freenet

2025
Annual report

Mobile Communications. Internet. TV entertainment.

Key figures

Subscribers

In '000s	31.12.2025	31.12.2024	Absolute change	Relative change
Postpaid customers	8,146.5[1]	7,600.2	546.4	7.2%
freenet TV subscribers (RGU)	416.0	496.3	-80.4	-16.2%
waipu.tv subscribers	1,984.0	1,940.6	43.4	2.2%

Key financial figures[2]

In EUR million/as indicated	2025	2024[3]	Absolute change	Relative change
Revenues	2,439.9	2,477.5	-37.6	-1.5%
Gross profit	976.7	977.2	-0.5	0.0%
Adjusted EBITDA	515.4	516.1	-0.7	-0.1%
EBITDA	524.2	524.9	-0.6	-0.1%
Consolidated profit	274.5	299.8	-25.3	-8.4%
Earnings per share (in EUR)[5]	2.28	2.53	-0.25	-9.9%

Liquidity ratios[2]

In EUR million	2025	2024[3]	Absolute change	Relative change
Cash flow from operating activities	407.2	406.3	0.9	0.2%
Cash flow from investing activities	-204.2	-42.0	-162.2	386.6%
Cash flow from financing activities	-312.3	-300.0	-12.2	4.1%
Free cash flow	292.1	292.3	-0.2	-0.1%

Balance sheet[2]

As indicated	31.12.2025[5]	31.12.2024	Absolute change	Relative change
Equity ratio	41.7%	44.5%	-2.8%P	-6.3%
Leverage (x times adj. EBITDA)	1.2	0.9	0.3	29.0%
Total assets (in EUR million)	3,676.1	3,351.4	324.7	9.7%

ESG indicators[2]

As indicated	31.12.2025	31.12.2024	Absolute change	Relative change
Headcount[6]	3,326	3,167	159	5.0%
FTE[6]	2,790	2,655	135	5.1%
GHG emissions – Scope 1&2 (in t CO_2e)	3,381.3	3,812.8	-431.5	-12.8%
Mobile device return rate	1.4%	3.9%	-2.5%P	-64.1%

Share

In EUR/as indicated	31.12.2025	31.12.2024	Absolute change	Relative change
Share price[7]	29.34	27.54	1.80	6.5%
Dividend per share[8]	1.97	1.77	0.2	11.3%
Market capitalisation (in EUR billion)[7]	3.5	3.3	0.2	6.1%

[1] Including around 240 thousand HIGH subscribers from the integration of mobilezone Deutschland
[2] Refers exclusively to continuing operations
[3] With regard to the adjustments for the 2024 financial year, reference is made to the explanations in section 2.17 of the notes to the consolidated financial statements.
[4] Basic and diluted
[5] Including assets and liabilities from the integration of mobilezone Deutschland
[6] Including around 300 FTEs or 341 employees from the integration of mobilezone Deutschland
[7] Based on Xetra closing price
[8] Dividend paid in the financial year

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Please Note that there may be arithmetical rounding differences in the subtotals and final totals due to the number format, as the figures have been rounded to one decimal place. Furthermore, when converting units of measurement (e.g. in '000s to millions), the result may be 0.0 or - 0.0 for reported items.

Information on the 2025 financial year is available at fn.de/fy25

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Letter to our shareholders

Dear Shareholders,

In the past financial year, freenet implemented several significant changes. The corporate organisation was realigned through a fundamental restructuring of the Executive Board. This involved a targeted strategic focus on the core competence of mobile communications sales. This included strengthening performance-driven brand marketing and, towards the end of the year, the acquisition of the highly sales-focused mobilezone Deutschland. Moreover, waipu.tv demonstrated the financial scalability of its IPTV business model through its strong EBITDA performance.

freenet: Change with vision and reliability

In terms of personnel, the restructuring of the Executive Board began with a change at the top of the company on 1 June 2025: after around 16 years in office, Christoph Vilanek handed over the chairmanship of the Executive Board to Robin Harries. In the next step, the Executive Board was reduced to two members on 1 September 2025 and has since consisted of Robin Harries (CEO) and Ingo Arnold (CFO). Rickmann von Platen (formerly CCO) and Stephan Esch (formerly CIO) continue to serve as managing directors in the mobile communications division. Two other members of the Executive Board have left the company. The target of reducing the size of the Executive Board is to speed up decision-making and reduce complexity.

In parallel with the reorganisation of business conduct, the entire organisation is being geared towards the sustainable and systematic integration of artificial intelligence (AI) into processes and the customer journey. Our aim is to position freenet as an AI-first company in the German telecommunications industry.

Our resource allocation continues to focus on our core competence in selling subscription models. We invest human and financial resources in a targeted manner in those areas where we expect to see the greatest contribution to the future development of freenet. Our primary target is to focus effectively on business activities that ensure sustainable growth in the area of subscription contracts. Business areas outside this focus, such as The Cloud (WLAN network operator) and Gravis (Apple reseller), have been or are being gradually divested.

Mobile Communications: Customer growth as a result of a clear sales strategy

To expand our market position, we acquired the reseller mobilezone Deutschland at the end of the year. By integrating established brands such as Sparhandy and Deinhandy, we are significantly expanding our online sales portfolio and deepening our relationships with network operators.

At the same time, we have restructured our sales marketing in Mobile Communications: the focus is no longer on traditional brand marketing ("investment in the freenet brand"), but on a performance-oriented approach that makes a direct contribution to customer growth. This means that advertising measures have an immediate effect and success can be clearly measured in terms of new customer acquisition and unaided brand awareness. Our current klarmobil campaign has already successfully implemented this approach. In addition, with "Unlimited Mobile", our new platform for tariffs with unlimited data volumes, we have created a simple, transparent and network-independent offering – a truly unique selling point on the German market. Our multi-brand strategy, including the launch of mobilfunk.de, has also enabled us to further increase our market penetration.

Our outstanding customer growth in the mobile communications sector, particularly in the second half of the year, illustrates this successful realignment of our sales strategy. We now serve over eight million postpaid customers. In the reporting period, we gained over 300 thousand net new postpaid subscribers, representing an increase in growth of almost 70% compared with the prior year. In the fourth quarter alone, our postpaid customer base increased by almost 120 thousand – despite a market environment that remains highly competitive. In addition,

around 240 thousand postpaid customers were added at the end of the year as part of the closing of the acquisition of mobilezone Deutschland.

Recently, there have been increasing signs of a return to less dynamic market conditions in the German mobile communications market, as evidenced by more stable prices and more cautious marketing activities. However, the recent intense price competition has also had impact on us: postpaid ARPU fell noticeably by around 3% due to market conditions. Our outstanding customer growth offset this development and contributed to our postpaid service revenues remaining stable.

waipu.tv: Record EBITDA underscores scalability of business model

We are currently establishing a strong and equally profitable market position in a growth market, namely internet-based linear television (IPTV). The structural change in the German TV market continued last year. The abolition of the ancillary cost law ('Nebenkostenprivileg') in 2024 accelerated the shift away from traditional cable TV access for linear television. In 2025, more and more households opted for IPTV: around one in five households now watches television via the internet. This is a trend that we are successfully addressing with waipu.tv.

In the past year, we have once again done a great deal to successfully penetrate the market with our product. The channel portfolio now comprises more than 320 programmes. In addition, the waipu.tv Stick 2.0 was introduced to further optimise the IPTV experience. A performance upgrade of our premium product "Perfect Plus" enabled a successful price adjustment at the beginning of 2025 – without any significant customer churn. This shows once again that waipu.tv is an integral and indispensable part of our customers' everyday lives. With the introduction of our new product "waipu Start" at a price of EUR 5 per month, we have been offering an attractive entry-level package since this year to accompany even more customers in their daily lives.

In the 2025 financial year, we gained around 150 thousand net new subscribers for waipu.tv – adjusted for an attrition effect from O2 TV customers following the termination of a distribution partnership with Telefónica Deutschland. In total, almost two million households use our IPTV platform.

