	-	-	-	165,000
Internally generated intangible assets	57,918	11,035	2,684	-	395	66,664
Other intangible assets	73,680	203	370	-	-	73,513
Rights of use from leases	9,282	-	-	-	-	9,282
Payments on account	129,771	149,389	-	-16,751	-	262,410
<b>Total (I)</b>	<b>6,854,381</b>	<b>191,024</b>	<b>36,339</b>	<b>24</b>	<b>9,282</b>	<b>7,018,373</b>
<b>Property, plant and equipment</b>						
Land and buildings	36,440	752	10	289	325	37,798
Telecommunication equipment	1,206,943	196,988	11,473	39,738	-	1,432,196
Network infrastructure	222,601	49,433	5,987	2,267	-	268,315
Operating and office equipment	698,197	102,064	102,980	4,594	-1,777	700,098
Payments on account	244,521	257,631	1,198	-46,888	-35	454,031
Leasing	1,074,461	291,165	35,758	-	10	1,329,878
<b>Total (II)</b>	<b>3,483,163</b>	<b>898,033</b>	<b>157,406</b>	<b>1</b>	<b>-1,478</b>	<b>4,222,314</b>
<b>Total</b>	<b>10,337,544</b>	<b>1,089,057</b>	<b>193,745</b>	<b>25</b>	<b>7,805</b>	<b>11,240,687</b>

## FINANCIAL STATEMENTS

Balance sheet

Notes as of December 31,  
2024

Income Statement

**Development of Intangible  
and fixed assets**

Cash flow

Responsibility statement

Shareholders' equity

Audit opinion

Accumulated depreciation						NET BOOK VALUE		
	Jan. 01, 2023	Additions	Disposals	Reclassification ns	Exchange rate differences	Dec. 31, 2023	Jan. 01, 2023	Dec. 31, 2023
	192,610	27,943	33,215	-33,000	297	154,635	41,325	92,456
	447	40,819	-	-	-	41,266	1,069,740	1,028,921
	5,843	-	66	-	--	5,778	207,712	207,682
	810,888	108,664	1	-	1,938	921,489	423,927	316,908
	42,804	-	-	-	718	43,522	3,623,435	3,628,849
	49,500	33,000	-	33,000	-	115,500	115,500	49,500
	23,549	7,476	2,684	-	128	28,468	34,369	38,196
	71,537	16	370	-	-	71,183	2,142	2,330
	4,508	1,591	-	-	-	6,099	4,774	3,182
	-	-	-	-	-	-	129,771	262,410
	<b>1,201,687</b>	<b>219,509</b>	<b>36,336</b>	<b>-</b>	<b>3,081</b>	<b>1,387,940</b>	<b>5,652,695</b>	<b>5,630,433</b>
	15,092	815	10	-	2	15,898	21,348	21,900
	592,049	107,385	9,416	12	-	690,029	614,894	742,166
	143,122	9,046	5,913	-12	-	146,243	79,479	122,071
	435,860	87,113	100,538	-	-1,687	420,749	262,336	279,349
	7,817	833	-	-	-	8,650	236,704	445,380
	438,223	113,392	16,232	-	47	535,431	636,238	794,447
	<b>1,632,164</b>	<b>318,584</b>	<b>132,108</b>	<b>-</b>	<b>-1,639</b>	<b>1,817,001</b>	<b>1,850,999</b>	<b>2,405,313</b>
	<b>2,833,851</b>	<b>538,093</b>	<b>168,444</b>	<b>-</b>	<b>1,442</b>	<b>3,204,941</b>	<b>7,503,694</b>	<b>8,035,746</b>





## INDEPENDENT AUDITOR'S REPORT

To United Internet AG, Montabaur

### **REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT**

#### *Audit Opinions*

We have audited the consolidated financial statements of United Internet AG, Montabaur, and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, and net income, consolidated statement of changes in shareholder's equity and cash flow for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of United Internet AG, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § [Article] 289f HGB [Handelsgesetzbuch: German Commercial Code] and § 315d HGB. 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 consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated 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 § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

#### *Basis for the Audit Opinions*

We conducted our audit of the consolidated financial statements and of the group 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 consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and



FINANCIAL STATEMENTS	
Balance sheet	Notes as of December 31, 2024
Income statement	Development of fixed assets
Cash flow	<b>Audit opinion</b>
Shareholders' equity	Responsibility statement

standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities 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 consolidated financial statements and on the group management report.