At the same time, we increased adj. EBITDA at waipu.tv from almost zero to EUR 36 million. This development clearly shows how successful and scalable the business model is. It confirms our strategic assumption that IPTV will play a central role in our growth path and make a decisive contribution to achieving our adj. EBITDA target for 2028. In order to offer the capital market greater transparency with regard to our growth strategy, we will report waipu.tv as a separate IPTV segment from the 2026 financial year onwards.

Continuity in the long-term course – despite earnings deviation in the 2025 financial year

We remain confident and committed to achieving our financial ambition for 2028. However, we did not achieve all of our targets in the past financial year. In particular, adjusted EBITDA of EUR 515 million was slightly below the guidance range of EUR 520 to 540 million. This was due to the cautious reflection of a potentially negative earnings effect from an agreement with a network operator. As a result, adjusted EBITDA in the mobile communications segment amounted to EUR 411 million instead of the initially expected EUR 420 to 440 million.

The TV and Media segment generated adjusted EBITDA of EUR 131 million, which was at the upper end of the guidance range of EUR 115 to 135 million. While the adjusted EBITDA contribution from Media Broadcast declined due to the ongoing loss of freenet TV customers, waipu.tv significantly increased its adjusted EBITDA from nearly zero to around EUR 36 million.

Free cash flow also remained slightly below expectations of EUR 300 to 320 million at EUR 292 million. The main reason for this was the payment of long-term variable remuneration components to former members of the Executive Board in the course of the reorganisation of the Executive Board. Adjusting for this effect, we will propose a

dividend increase to EUR 2.07 per share (+5.1%) at the Annual General Meeting in May. This means that we remain one of the companies in Germany that offer their shareholders a reliably high and continuously increasing dividend.

For 2026, it cannot be ruled out that the sales targets set with the same network operator as in 2025 may not be achieved or that no appropriate adaptation to the existing agreement can be reached. Therefore, based on a cautious estimate of a potential EBITDA deviation from the agreement with the network operator and regardless of our planned customer growth and the integration of mobilezone Deutschland, we are factoring a decline in adjusted EBITDA in the mobile communications segment into our guidance for 2026. Our long-term assumption of steady, slight growth in the mobile communications segment remains unchanged. Thanks to the strategic actions taken last year and our clear focus on products and markets, we are well positioned for the future.

In IPTV, we expect a further significant increase in adjusted EBITDA in the current financial year. In the medium and long term, the trend away from traditional cable TV and towards IPTV will continue – a structural technological change from which waipu.tv will benefit significantly.

For 2026, we expect adjusted EBITDA and adjusted free cash flow at Group level to remain stable overall compared with the prior year. Against this backdrop, freenet is already offering attractive dividend prospects. With the introduction of a minimum dividend for 2026 of EUR 2.00 per share – or alternatively 80% of adjusted free cash flow, whichever is higher – we are underlining our commitment to offering our shareholders a reliable and predictable dividend, regardless of short-term fluctuations in earnings.

Our financial ambition for 2028, which we raised in February 2026 against the backdrop of changed conditions, is for further growth. We are aiming for adjusted EBITDA of at least EUR 620 million and adjusted free cash flow of at least EUR 340 million. waipu.tv is the key factor in achieving this financial ambition and is expected to contribute at least EUR 120 million to adjusted EBITDA.

In the long term, freenet remains on course for growth – both in the Mobile Communications and IPTV business.

We would like to thank our shareholders for their trust and continued support along the way.

freenet Executive Board

Robin Harries
(CEO)

Ingo Arnold
(CFO)

Report of the Supervisory Board

Dear Shareholders,

The Supervisory Board of freenet AG, together with the Executive Board, looks back on a year of change. With the appointment of Robin Harries as the new Chief Executive Officer, the Supervisory Board successfully concluded its intensive and careful efforts to find a replacement for the company's business conduct following the departure of long-standing CEO Christoph Vilanek. The focus is now on a clearly focused management structure with Robin Harries as CEO and Ingo Arnold as CFO. The Supervisory Board is convinced that this leaner management structure puts freenet AG in an ideal position to achieve sustainable profitable growth and shape its future successfully. With the acquisition of mobilezone Deutschland and the extension of the exclusive partnership with MediaMarktSaturn, key strategic steps have already been taken in this direction to further develop the strong position in the core Mobile Communications segment and align it for the future.

Provision of information to the Supervisory Board

During the reporting year, the Supervisory Board performed its duties with due care and diligence and supported the Executive Board closely, constructively and trustingly in its management of the company. At regular meetings and through ongoing written and verbal reports, it obtained comprehensive information on business developments, the Group's situation, major investments and acquisitions, the strategic development of the Business model and corporate governance issues, and advised the Executive Board on all decisions of materiality to the company. This was based on the comprehensive written reports from the Executive Board submitted prior to the meetings, which were explained and elaborated on verbally by the Executive Board during the meetings and discussed comprehensively and openly by the Supervisory Board and the Executive Board. The Executive Board fulfilled all of the Supervisory Board's requests for information and answered any questions raised by the members. The shareholder representatives on the Supervisory Board and the Workers' representatives regularly prepared for the topics discussed by the Supervisory Board in separate preliminary meetings. In the plenary meetings themselves, the Supervisory Board regularly met without the Executive Board being present.

In addition, the Supervisory Board ensured that it was kept adequately informed outside of meetings. To this end, the Executive Board reported regularly in writing on all matters relevant to the company and on other developments within the company that were of interest to the Supervisory Board.

The Chairman of the Supervisory Board and the Chief Executive Officer also exchanged information on a regular basis, including on matters relating to strategy and current business developments, through personal meetings and telephone calls. The Chairman of the Supervisory Board kept the other members of the Supervisory Board informed of the content of these discussions through his reports at the meetings.

In this way, the Supervisory Board was always informed about the intended business policy, corporate planning, including financial planning, the course of business, and the situation of the company and the Group. The Supervisory Board was directly involved at an early stage in all decisions of fundamental importance to the company and discussed these intensively and in detail with the Executive Board. Insofar as decisions or Actions required the approval of the Supervisory Board in accordance with the law, the Articles of Association or the Rules of Procedure, we approved these after intensive review and discussion.

The Chairman of the Supervisory Board was also available for discussions with investors on matters specific to the Supervisory Board, as dialogue with investors and investor representatives is highly relevant for the Supervisory Board. However, no discussions between him and investors took place in 2025, but are planned for 2026.

Topics discussed at the Supervisory Board plenary meeting

In the 2025 financial year, the Supervisory Board held a total of six face-to-face meetings, one of which was conducted as a hybrid meeting. In four cases, resolutions were passed by written procedure.

The plenary meetings regularly discussed the current business development, the market and competitive situation, the financial and earnings position and the financing situation of the company, as well as the development of the Group companies and the Group's investments.

The Supervisory Board was closely involved in business transactions that were particularly relevant to the Group.

Meeting content in detail

At the first meeting of the year on 27 January 2025, the search for a successor to the Chief Executive Officer conducted by the personnel committee was concluded and the Supervisory Board appointed Robin Harries as the company's next Chief Executive Officer.

The regular balance sheet meeting on 20 March 2025 served to discuss the annual and consolidated financial statements as of 31 December 2024. The results of the 2024 annual audit were discussed together with representatives of the auditor KPMG AG WPG. After completing its own review, the Supervisory Board raised no objections to the auditors' findings and followed the recommendation of the audit committee by approving the annual and consolidated financial statements. The annual financial statements were thus adopted.

Another topic discussed at this meeting was the review of the non-financial statement as of 31 December 2024, which also falls within the remit of the Supervisory Board. The review was also carried out by the auditor KPMG AG WPG and closely monitored by the audit committee. Based on the audit procedures performed and the audit evidence obtained, the auditor was not aware of any facts that led him to conclude that the information in the non-financial statement was not prepared in all respects of materiality in accordance with the legal requirements. At the suggestion of the audit committee, the Supervisory Board endorsed this audit result by KPMG AG WPG.

Other items on the agenda for the meeting on 20 March 2025 included preparations for the Annual General Meeting in May 2025, as well as determining the achievement of targets and setting target values for short-term and long-term variable remuneration for the Executive Board.

Following the Annual General Meeting on 13 May 2025, the Supervisory Board discussed current business developments and Executive Board matters relating to the change in the company's top management.

The newly appointed Chairman of the Executive Board, Robin Harries, reported on business developments and his initial activities for the first time at a hybrid meeting on 5 August 2025. The reorganisation and streamlining of the Executive Board, scheduled for 1 September 2025, was also discussed. This reorganisation was completed with the contract extension of Chief Financial Officer Ingo Arnold until the end of 2029, which was decided at the meeting on 18 September 2025.

In addition to business development, other topics discussed at the regular meeting on 18 September 2025 included the Executive Board's ideas and views on the challenges and opportunities in the mobile communications segment, as well as JD.com's takeover bid for interest in CECONOMY AG.

At its last plenary meeting of the year on 9 December 2025, the Supervisory Board discussed the budget and planning for 2026, as well as the Executive Board's reporting on sustainability activities and the implementation of regulatory requirements. The Supervisory Board subsequently derived the performance criteria for the short-term variable remuneration of the members of the Executive Board from the planning. The Supervisory Board and Executive Board also discussed sustainability issues, such as the implementation of ESRS in regular Sustainability reporting and the establishment of centralised processes for updating the materiality analysis. Other topics discussed at the meeting included climate risk analysis, the introduction of a quarterly ESG fact book and the expansion of the non-financial internal control system. The Supervisory Board passed a resolution on the submission of the annual Declaration of Conformity with the German Corporate Governance Code, whose recommendations are to be fully complied with in future. In this context, the Supervisory Board reassessed the independence of the shareholder representatives, taking into account the fact that the terms of office of Supervisory Board members Marc Tüngler and Robert Weidinger will exceed 12 years in 2025. The Supervisory Board ultimately assessed all six shareholder representatives as independent of the company and the Executive Board within the meaning of the German Corporate Governance Code. Further details can be found in the Corporate Governance Statement at fn.de/cgstatement.

The Supervisory Board passed resolutions in four cases by written procedure. These concerned approvals for the sale of The Cloud Networks Group, the conclusion of a termination agreement with the former CEO Christoph Vilanek, the acquisition of the mobilezone Deutschland Group and the corresponding bridge loan financing for this in the amount of up to EUR 250 million.

The plenary session on 19 March 2026 dealt with the audit of the annual and consolidated financial statements as of 31 December 2025. Details of this are provided in the separate section "Audit of the annual and consolidated financial statements for the 2025 financial year" in this report.

Work in the committees of the Supervisory Board

The Supervisory Board has established five committees. They prepare resolutions and topics to be dealt with in the plenary session of the Supervisory Board. Within the limits permitted by law, decision-making powers of the Supervisory Board are delegated to committees. The committee chairpersons report to the plenary session on the committee's work at the following meeting. The general tasks, working methods and membership of the individual committees are described in more detail in the Corporate Governance Statement.

Circumstances that could give rise to conflicts of interest on the part of members of the Executive Board or Supervisory Board and that must be disclosed to the Chairman of the Supervisory Board and communicated to the Annual General Meeting have not been disclosed to the Chairman of the Supervisory Board.

Steering committee

The steering committee met twice in 2025. It dealt with the public takeover bid for Ceconomy AG in a virtual meeting and, in a meeting held jointly with the personnel committee, with the induction of the Chairman of the Executive Board, Robin Harries, into his new position.

Personnel committee

The members of the personnel committee met a total of seven times in 2025, one of which was held in person.

The material focus of the committee's activities was on restructuring the management team, beginning with the selection of the chairman of the board, Robin Harries, preparing his appointment and the corresponding employment contract, as well as the departure of the previous CEO, Christoph Vilanek, and the Other members of the

Executive Board from the Executive Board, and finally preparing the plenary session's resolution on the extension of the appointment of the Chief Financial Officer, Ingo Arnold.

In addition, the personnel committee determined whether and to what extent the parameters for the variable remuneration of the members of the Executive Board for 2024 had been achieved, set new parameters for the target agreements for the 2025 financial year and proposed these to the Supervisory Board for resolution.

Audit committee

The audit committee held four meetings to discuss the Group's business performance and financial reporting. The committee members examined the Annual report, half-yearly report and quarterly reports in detail. These reports were discussed with the Executive Board and the auditor prior to publication. Together with the Chief Financial Officer and representatives of the auditor, the committee also regularly discussed current accounting issues and requirements arising from new regulatory requirements, as well as current audit priorities. Outside of meetings, the committee and its chairman also maintained regular dialogue with both the auditor and the Chief Financial Officer.

The audit committee focused in particular on supporting the annual audit. Its tasks included obtaining the auditor's declaration of independence, monitoring the independence and proper execution of the audit engagement, determining the focus of the audit and preparing the Supervisory Board's resolutions regarding the annual and consolidated financial statements, the proposal for the appropriation of profits and the agreements with the auditor.

The committee also dealt with the impacts of changes in the Group structure, such as the acquisition of the mobilezone Deutschland Group, on reporting, as well as innovations in the IFRS 18 accounting standard. Topics related to IT, such as cybersecurity and emergency response planning, were also discussed. The audit committee members also dealt with the non-audit services provided by the auditor. In this context, the committee approved the audit of the 2025 sustainability report by the auditor. In terms of content, the committee monitored the transition of sustainability reporting based on the CSRD policy and received reports on the company's approach, e.g. on the basis of the corresponding materiality analysis. The committee gained an overview of developments in the areas of compliance and internal auditing through direct communication with the responsible managers. The status of the internal control system, risk management and anti-fraud management was also presented to the committee.

Mediation committee

As in the prior years, the mediation committee did not need to be convened in 2025.

Nomination committee

The nomination committee, which is responsible for proposing candidates to the Annual General Meeting for election to the Supervisory Board, held two meetings in 2025 and dealt with preparations for the candidate proposals for the next elections of Supervisory Board members at the 2026 Annual General Meeting.

Sustainability expertise on the Supervisory Board

Sustainability is highly relevant to freenet AG. For this reason, the entire Supervisory Board and its committees regularly and intensively address this complex of issues. The Supervisory Board of freenet AG has appointed two sustainability officers. These are Supervisory Board members Prof. Dr Kerstin Lopatta and Claudia Anderleit. Both Prof. Dr Kerstin Lopatta as a professor at the University of Hamburg and deputy chair of the EFRAG Sustainability Reporting Board, and Claudia Anderleit with her experience as a senior employee in the human resources department of freenet AG, where sustainability issues were located, have relevant expertise in this area due to their activities.

Individualised disclosure of meeting attendance

The attendance rate of members at meetings of the Supervisory Board and its committees was 99 per cent of all possible meetings. With the exception of one Supervisory Board meeting, which one member was unable to attend, all Supervisory Board members attended all plenary meetings and all relevant committee meetings. The attendance of members at Supervisory Board and committee meetings is disclosed below on an individual basis.