#### *Key Audit Matters in the Audit of the Consolidated Financial Statements*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated 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 matters of most significance in our audit were as follows:

- 1** Appropriateness of revenue recognition
- 2** Recoverability of goodwill and intangible assets not yet available for use (spectrum)

Our presentation of these key audit matters has been structured in each case as follows:

- 1** Matter and issue
- 2** Audit approach and findings
- 3** Reference to further information

Hereinafter we present the key audit matters:

#### **1 Appropriateness of revenue recognition**

- 1** In the consolidated financial statements of United Internet AG, revenue (sales) of EUR 6,329.2 million is recognized in the consolidated statement of comprehensive income. This significant item in terms of its amount is subject to particular risk due to the complexity of the processes and controls necessary for correct recognition and deferral, the impact of ever-changing business, price and tariff models (including tariff structures, customer discounts, incentives), and the existence of multiple-element arrangements.

In addition, the accounting standard applicable to revenue recognition, IFRS 15 – Revenue from contracts with customers (IFRS 15), requires estimates and judgments in certain areas – such as determining the transaction price and allocating it to the performance obligations identified in a multiple-element arrangement based on the relative stand-alone selling prices – that had to be assessed for appropriateness in the context of our audit. Against this background, the accounting treatment of revenue was of particular significance in the context of our audit.

- [2] In the knowledge that the complex nature of this matter and the need to make estimates and assumptions give rise to an increased risk of accounting misstatements, as part of our audit we began by assessing the processes and controls put in place by the Group, including the IT systems used for the purposes of revenue recognition. In particular, we assessed the IT system environment for billing and measurement, other relevant systems supporting the accounting treatment of revenue, and the billing and measurement systems right up to entries in the general ledger.

Furthermore, we evaluated the transaction prices to be determined based on contracts with customers and their allocation to the performance obligations identified in a multiple-element arrangement on the basis of the relative stand-alone selling prices, and assessed whether these obligations were satisfied over time or at a point in time. In this context, we also assessed the appropriateness of the procedure used to allocate revenue to the correct period, and the estimates and judgments made by the executive directors with respect to revenue recognition and accrual/deferral. We took account of the increased inherent risk in the case of manual entries, in particular by performing additional analytical audit procedures, for instance by means of time series analyses or by forming ratios. Furthermore, we assessed the accounting consequences of new business, price and tariff models and the appropriateness of the associated changes to the processes and IT systems used for the purposes of revenue recognition. We examined customer invoices and the related contracts, as well as payments received on a test basis for selected companies and revenue streams. We applied consistent audit procedures for the audit of the operating subsidiaries to ensure that we responded appropriately throughout the Group to the inherent audit risk relating to revenue recognition.

We were able to satisfy ourselves that the systems, processes and controls in place are appropriate and that the estimates and assumptions made by the executive directors with respect to revenue recognition are sufficiently documented and substantiated to ensure that revenue is properly accounted for.

- [3] The Company's disclosures relating to revenue recognition in the consolidated financial statements of United Internet AG are contained in the sections "2.1 Explanation of main accounting measurement policies", "3. Significant accounting judgments, estimates, and assumptions" and "5. Sales revenue/segment reporting" of the notes to the consolidated financial statements.

## **2 Recoverability of goodwill and intangible assets not yet available for use (spectrum)**

- [1] Non-current assets amounting in total to EUR 9,964.4 million are reported in the consolidated financial statements of United Internet AG. Goodwill amounting in total to EUR 3,632.7 million (30.4% of total assets or 65.5% of equity) is reported under the "Goodwill" balance sheet item. Furthermore, intangible assets (spectrum) amounting to EUR 988.1 million (8.3% of total assets or 17.8% of equity) are reported under the "Intangible assets" balance sheet item that, in part, are not yet available for use and thus not subject to amortization (hereinafter "intangible assets (spectrum)").