Meeting attendance by Supervisory Board members in 2025

Body/ committee	Supervisory Board	Steering committee	Audit committee	Personnel committee	Nomination committee	Total
Total number of meeting (thereof physical/ virtual)	**6 (6/–)**	**2 (1/1)**	**4 (4/–)**	**7 (1/6)**	**2 (–/2)**	**21 (12/9)**
Meeting attendance by Supervisory Board members						**129/130 (99%)**
Shareholder representatives						**81/81 (100%)**
Marc Tüngler*	6/6 (100%)	2/2 (100%)		7/7 (100%)	2/2 (100%)	17/17 (100%)
Sabine Christiansen*	6/6 (100%)			7/7 (100%)	2/2 (100%)	15/15 (100%)
Thomas Karlovits*	6/6 (100%)	2/2 (100%)				8/8 (100%)
Prof. Dr. Kerstin Lopatta*	6/6 (100%)		4/4 (100%)			10/10 (100%)
Robert Weidinger*	6/6 (100%)		4/4 (100%)		2/2 (100%)	12/12 (100%)
Miriam Wohlfarth*	6/6 (100%)					6/6 (100%)
Employee representatives						**61/62 (98%)**
Claudia Anderleit	6/6 (100%)			7/7 (100%)		13/13 (100%)
Theo-Benneke Bretsch	6/6 (100%)	2/2 (100%)				8/8 (100%)
Knut Mackeprang	6/6 (100%)	2/2 (100%)		7/7 (100%)		15/15 (100%)
Tobias Marx	6/6 (100%)					6/6 (100%)
Frank Suwald	6/6 (100%)		4/4 (100%)			10/10 (100%)
Petra Winter	5/6 (83%)		4/4 (100%)			9/10(90%)

* independently in the opinion of the Supervisory Board

Onboarding process and support for training measures

Newly elected Supervisory Board members undergo a structured onboarding process at the start of their term of office to enable them to familiarise themselves with the company issues relevant to their Supervisory Board duties. To this end, Supervisory Board members are provided with an overview of the organisational structure, the individual business areas and material topics, as well as further information and documents.

The Supervisory Board and its committees are kept informed of relevant developments, e.g. of a legal or regulatory nature, affecting the work of the Supervisory Board or the Group's areas of activity at regular meetings. This also includes relevant topics relating to sustainable development and ESG reporting within the Group.

In addition, information events are held for Supervisory Board members to provide them with a deeper insight into topics that are important for understanding the Business model and challenges of freenet AG. However, the focus in 2025 was on the reorganisation of the Executive Board, so such information events did not take place.

The members of the Supervisory Board undertook further training measures on their own initiative.

Efficiency and self-assessment of the Supervisory Board

In accordance with Recommendation D.12 of the German Corporate Governance Code, the Supervisory Board should regularly assess how effectively it and its committees perform their respective tasks. The Supervisory

Board last conducted such a self-assessment in the 2024 financial year without external support. No fundamental need for change was identified in this process.

Regardless of the self-assessment in accordance with the Code, after each meeting – without the presence of the Executive Board – the Supervisory Board reviews its working methods, the procedures before and during the meeting, and the optimisation of its activities.

Audit of the annual and consolidated financial statements for the 2025 financial year

The annual financial statements for the 2025 financial year from 1 January 2025 to 31 December 2025, prepared by the Executive Board in accordance with the rules of the German Commercial Code (HGB), and the management report of freenet AG were audited by KPMG AG WPG. The audit mandate was awarded by the Chairman of the audit committee in accordance with the resolution of the Annual General Meeting on 13 May 2025. The auditor issued an unqualified audit opinion. The consolidated financial statements of freenet AG as of 31 December 2025 were prepared in accordance with Section 315e of the German Commercial Code (HGB) on the basis of the International Financial Reporting Standards (IFRS). The auditor also issued an unqualified audit opinion on these consolidated financial statements and the group management report.

The auditor's report, issued by KPMG AG WPG, was signed by Haiko Schmidt as the responsible auditor. Haiko Schmidt is responsible for auditing the company's and the group's financial statements for the second year. KPMG AG WPG is also acting as the company's auditor for the second time.

The audit was reported on and discussed by the audit committee on 25 February 2026 and at the Supervisory Board meeting on 19 March 2026. Representatives of the auditor participated in the discussions on the annual financial statements and the consolidated financial statements in both committees. They reported on the material findings of the audits and were available to the audit committee and the Supervisory Board for additional questions and information. Following the final results of its audit of the annual financial statements, the consolidated financial statements, the management report and the group management report, the Supervisory Board raised no objections and approved the results of the audit conducted by the auditor.

The Supervisory Board followed the recommendation of the audit committee and approved the annual financial statements and consolidated financial statements at its meeting on 19 March 2026. The annual financial statements are thus adopted. At its meeting on 19 March 2026, the Supervisory Board also reviewed the Executive Board's proposal for the appropriation of net retained profits and discussed it with the auditor. Subsequently, the Supervisory Board followed the recommendation of the audit committee and endorsed the Executive Board's proposal.

Audit of the non-financial group statement for the 2025 financial year

The sustainability report for the 2025 financial year from 1 January 2025 to 31 December 2025, prepared by the Executive Board as part of the management report of freenet AG and the group management report, was audited by the auditor, KPMG AG WPG. The audit included all mandatory disclosures under the EU taxonomy. The audit engagement was awarded on the basis of the Supervisory Board's resolution of 9 December 2025. After auditing the sustainability report, the auditor concluded that it had not become aware of any facts that would lead it to believe that the company's sustainability report had not been prepared in all material respects in accordance with the legal requirements and the EU Taxonomy Regulation, as well as the interpretation by the legal representatives as presented in the non-financial group statement (limited assurance audit). The audit procedures and the audit

results were reported at the audit committee meeting on 25 February 2026. The supervisory board adopted the auditor's findings on the recommendation of the audit committee.

Audit of the remuneration report

The uniform and separate report on remuneration granted and owed to each individual current or former member of the Executive Board and Supervisory Board, which was prepared jointly by the Executive Board and Supervisory Board, was formally and materially audited by the auditor KPMG AG WPG. The audit mandate was awarded after preparation by the audit committee on the basis of a resolution of the Supervisory Board dated 9 December 2025. The auditor reported the results of the audit to the Supervisory Board at its meeting on 19 March 2026. In the auditor's opinion, the remuneration report, including the related disclosures, complies in all respects of materiality with the accounting provisions of Section 162 of the German Stock Corporation Act (AktG).

Changes to the Supervisory Board and Executive Board

There were no changes to the composition of the Supervisory Board in the 2025 financial year. Robin Harries was newly appointed to the Executive Board and as its Chairman with effect from 1 June 2026. Christoph Vilanek left the Executive Board at the end of 31 May 2025. Nicole Engenhardt-Gillé, Stephan Esch, Antonius Fromme and Rickmann von Platen left the Executive Board on 31 August 2025.

The Supervisory Board would like to thank the current and former members of the Executive Board, as well as all employees of the Group companies, for their valuable contributions and extraordinary commitment. It expressly acknowledges their outstanding achievements in a year that was marked by important future-oriented changes that will ensure the company's continued success.

Büdelsdorf, 19 March 2026

For the Supervisory Board

Marc Tüngler

Chairman of the Supervisory Board

freenet share

Development of the share in the market environment

The 2025 stock market year was marked by economic and geopolitical uncertainties. In particular, the US government's tariff and protectionist actions had a significant impact on global capital markets and led to pronounced volatility in share prices at the beginning of the year. In this environment, the benchmark indices relevant to freenet reacted differently. The MDAX rose significantly over the course of the year, achieving a price gain of 20%. The TecDAX, the leading index for German technology companies, also performed well, rising by 6%. The SXKGR sector index, which comprises the 32 largest European telecommunications companies, even rose by 17%. These indices are so-called performance indices, which take into account both price changes and dividend distributions (total shareholder return, TSR).

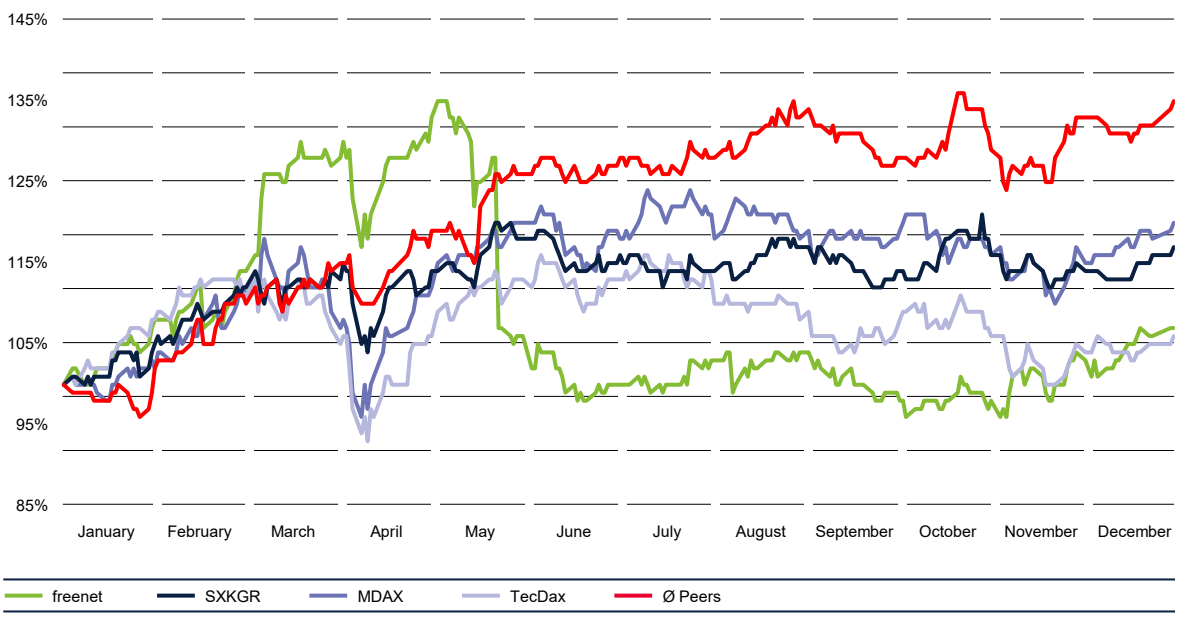
freenet achieved a share price increase of 7% over the course of the year and paid a record dividend of EUR 1.97 per share, resulting in a total TSR of 14%. This meant that the company's share price growth was below the average of its listed competitors, which stood at 35%. This high average was mainly due to the strong performance of 1&1 AG, whose share price rose by 96% mainly as a result of takeover rumours.

Information on freenet AG shares

WKN / ISIN:	A0Z2ZZ / DE000A0Z2ZZ5
Sector:	DAXsector Telecommunication, DAXsubsector Wireless Communication
Class of shares:	No-par value registered ordinary shares
Selected index memberships:	MDAX, TecDAX, Midcap Market Index, CDAX, HDAX, STOXX Europe 600 Telecommunications (SXKP), Performanceindex des SXKP (SXKGR), Prime All Share, Technology All Share
Share capital / number of shares:	EUR 118,900,598 / 118,900,598 units
Voting rights:	One vote per share
Offical trade:	Regulated Market / Prime Standard: Frankfurt; Regulated Unofficial Market: Berlin, Hamburg, Stuttgart, Düsseldorf, Hannover, Munich
Abbreviation / Reuters Instrument Code:	FNTN / FNTGn.DE

Performance of freenet shares vs. benchmark indices in 2025

Indexed as of 31 December 2024



Share performance in 2025

At the end of 2025, the freenet share achieved a TSR of 14%, which was below the previous year's TSR (2024: 9%; 2025: 7%) lower than the prior year's TSR (16%). The share started the year with a price of EUR 27.54. After a significant price increase in the first few months of the year, the share price reached its high for the year at EUR 37.28 at the beginning of May (prior year: EUR 29.70), which was also the highest level in the last ten years. At the time of the Annual General Meeting, the share price was EUR 35.76 (prior year: EUR 25.34). Up to that point, the market value of the freenet share was well above the average analyst's expectation. On the day after the Annual General Meeting, the share price fell by around 6% due to the dividend discount, among other things.

Following the publication of the results for the first quarter, the share price fell significantly as the figures fell short of capital market expectations. It should be noted that the majority of analysts had already classified the share price as overbought in the run-up to the announcement, meaning that the subsequent decline was in line with an expected price correction. The share price then stabilised and was characterised by minor fluctuations. The lowest share price of the year was EUR 26.42, which was recorded at the beginning of the fourth quarter (prior year: EUR 23.02). In the last two months of the year, the share price rose again and, at EUR 29.34 at the end of the year, was above the value at the beginning of the year (EUR 27.54). The average daily closing price for the year was EUR 29.72 (prior year: EUR 26.09), with an average trading volume of 333 thousand shares (prior year: 280 thousand shares) per trading day on Xetra.

The detailed history of our share price and the current market value can be found at fn.de/share.

Performance of freenet shares in 2025 (Xetra)

Shareholder structure at year-end

At the end of 2025, the shareholder structure showed only minor changes in geographical distribution compared to the prior year. As of 31 December 2025, the shareholder base of freenet AG consisted of around 120 thousand shareholders (prior year-end: 111 thousand). Around 47% of the market capitalisation is held by institutional investors (previous year-end: 47%), most of whom are located in North America (38%; end of previous year: 33%), Germany (28%; end of previous year: 24%) and continental Europe (24%; end of previous year: 31%). The remaining share of market capitalisation is mainly attributable to private investors (42%; end of previous year: 44%), who are almost exclusively registered in Germany (98%; end of previous year: 98%). In addition, 2% of the market capitalisation is attributable to freenet AG following the completion of its share buy-back programme in 2025. The remaining 9% of the market capitalisation cannot be clearly attributed.

Current information on the shareholder structure can be found at fn.de/shareholders.

The shareholder structure of freenet AG with regard to major shareholders remains virtually unchanged as of 31 December 2025 compared with the prior year. At the end of 2025, as of the end of the previous year, there was only one shareholder, the asset manager BlackRock, whose (aggregate) voting rights of 6.37% (previous year-end: 5.12%) exceeded the relevant reporting thresholds under the German Securities Trading Act (WpHG). Norges Bank exceeded and fell below the reporting threshold of 3% several times in the first month of the year, albeit with a marginal scope. Most recently, Norges Bank fell below the reporting threshold on 31 January 2025. The other 93.63% of voting rights (end of previous year: 94.88%) were in free float at the end of 2025 in accordance with the WpHG.

Voting rights notifications pursuant to Section 21 of the German Securities Trading Act (WpHG) are published at fn.de/votingrights.

Shareholder structure of freenet AG as of 31 December 2025 (in accordance with WpHG)

6.37 % BlackRock
93.63 % Free Float

Analysts' recommendations

In 2025, investment houses, banks and brokers (known as sell-side analysts) regularly published studies and recommendations on freenet AG.

A total of 14 analysts regularly published studies on freenet shares in the past year (prior year: 17). The financial institutions Bank of America, HSBC and Hauck & Aufhäuser discontinued their research on freenet shares during the financial year. Bank of America shifted its focus in the telecommunications sector, HSBC abandoned the sector entirely, and Hauck & Aufhäuser discontinued its research activities due to a takeover.

At the end of the reporting year, six analysts recommended buying the share (previous year-end: 13), seven analysts recommended holding the share (previous year-end: three) and one analyst recommended selling the share (previous year-end: one analyst). Compared with the end of the previous year, one analyst (LBBW) upgraded its recommendation from "hold" to "buy". The decline in the share price was considered excessive and therefore seen as an opportunity to buy. In addition, five analysts (Barclays, Exane BNP Paribas, Citi, Kepler Chevreux, UBS) downgraded their recommendation from "buy" to "hold". The main reason for this was the cautious forecasts for the mobile communications sector, which were due to the highly competitive market environment.

The main arguments for the buy recommendation are the defensive business model in mobile communications, which is expected to generate stable dividends, and the growth potential of waipu.tv. The main argument for the hold recommendations is the limited growth potential in the challenging mobile communications market. The sell recommendation is based on limited opportunities for growth and yield improvements compared to the sector as a whole.