Goodwill and intangible assets (spectrum) are tested for impairment by the Company once a year or when there are indications of impairment to determine any need for write-downs. The impairment test is carried out at the level of the respective cash-generating units to which the goodwill or intangible assets (spectrum) are allocated. The carrying amount of the relevant cash-generating unit, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally determined on the basis of fair value less costs of disposal in the case of the cash-generating units of the Business Applications and Consumer Applications segments, and using the value in use for the "1&1 Consumer Access" (goodwill) and "1&1 Mobile Network" (intangible assets (spectrum)) cash-generating units in the

FINANCIAL STATEMENTS	
Balance sheet	Notes as of December 31, 2024
Income statement	Development of fixed assets
Cash flow	<b>Audit opinion</b>
Shareholders' equity	Responsibility statement

Consumer Access segment. The present value of the future cash flows from the respective cash-generating unit normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted budget of the Group forms the starting point which is extrapolated based on assumptions about the Group's medium term business development and long-term rates of growth. 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 weighted average cost of capital for the respective cash-generating unit. The impairment tests on goodwill and on intangible assets (spectrum) determined that no write-downs were necessary in financial year 2024.

The outcome of the impairment tests is dependent to a large extent on the estimates made by the executive directors with respect to the future cash flows from the respective cash-generating units, the discount rate used, the rates of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuations, 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 performing the impairment test, among other things. After matching the future cash flows used for the calculation against the adopted budget and the medium-term business plan of the Group prepared on this basis, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In the knowledge that even relatively small changes in the discount rate applied and the growth rates can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate and the growth rates applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. We verified that the necessary disclosures were made in the notes relating to cash-generating units for which a reasonably possible change in an assumption would result in the recoverable amount falling below the carrying amount of the cash-generating units including the allocated goodwill or intangible assets (spectrum).

Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

- ③ The Company's disclosures relating to the "Goodwill" balance sheet item and to intangible assets (spectrum) are contained in the sections "2.1 Explanation of main accounting measurement policies", "3. Significant accounting judgments, estimates, and assumptions", "27. Intangible assets (without goodwill)", "28. Goodwill" and "29. Impairment of goodwill and intangible assets with indefinite useful lives, as well as intangible assets not yet usable (spectrum licenses)" of the notes to the consolidated financial statements.

#### *Other Information*

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the section "1.4 Main focus areas for products and innovations" of the group 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 group management report
- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section "7. Corporate governance declaration" of the group management report

The other information comprises further

- the separate non-financial group report to comply with §§ 315b to 315c HGB
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group 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 consolidated financial statements, with the group 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 Consolidated Financial Statements and the Group Management Report*

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated 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 consolidated financial statements, the executive directors are responsible for assessing the Group'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 unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated 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 group 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 group management report.

**FINANCIAL STATEMENTS**

Balance sheet	Notes as of December 31, 2024
Income statement	Development of fixed assets
Cash flow	<b>Audit opinion</b>
Shareholders' equity	Responsibility statement

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated 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 consolidated financial statements and on the group 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 consolidated financial statements and this group 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 consolidated financial statements and of the group 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 consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group 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 the internal control and these arrangements and measures (systems), respectively.
- 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 Group'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 consolidated financial statements and in the group 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 Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying

transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group 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 consolidated 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 Consolidated Financial Statements and the Group 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 consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file unitedinternetag\_KA\_ZLB\_2024-12-31.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 consolidated financial statements and the group management report into the ESEF format and therefore

FINANCIAL STATEMENTS	
Balance sheet	Notes as of December 31, 2024
Income statement	Development of fixed assets
Cash flow	<b>Audit opinion</b>
Shareholders' equity	Responsibility statement

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 consolidated financial statements and the group 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 consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group 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 consolidated financial statements and the group 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 "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 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 consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 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.

#### *Group 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 consolidated 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 consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

#### ***Further Information pursuant to Article 10 of the EU Audit Regulation***

We were elected as group auditor by the annual general meeting on 17 May 2024. We were engaged by the supervisory board on 11 November 2024. We have been the group 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 consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group 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.