Overview of analyst recommendations as of 31 December 2025

Bank	Recommendation			Target price		
	Year-end 2024	Δ	Year-end 2025	Year-end 2024	Δ	Year-end 2025
Bernstein	Buy	→	Buy	35.20 €	↑	37.60 €
Barclays	Buy	↓	Hold	37.00 €	↓	34.00 €
Deutsche Bank	Buy	→	Buy	36.00 €	→	36.00 €
DZ Bank	Buy	→	Buy	32.00 €	↑	34.00 €
LBBW	Hold	↑	Buy	30.50 €	↑	32.00 €
Warburg Research	Buy	→	Buy	29.10 €	↑	34.90 €
Berenberg	Buy	→	Buy	32.00 €	→	32.00 €
Exane BNP Paribas	Buy	↓	Hold	34.00 €	↓	27.00 €
Citi	Buy	↓	Hold	28.50 €	↑	29.50 €
Kepler Chevreux	Buy	↓	Hold	30.00 €	↓	28.50 €
Oddo BHF	Hold	→	Hold	28.00 €	→	28.00 €
Goldman Sachs	Sell	→	Sell	28.50 €	↓	26.00 €
UBS	Buy	↓	Hold	30.00 €	↓	29.50 €
Redburn Atlantic	Hold	→	Hold	25.60 €	→	25.60 €

↑ increase
→ no change
↓ decrease

Five of the 14 analysts raised their price targets compared to the end of the prior year. The target increases were mainly concentrated on the first quarter of the year and were based on the announcement of the share buyback programme, the positive business results of the prior year in line with market expectations, and the unchanged ambition for 2028. Four analysts left their previous price targets unchanged and five analysts lowered their price targets due to subdued market expectations. On average, the price target fell marginally by EUR 0.13 or 0.5% to EUR 31.04 (previous year-end: EUR 31.17) compared to the end of the year. The highest price target was set by Bernstein at EUR 37.60 (previous year-end: EUR 37.0), while the lowest price target of EUR 25.60 was set by Redburn Atlantic (previous year-end: EUR 25.60).

The analysts' current price targets are published at fn.de/analysts.

Capital market presence

Transparent, honest, timely and equitable communication with investors and analysts is a priority for freenet AG and its executive bodies. In this regard, material information such as corporate news, ad hoc announcements, voting rights notifications, company presentations, financial/sustainability reports and relevant data on publications and the Annual General Meeting are published at fn.de/investors.

The past year was characterised by an equal mix of virtual and physical meetings with analysts and investors. Virtual roadshows and conferences have now become a standard format for exchanges with investors. The drivers for this are more efficient time management and the awareness of all participants of the environmental benefits. Overall, freenet participated in around 25 capital market conferences, roadshows and broker field trips (prior year: 25) with approximately 190 investor contacts (prior year: 180) in the past year. In addition, there were a number of investor contacts outside of capital market events.

In connection with the publication of the quarterly results, conference calls were organised in the form of webcasts, during which the Executive Board provided detailed information on the performance of freenet. The conference calls are available as recordings at fn.de/investors.

For 2026, freenet will continue to rely on a balanced mix of virtual and physical investor meetings and conference calls in connection with the publication of quarterly results. Corporate governance roadshows, including those attended by the Chairman of the Supervisory Board, will also be held at regular intervals.

Upcoming events are available at fn.de/capitalmarket. Regardless of these dates, the Executive Board and Chairman of the Supervisory Board are available to meet with investors.

Distributions to shareholders

At the Annual General Meeting on 13 May 2025, a majority of 99.93% voted in favour of distributing a dividend of EUR 1.97 per share for the 2024 financial year (prior year: EUR 1.77). The total distribution amounted to EUR 234.1 million (prior year: EUR 210.4 million).

The Executive Board of freenet AG intends to propose another dividend increase to the Annual General Meeting on 13 May 2026 and to pay a dividend of EUR 2.07 per share for the 2025 financial year. The payment would be made on 19 May 2026.

Furthermore, the Executive Board defines 80% of adjusted free cash flow as an appropriate payout ratio. In doing so, freenet underlines its commitment to predictable dividend continuity. From the 2026 financial year onwards, the dividend policy will be temporarily supplemented by a minimum dividend. For the financial years 2026 to 2028 (payable from 2027 to 2029), the Executive Board intends to either distribute 80% of adjusted free cash flow to shareholders or pay a minimum dividend of EUR 2.00 per share. The higher amount (payable in 2027 to 2029) shall apply in each case. With this adjustment, freenet is strengthening the reliability of its distributions by excluding special items affecting liquidity, while at the same time increasing the predictability of distributions from the shareholders' perspective.

Prior to 2025, dividends were paid in full from the tax deposit account, which meant that domestic shareholders who acquired the shares after 31 December 2008 received their dividends without any deduction of capital gains tax or solidarity surcharge. These investors only realised a capital gains tax liability in the event of a sale. Investors who had already acquired the shares before 31 December 2008 were also exempt from this capital gains tax liability.

This practice changed in 2025. Since distributable profits must be distributed first, dividends were only paid out from the tax deposit account to the extent that they exceeded distributable profits. Half of the dividend paid from the tax deposit account continued to be exempt from deductions. Dividends distributed from 2026 onwards will be subject to full withholding tax and solidarity surcharge. This applies to shares acquired before 31 December 2008 as well as to shares acquired after that date. The above applies to distributions of ordinary dividends and special dividends.

An overview of freenet AG's dividend policy and the development of dividend payments is available at fn.de/dividend to be found.

Share buyback programme 2025

On 3 June 2025, freenet AG announced a share buyback programme (2025 Share Buyback Programme) in accordance with Article 2(1) of Delegated Regulation (EU) 2016/1052. The 2025 Share Buyback Programme began on 4 June 2025 and was completed on 30 December 2025 after the close of trading on Xetra. The total number of shares purchased under the 2025 Share Buyback Programme amounts to 2.2 million at an average price of EUR 27.69. This corresponds to 1.82% of the share capital. The aggregate volume of the repurchased shares, excluding incidental costs, amounts to EUR 60.0 million. The shares were purchased by a credit institution commissioned by freenet AG exclusively via the Frankfurt Stock Exchange (Xetra). The majority of the repurchased shares are to be cancelled in the course of 2026, reducing the share capital.

An overview of the share buyback programmes of freenet AG is available at fn.de/sharebuyback.

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Notes: Please note that due to the number format, there may be rounding differences in the interim and final totals, as the numbers have been rounded to one decimal place. Furthermore, when converting units of measurement (e.g. in '000s to millions), the result for some items may be 0.0 or –0.0.

Preliminary remark

The following combined management report contains the group management report and the management report of freenet AG. Sections that contain information relating solely to freenet AG are identified as such. The combined management report includes disclosures in accordance with the German Commercial Code (HGB) for freenet AG in a separate section.

Organisational structure and business model

Overview of organisational structure and business model

freenet AG, the parent company of freenet, is a listed public limited company (AG) under German law with its registered office in Büdelsdorf and its head office in Hamburg. The financial year corresponds to the calendar year (1 January to 31 December).

On 1 June of the past financial year, Christoph Vilanek (CEO) left the company after around 16 years following the termination of his contract. Since then, Robin Harries has been the company's CEO. With effect from 1 September, the Supervisory Board also restructured the Executive Board with the target of simplifying decision-making structures within the company and accelerating decision-making processes. As part of this process, the Executive Board was reduced from six to two members and now consists of Robin Harries (CEO) and Ingo Arnold (CFO). Nicole EngenhardtGillé (CHRO) and Antonius Fromme (CCE) left the company. Rickmann v. Platen (CCO) and Stephan Esch (CTO) remain part of freenet as managing directors in the Mobile Communications segment.

As of 31 December 2025, the Executive Board consisted of two departments.

Composition of the Executive Board as of 31 December 2025

Department	Member of the Executive Board
Chief Executive Officer (CEO)	Robin Harries
Chief Financial Officer, vice chairman of the Executive Board (CFO)	Ingo Arnold

In accordance with internal corporate management, three segments were distinguished in the 2025 financial year: Mobile Communications, TV and Media, and Other/holding.

The division into the Mobile Communications segment and the TV and Media segment is based solely on products. The TV and Media segment bundles the activities of Media Broadcast GmbH in the field of terrestrial broadcasting infrastructure and those of Exaring AG with its IPTV offering waipu.tv. The Other/holding segment comprises holding functions and activities as well as group units that cannot be directly assigned to one of the other two segments.

freenet offers mobile communications services, TV entertainment, Internet access, devices and related services and applications. Revenues are generated primarily on the basis of long-term contracts or contracts with monthly term extensions in a subscription model (service revenues). Business activities are concentrated on the German private customer market.

Mobile Communications segment

The distribution of Mobile communications services is freenet's core business. In addition to Mobile communications services, the Mobile Communications segment also distributes mobile devices, internet services, accessories and services related to Mobile Communications. freenet's Mobile Communications segment is aimed almost exclusively at private customers in Germany.

With its vision of "Always the Right Choice", freenet consistently aligns its business model in the mobile communications sector with the needs of its customers. With demand-oriented pricing and its own branding, mobile communications services are marketed via an omnichannel distribution network. The focus is on customer relationships via directly controllable sales channels, which include around 500 freenet shops and various online sales channels. These channels enable freenet to address customers directly, offering additional upselling and cross-selling potential as well as the opportunity for direct customer interaction and loyalty. As a further material sales pillar, freenet has exclusive marketing rights for Mobile communications services on the Deutsche Telekom and Vodafone networks in around 400 electronics stores belonging to Media-Saturn Deutschland GmbH ("MSD").

When providing mobile communications services, freenet relies on a service provider model that is unique in Germany and supported by regulations. In this asset-light-model, freenet benefits in particular from the advantages of a direct customer relationship. It is primarily an extended reseller model in which, unlike is often the case in the market, the customer relationship is not transferred to the respective network operator but remains with freenet. In contrast to the mobile network operator model (MNO model), there is no need for the capital-intensive construction and operation of a mobile network. Furthermore, unlike the mobile virtual network operator (MVNO) model, freenet has not yet acquired any network capacity from Mobile network operators. Based on its direct customer relationship, freenet integrates virtually all downstream customer-related services, in particular customer service, billing and marketing.

Another unique selling point of freenet in the German mobile communications market is that its tariff portfolio covers both the original tariffs of the relevant German network operators Deutsche Telekom, Vodafone and Telefónica Deutschland, and tariffs developed in-house under the freenet brand name (e.g. This gives freenet flexibility in addressing different target groups and designing needs-based Mobile Communications products.

Over the past 25 years, freenet has developed into the only network-independent mobile communications provider of competitive size in Germany. The Mobile Communications segment comprises around eight million postpaid customers.

TV and Media segment

Media Broadcast

Media Broadcast GmbH has been wholly owned by freenet AG since 2016. Media Broadcast is one of Germany's leading network operators for broadcasting and media. The company generates revenues primarily from terrestrial infrastructure services for TV and radio stations and from offering freenet TV to private customers. Media Broadcast has exclusive rights to offer terrestrial TV access (DVB-T2) in Germany via its own network until at least 2030. This results in two business models: business with broadcasters (B2B) and business with private customers (B2C). In its business with broadcasters, Media Broadcast provides services for the distribution of terrestrial TV-signals, in particular for ARD and ZDF, in return for contractually fixed remuneration. In the private customer business, the company offers freenet TV, a paid terrestrial TV-access service for end customers with public and private HD-channels. In the radio sector, Media Broadcast plans, builds and operates terrestrial networks – primarily in the DAB+ digital standard. The company also has a stake in Antenne Deutschland and

operates as a transmitter network operator. In addition to TV and radio, Media Broadcast also offers technical services for mobile communications and fibre optic companies.

Exaring AG

Since 2016, freenet AG has held a majority stake in Exaring AG (end of 2025: 74.6%). With waipu.tv, the company operates one of Germany's leading streaming services for IPTV as an alternative to traditional linear television reception via cable, satellite or terrestrial transmission. waipu.tv uses a dedicated fibre-optic network for this purpose and offers its customers more than 300 channels and a media library with over 40,000 films and series. The available functions include recording, time-shifted television and restarting programmes that are already running. In addition to public and private TV channels, waipu.tv also offers combination packages with all major streaming services, including Netflix, Disney+ and DAZN. Apart from MagentaTV from Deutsche Telekom, waipu.tv is the only relevant competitor in the German IPTV market for linear television. At the end of 2025, waipu.tv had around two million subscribers. The majority of its revenues come from the marketing of subscription models (service revenues). In addition, programmatic advertising – the automated, targeted and digital sale of advertising space – is becoming increasingly important.

Change in the composition of the segments

There were changes in the composition of the reportable segments in the past financial year.

The Cloud Group was sold with effect from 3 July 2025. The sale was carried out as part of a strategic portfolio streamlining and a further focus on the core business of Mobile Communications. The company, which was acquired in 2018, was primarily active as an installer and operator of wireless (WiFi) Internet access points (hotspots) and was assigned to the Mobile Communications segment. The group generated revenues of around EUR 40 million in the 2024 financial year and around EUR 13 million in the 2025 financial year up to the date of sale. Until the date of sale, the company's financial figures were included in the Mobile Communications segment. The assets and liabilities were fully deconsolidated at that time.

In addition, mobilezone Deutschland GmbH was bought on 31 December 2025. With over one million contracts concluded annually and established brands such as sparhandy.de, mobilezone Deutschland strengthens freenet's strategic sales power in the German mobile communications market. The company generated revenues of around EUR 780 million in the 2024 financial year. The assets and liabilities of mobilezone Deutschland GmbH were included in the consolidated financial statements for the first time on 31 December 2025 as part of the transaction. From the 2026 financial year onwards, the company's business figures will be allocated to the Mobile Communications segment; business figures will not be reported separately in future.

The segment structure will also change with effect from 1 January 2026. The IPTV business (waipu.tv) has since been managed and reported as an independent segment (IPTV segment) in order to reflect the strategic management focus on waipu.tv in external reporting as well. The activities of Media Broadcast will be allocated to the Other/holding segment. The former TV and Media segment will be discontinued. Segment reporting for the 2025 financial year is not affected by these changes. In line with internal corporate management, the following three segments will be distinguished from the 2026 financial year onwards: Mobile Communications, IPTV and Other/Holding.

Corporate strategy and objectives

Principles

freenet AG pursues the vision of "Always the right choice". This claim forms the basis of freenet's business activities and underlines its strategic objective of being the preferred choice for all stakeholders – customers, employees, business partners and shareholders. freenet's products and services are consistently geared towards fulfilling this claim at all times.

Customer focus is the guiding principle of freenet's corporate strategy. freenet offers its customers selected products for individual requirements and acts as a strong sales partner. In addition to its own solutions, freenet integrates third-party products if they optimally meet customer needs. freenet's service promise includes advice tailored to the individual needs of its customers. freenet gains valuable insights from every customer contact, which are directly incorporated into the further development and redesign of its product portfolio. As an omnichannel platform, freenet is also always close to its customers. freenet uses a wide range of contact points for this purpose – from brick-and-mortar sales locations to digital channels.

Artificial intelligence (AI) is the central framework of freenet's strategic orientation. freenet pursues an AI-first approach – not only to optimise and increase the efficiency of internal processes, but also as a decisive lever for a structural competitive advantage in the German telecommunications industry. The use of AI will be implemented throughout the entire customer journey: from personalised offerings and campaigns to dynamic pricing and offering logic to intelligent sales support at all touchpoints. This holistic approach is intended not only to improve the customer experience, but also to contribute to the improvement of key financial and non-financial performance indicators.