Düsseldorf, 25 March 2025

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Erik Hönig  
Wirtschaftsprüfer  
[German Public Auditor]

Christian David Simon  
Wirtschaftsprüfer  
[German Public Auditor]



FINANCIAL STATEMENTS	
Balance sheet	Notes as of December 31, 2024
Income statement	Development of fixed assets
Cash flow	Audit opinion
Shareholders' equity	Responsibility statement

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, 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 Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Montabaur, March 25, 2025

The Management Board



Ralph Dommermuth



Carsten Theurer



Markus Huhn

# LOCATIONS

United Internet is successfully represented around the world by its various business fields. Its activities in Europe and the world are shown in the charts below.

UNITED INTERNET WORLDWIDE

- USA

Cambridge

Philadelphia

Lenexa
- Philippines

Cebu City



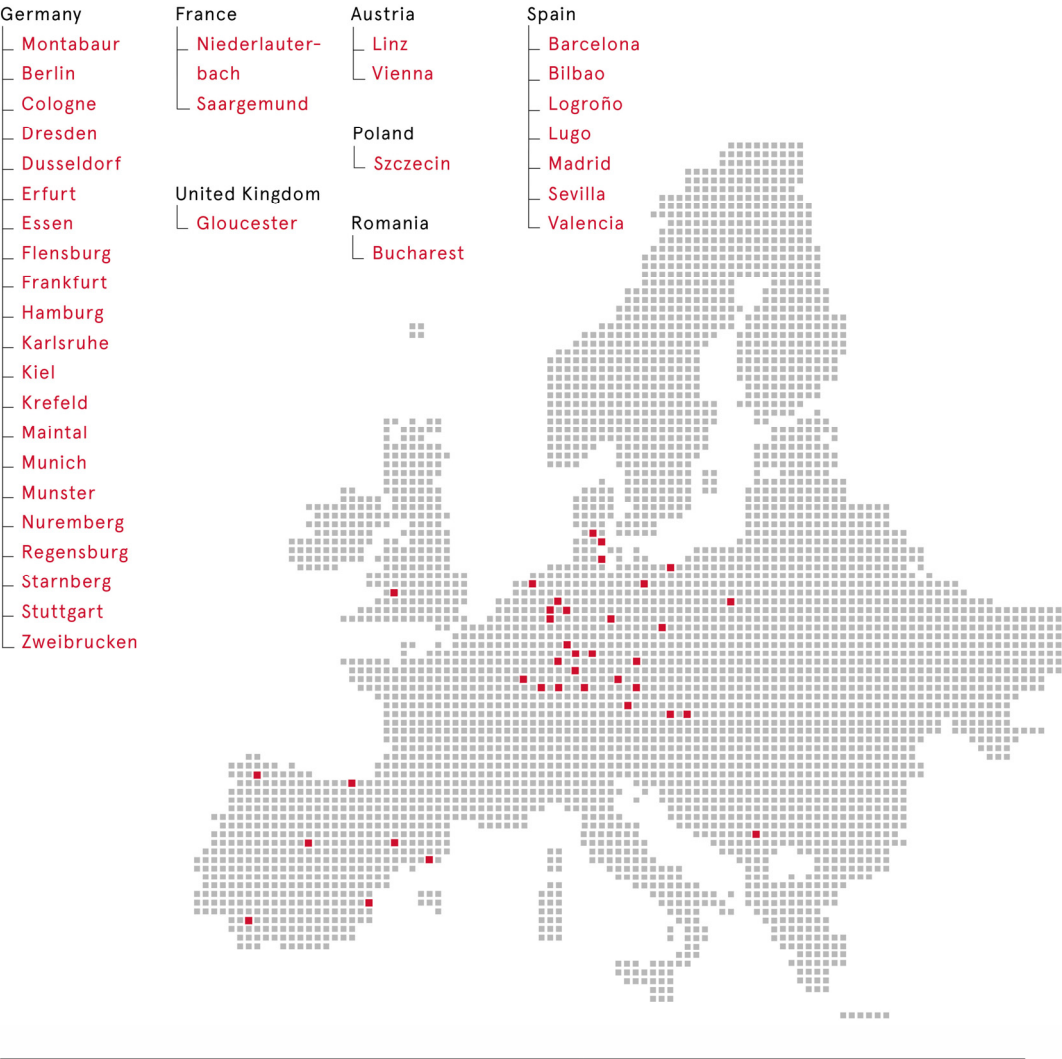
MISCELLANEOUS

Locations

Glossary

Imprint / Financial calendar

EUROPE



## GLOSSARY

### 5G

Fifth-generation mobile communications standard, which will enable data transmission rates of up to 10 Gbit/s as the successor to 4G.

### ADSL

= Asymmetric Digital Subscriber Line; ADSL is the most common DSL variation in Germany and is commonly called DSL. ADSL is realized over the existing telephone line (subscriber line).

### AktG (German Company Law)

= Aktiengesetz. The German Company Law (Aktiengesetz, AktG) regulates the structure and governing bodies of stock corporations, e.g. Supervisory Board, Management Board and shareholder rights.

### BITKOM

The Bundesverband Informationswirtschaft Telekommunikation und neue Medien e.V. (BITKOM) [German Association for Information Technology, Telecommunications and New Media] is the voice of the information technology, telecommunications, and new media industry in Germany.

### BNG

= Broadband Network Gateway. BNG is a connection node within the network of an Internet service provider. Overall, the conversion to these central nodes will make the networks more modern and efficient. At the same time, it is a transfer point that combines all the signals from the IP-based voice and Internet connections and then derives them via fiber optics.

### Corporate Governance

Name of guidelines (code of conduct) for good management.

### DAX, MDAX

The DAX is Deutsche Börse's most important size index, comprising the 30 largest and most liquid companies on the German stock market in terms of free float market capitalization. In the MDAX, the 60 largest stocks that follow are represented.

### Dividend

The dividend is the profit which is distributed proportionally for each share of stock in the stock corporation. The General Meeting of the stock corporation decides about the amount of the dividend and its distribution.

### Domain

Specific area of hierarchical internet name system administered by domain name server. Divided into generic top-level domains, or gTLD, (such as .com, .net, .org or .info) and country-code top-level domains, in short ccTLD (such as .de or .uk).

### D&O insurance

(Directors & Officers Liability Insurance) D&O insurance refers to a liability insurance policy which a company takes out on behalf of its executive bodies and corporate officers. In the case of any breach of duty, D&O insurance offers protection against the financial

consequences of personal liability. Cover is generally provided if the duty of care has been breached without intent or knowledge. The German Act on the Appropriateness of Management Board Compensation (Gesetz zur Angemessenheit der Vorstandsvergütung – VorstAG) requires that Management Board members accept an obligatory deductible for D&O insurance policies.

### EBITDA

Earnings before interest, taxes, depreciation and amortization

### EBIT

Abbreviation for earnings before interest and taxes.

### EBT

Earnings before taxes

### e-business

see e-shop

### EPS

Earnings per share

### e-shop

Online shop or virtual market place which allows consumers to directly buy goods or services from a seller over the Internet.

### Federal Cartel Office

(Bundeskartellamt – BKartA) Higher federal authority for all antitrust issues. Its main tasks include implementing cartel bans, examining business combination requests and exercising its antitrust monitoring duties with regard to market-dominating companies.

### Federal Net Agency

(Bundesnetzagentur) Higher federal authority (former Regulatory Authority for Telecommunications and Post, Reg TP). Its responsibilities include implementing cartel bans, examining business combination requests and exercising its antitrust monitoring duties with regard to market-dominating companies.

### Free accounts

Accounts financed through advertising, where the customer is not paying a monthly fee.

### Free Float

Number or proportion of shares which can be freely traded on the stock market rather than being held by strategic investors.

### Frequency

Number of repetitions per time unit for an operation. In telecommunications technology, repetitions take place in the form of radio waves and are measured in the unit Hertz (Hz).

### Frequency Auction

Procedure by which the Federal Network Agency awards licenses for the use of frequency ranges to mobile communications providers. The auction of the frequencies ends with the last bid of the participating

**MISCELLANEOUS**

Locations

**Glossary**

Imprint / Financial calendar

companies. The 2019 5G auction lasted a historically long three months and generated a total of 6.5 billion euros for the state.

**Frequency spectrum**

The frequency spectrum, usually simply spectrum, of a signal indicates its composition from different frequencies.

**FTTH, FTTB, FTTC**

= Fiber to the home (FTTH), Fiber to the building / basement (FTTB), Fiber to the curb (FTTC)

Refers to the laying of fiber optic cables into households, buildings or curbs. In the best case, fiber optic cables are routed into the household (FTTH) and thus provide the end user with maximum bandwidth. Often, however, the optical fiber only lead to the basement of the house (FTTB), from where the signals are further distributed with losses at maximum speed or end up on the street in distribution boxes at the curb (FTTC), which then only have significantly lower bandwidths.

**Groupwork**

Functions which support several users/a group during joint work on projects, targets, tasks etc. Users generally access centrally stored data and applications.

**HGB**

German Commercial Code (Handelsgesetzbuch)

**IFRS**

International Financial Reporting Standards

**IPTV**

(Internet Protocol Television) refers to the transmission of television programs via an Internet connection. Telecommunication providers commonly offer a range of configurable program bundles via the broadband connection. IPTV therefore represents an alternative to TV reception via cable or satellite dish.

**MBA MVNO**

= Mobile Bitstream Access (MBA) / Mobile Virtual Network Operator (MVNO)

A MBA MVNO is a telephone company that is comparable to a MVNO (see MVNO); however, in contrast to a MVNO, it has entered into an obligation to purchase network capacity (percentage share of the utilised network capacity of a network operator). An MBA MVNO operates on equal footing with the network operator and has unlimited access to all current and future technologies.

**MVNO**

= Mobile Virtual Network Operator; Private telephone company without its own wireless network which, on its own behalf and for its own account, sells wireless services, -> SIM cards and wireless end devices as well as value-added services (e.g. -> SMS, SMS Premium, -> MMS). These services are based on standardised, unbundled advance services on the procurement side, allowing a MVNO significantly increased room for manoeuvring in the product and sales areas in comparison with a MSP.

**Open RAN**

In contrast to a traditional closed RAN, Open RAN separates hardware from software and antenna. The

advantage is that this allows vendor-mixed neutral networks. This means that any network components from different manufacturers can be combined with each other, thus enabling the best solutions to be used at all times. Furthermore, complex retrofitting of base stations will no longer be necessary in the future, since an exchange update of the software will suffice.

**Open Access**

Model for open, non-discriminatory access to high-speed data networks, e.g. by connecting different infrastructures.

**Portal**

Central internet access point or start page. Usually contains a wide range of navigation functions, content and additional services, such as e-mail.

**PPA**

(Purchase Price Allocation) Allocation of the purchase price into various assets and liabilities in context of the initial consolidation of an acquired company or partial acquisition.

**R-DSL**

(Resale-DSL) In the case of Resale-DSL connections, the Internet Service Provider purchases switched DSL connections on the customer's premises as a pre-service product from Deutsche Telekom and markets them to the customer as its own product together with a data tariff. R-DSL requires participants to have their own fixed-line Deutsche Telekom connection for which they are responsible themselves.

**Roaming / National Roaming**

In roaming, the end-user leaves the network of his own provider in the domestic country and continues to make calls or surf the network of a third party abroad. In the case of national roaming, this technology is used within the same country.

For example if a provider's mobile communications network is being set up and the untapped areas are being served by a third party.

**Security Identification Number**

The six-place combination of digits and letters used in Germany (WKN) identifies each security uniquely.

**Stock Index**

A stock index provides comprehensive information regarding the development of prices on the stock markets. One example for the German stock market is the Deutsche Aktienindex (DAX); changes in stock prices as well as dividend payments are integrated into the calculation of its values.

**Supervisory Board**

The Supervisory Board is responsible for monitoring the management of the corporation. The Supervisory Board of a stock corporation consists of a minimum of three members, who may not simultaneously be members of the Management Board. The Supervisory Board is elected by the general meeting.

**TAL**

Last mile (Teilnehmeranschlussleitung); connection between the main distribution frame or local exchange and the access unit at the subscriber.

**T-DSL**

In contrast to R-DSL connections, customers with a T-DSL connection receive both their telephone and DSL connections from Deutsche Telekom. The Internet Service Provider only markets data tariffs to the customer as an independent product.

**UMTS**

(Universal Mobile Telecommunications System) is a mobile telecommunications standard with much higher transmission rates (see also HSPA) than are possible with the older GSM standard (GSM: Global System for Mobile Communications).

**VATM**

Association of Telecommunications and Value-Added Service Providers (Verband der Anbieter von Telekommunikations- und Mehrwertdiensten)  
The VATM is an association of over 90 telecommunications and value-added service providers operating on the German market, who are all in competition with the ex-monopolist Deutsche Telekom AG.

**V-DSL**

(Very High Speed Digital Subscriber Line) VDSL is a DSL technology which provides higher data transfer rates than conventional DSL connections. In Germany, maximum transfer rates of 50 MBit/s downstream and 10 MBit/s upstream are currently offered.

**Vectoring / Super Vectoring**

Vectoring transmission technology can significantly increase data throughput on existing copper lines with comparatively little effort. Technically, vectoring builds on VDSL by compensating for "crosstalk" (mutual interference between adjacent subscriber lines) by controlling the signals in a cable harness. With vectoring, speeds of up to 100 Mbit/s are currently possible. With super vectoring, the technology described above has been further optimized so that speeds of up to 300 Mbit/s are possible within a radius of up to 300 meters from the cable branch.

**Webhosting**

Provision of storage space via the internet. In addition to registering and operating domains and renting out web servers, hosting mainly refers to the provision of value-added internet services enabling users to work more efficiently on the internet. Shared Hosting means that several customers share a physical server, while in Dedicated Hosting one customer has exclusive access to one sever.

**MISCELLANEOUS**

Locations

**Glossary**

Imprint / Financial calendar

## IMPRINT

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March 2025  
Registry court: Montabaur HRB 5762

### **Note:**

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

These annual financial statements are available in German and English. Both versions can also be downloaded from [www.united-internet.de](http://www.united-internet.de). In all cases of doubt, the German version shall prevail.

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

Produced in-house with Firesys

### **Disclaimer**

This Annual Report contains certain forward-looking statements which reflect the current views of United Internet AG's management with regard to future events. These forward looking statements are based on our currently valid plans, estimates and expectations. The forward-looking statements made in this Annual Report are only based on those facts valid at the time when the statements were made. Such statements are subject to certain risks and uncertainties, as well as other factors which United Internet often cannot influence but which might cause our actual results to be materially different from any future results expressed or implied by these statements. Such risks, uncertainties and other factors are described in detail in the Risk Report section of the Annual Reports of United Internet AG. United Internet does not intend to revise or update any forward-looking statements set out in this Annual Report.



MISCELLANEOUS

Locations

Glossary

Imprint/ Financial calendar

# FINANCIAL CALENDAR

<b>March 27, 2025</b>	Annual financial statements for fiscal year 2024
<b>May 12, 2025</b>	Quarterly Statement Q1 2025
<b>May 15, 2025</b>	Annual Shareholders` Meeting
<b>August 7, 2025</b>	6-Month Report 2025
<b>November 11, 2025</b>	Quarterly Statement Q3 2025

## QUARTERLY DEVELOPMENT

in € million	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2023
Sales	1,571.6	1,541.7	1,567.3	1,648.5	1,624.3
Cost of sales	-1,037.0	-1,052.6	-1,054.6	-1,181.5	-1,108.2
<b>Gross profit</b>	<b>534.6</b>	<b>489.1</b>	<b>512.7</b>	<b>467.1</b>	<b>516.1</b>
Selling expenses	-247.8	-238.6	-234.8	-260.6	-255.9
General and administrative expenses	-73.3	-75.4	-69.9	-69.2	-64.0
Other operating income / expense	7.8	19.8	9.4	8.8	-1.0
Impairment losses on receivables and contract assets	-35.6	-33.9	-34.9	-36.5	-33.9
<b>Operating result</b>	<b>185.7</b>	<b>161.0</b>	<b>182.5</b>	<b>109.5</b>	<b>161.3</b>
Financial result	-32.9	-28.6	-39.6	-35.6	-29.2
Net result from at-equity investments and loss of significant influence	-12.1	-188.7	-0.3	1.7	-22.1
<b>Pre-tax result</b>	<b>140.7</b>	<b>-56.3</b>	<b>142.6</b>	<b>75.6</b>	<b>110.0</b>
Income taxes	-53.2	-44.0	-72.5	-74.6	-55.0
<b>Net income</b>	<b>87.5</b>	<b>-100.2</b>	<b>70.0</b>	<b>1.0</b>	<b>55.0</b>
Net income					
non-controlling interests	29.4	26.0	45.6	4.9	28.2
shareholders of United Internet AG	58.1	-126.2	24.4	-3.9	26.8
Result per share of shareholders of United Internet AG (in €)					
– undiluted	0.34	-0.73	0.14	-0.03	0.18
– diluted	0.34	-0.73	0.14	-0.03	0.17

# MULTI-PERIOD OVERVIEW OF KEY FIGURES FOR THE GROUP

Group's earnings position in € million	2020	2021	2022	2023	2024
Sales	5,367.2	5,646.2	5,915.1	6,185.9 <sup>(4)</sup>	6,303.0 <sup>(4)</sup>
EBITDA	1,218.2 <sup>(1)</sup>	1,262.4 <sup>(2)</sup>	1,271.8 <sup>(3)</sup>	1,296.5 <sup>(4)</sup>	1,294.7 <sup>(5)</sup>
EBITDA margin	22.7%	22.4%	21.5%	21.0%	20.5%
EBIT	744.2 <sup>(1)</sup>	788.6 <sup>(2)</sup>	790.7 <sup>(3)</sup>	758.5 <sup>(4)</sup>	639.6 <sup>(5)</sup>
EBIT margin	13.9%	14.0%	13.4%	12.3%	10.1%

- (1) 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)
- (2) Excluding the non-period positive effect on earnings attributable tot the second half of 2020 (EBITDA and EBIT effect: € +39.4 million) and excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +3.0 million)
- (3) 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)
- (4) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 27.3 million; EBITDA contribution: € -2.7 million; EBIT contribution: € -2.8 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))
- (5) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 26.2 million; EBITDA contribution: € -0.7 million; EBIT contribution: € -0.9 million); including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

Group's financial position in € million (Two-year overview after change in presentation)	2023	2024
Cash flow before changes in balance sheet Items	1,060.9	1,128.9
Cash flow from operating activities	828.5	954.1
Cash flow from investing activities	-798.2	-765.6
Free cash flow <sup>(2)</sup>	-85.0 <sup>(3)</sup>	47.4 <sup>(2)</sup>
Cash flow from financing activities	-43.6	-101.8
Cash and cash equivalents on December 31	27.7	114.9

- (1) Free cash flow is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant and equipment
- (2) 2024 including the repayment portion of lease liabilities (€ -137.1 million), which have been reported under cash flow from financing activities since the fiscal year 2019 (IFRS 16)
- (3) 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)

Group's asset position in € million	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024
Total assets	9,230.8	9,669.1	10,358.5	11,245.6	11,935.7
Cash and cash equivalents	131.3	110.1	40.5	27.7	114.9
Shares in associated companies	89.6	431.6 <sup>(1)</sup>	429.3	373.2	124.9
Property, plant and equipment	1,271.6	1,379.6	1,851.0	2,405.3	3,145.0
Intangible assets	2,197.8	2,059.4	2,029.3	2,001.6	1,879.8
Goodwill	3,609.4	3,627.8	3,623.4	3,628.8	3,632.7
Liabilities due to banks	1,466.1	1,822.7	2,155.5	2,464.3	2,813.7
Capital stock	194.0	194.0	194.0	192.0 <sup>(2)</sup>	192.0
Equity	4,911.2	4,923.2	5,298.4	5,555.1	5,544.7
Equity ratio	53.2%	50.9%	51.2%	49.4%	46.5%

- (1) Increase due to stake in Kublai (2021)
- (2) Decrease due to withdrawal of treasury shares (2023)

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