The key parameter for all strategic initiatives is maximising customer value, which reflects a consistent focus on sustainable profitability through targeted customer acquisition, long-term customer loyalty and increasing the lifetime value of customer relationships.

Furthermore, sustainability is an integral part of the company's strategic principles. Against this backdrop, freenet designs its business activities to be environmentally responsible, socially responsible and economically profitable. People are always at the centre of our actions.

freenet's corporate strategy focuses on two core areas of digital life: Mobile Communications and TV Entertainment.

Mobile Communications

As Germany's largest network-independent telecommunications provider, freenet gives mobile phone users in Germany access to all relevant mobile networks and aims to offer an attractive value-for-money proposition. freenet has a highly diversified portfolio of tariffs, which includes both its own products and those offered by network operators. This diversity forms the basis for a multi-brand strategy with which freenet serves different customer segments – from premium offers to no-frills products for price-conscious users.

To further scale its reach, freenet is focusing on branded shops, which strengthen brand presence and expand direct access to customers. In addition, freenet is developing attractive bundle products that combine tariffs with devices and are enhaced by additional services such as digital options or supplementary offers – for example, internet or electricity tariffs. In this way, freenet offers mobile phone customers more than just mobile phone services.

Although the German mobile communications market is largely saturated overall, there may still be growth opportunities for freenet. With a market share of just under 10% of the value added in the German mobile communications market and around 20% in the consumer mobile market, freenet is pursuing the goal of further expanding its position. The sales strategy aims to steadily increase the number of customers while ensuring that the customer base remains profitable in the long term. The focus is on new bundle products, the multi-brand strategy and the use of AI throughout the entire customer journey.

IPTV

With its IPTV platform waipu.tv, freenet is focusing on modern technology and offering a flexible, innovative TV expe-rience with unique features (e.g. restart) that surpasses traditional TV distribution platforms such as cable, satellite and antenna. As a content aggregator for linear television, waipu.tv combines a wide selection of TV channels and digital content on a central platform. waipu.tv thus creates an integrated solution that redefines access to linear television.

The platform character of waipu.tv is continuously strengthened through strategic collaborations with leading streaming providers. These partnerships enable the integration of additional content, thereby continuously enhancing the user experience. waipu.tv does not compete with streaming platforms, but rather complements their offerings and creates an ecosystem that combines linear television and on-demand content. waipu.tv's main competitors are traditional TV distribution platforms, such as cable, satellite and antenna.

In addition to expanding its content offering, freenet is focusing on the value-driven development of customer relationships through data-driven approaches such as targeted advertising. The further liberalisation of the TV market in the wake of the abolition of the ancillary cost law ('Nebenkostenprivileg') is creating an attractive environment for growth, while the increasing fragmentation of the streaming market could open up additional potential for platform models.

freenet aims to achieve a critical mass of subscribers and establish itself as one of the leading providers in the German IPTV market. As the second-largest IPTV provider in Germany, freenet is benefiting from technological change and the liberalisation of the TV market and is consistently driving forward the transformation of linear television with waipu.tv.

Financial ambition

As part of its medium-term financial ambition, freenet AG is pursuing the goal of sustainably consolidating and further expanding its strong market position in both product-oriented segments by the end of 2028. Mobile communications continues to form the stable core of our business, providing a reliable earnings base for sustainable profitability. In addition, the IPTV business via the waipu.tv platform is a key driver of future growth.

freenet's financial ambition for 2028 is to achieve adjusted EBITDA of at least EUR 620 million and adjusted free cash flow of at least EUR 340 million. The reference point is the 2025 financial year with an adjusted EBITDA of EUR 515.4 million and a free cash flow of EUR 292.1 million. The targeted growth is to be achieved on an organically basis. waipu.tv is a key factor in achieving the financial ambition and is expected to contribute at least EUR 120 million to growth in the 2028 financial year.

Sustainability

Fields of action

Sustainability is an integral part of freenet's corporate strategy. The SG sustainability strategy (also called ESG-strategy) comprises five fields of action on which the company's sustainable activities are based: climate, circular economy, customers, employees and governance. The goal is to give equal consideration to the sustainability dimensions, i.e. environmental, social and governance issues, in future decisions.

Climate

As a company, freenet is aware of its environmental responsibility. Accordingly, freenet expressly supports the Paris Climate Agreement in the field of climate action n and intends to align its business processes with the 1.5-degree target in future. For this purpose, a climate transition plan has been developed. This plan aims to reduce scope 1 and scope 2 emissions – compared to the baseline year 2022 - by more than 70% until 2030. To achieve this, freenet is committed to continuously updating and evaluating its own carbon footprint. This enables the identification of opportunities and actions that contribute to further reducing greenhouse gas emissions and thus mitigating climate change. The focus is particularly on the increased use of renewable energies and the gradual electrification of the company's own vehicle fleet as key levers for decarbonising business processes. However, the majority of GHG emissions associated with freenet's business model arises in the upstream and downstream value chain (scope 3). In this area, too, freenet intends to exert influence within the scope of its own capabilities in order to contribute to mitigating climate change.

Circular economy

In the mobile communications sector, freenet's offers are usually linked to the provision of a mobile device. Within the field of action of circular economy, freenet places particular emphasis on conserving resources, extending product life cycles and reducing electrical and electronic waste. freenet aims to contribute to the implementation and acceleration of a circular economy approach within the German telecommunications industry. The company's ambition is to be a reliable partner for its customers in terms of sustainable consumption. This objective is already reflected in the existing product portfolio, with freenet offering, among other things, a trade-in service, refurbished devices and repair services, as well as sustainably produced devices and accessories. In future, this product and service portfolio is to be further strengthened and expanded. In addition, there are plans to provide customers with more information about the possibilities of sustainable use of devices and to create incentives to return important and scarce resources to the cycle.

Customer

The customer is at the centre of freenet's activities. The company's overarching goal is to build self-determined, long-term customer relationships. As a service provider, freenet focuses specifically on offering a comprehensive range of prices and services across all relevant mobile networks in order to promote digital participation in society. freenet's offering is diverse and includes numerous tariffs, services and a wide selection of devices. freenet thus specifically targets various user groups. The broad spectrum of offerings enables (potential) customers with different socio-demographic characteristics to gain equal access to digital solutions. As a network-independent service provider in mobile communications, freenet also advises its customers independently, always focusing on their individual needs. The target of the company's activities is to ensure the highest possible level of customer satisfaction. This customer satisfaction also forms the basis for the economic success of freenet.

Employees

freenet's employees are a material factor in the company's long-term, sustainable success. That is why freenet attaches great importance to creating a working environment that is dialogue-oriented, secure and flexible. The company promotes a performance- and knowledge-oriented work culture that offers employees the opportunity to develop and contribute their individual strengths. To achieve these goals, freenet uses various development formats that are specifically designed to support the personal and professional development of its employees. These formats are an integral part of the HR strategy and will continue to be developed and embedded in the company in the future. Another key aspect is diversity within the workforce. Diversity is seen as a success factor at freenet and should be reflected in all areas of the company. Therefore, equality and equal opportunities are firmly embedded in the company's culture and shape everyday interactions. freenet promotes a corporate culture in which all employees are given the same opportunities and chances regardless of their origin, gender or other characteristics.

Governance

In the field of action of governance, ensuring a sustainable supply chain is a key focus for the company. freenet is aware of its own responsibility and all the risks that need to be considered, such as the possible violation of human rights, and will endeavour to exert its influence along the value chain. Furthermore, a comprehensive compliance culture has been established within the group over the last few years and integrated into all areas of the business. As a telecommunications company subject to strict legal and regulatory requirements, the focus of governance issues is on the careful handling of customer data provided to freenet. Data protection and data security issues have therefore become increasingly important in recent years and have been given greater priority within the company. Various review and security structures at all levels ensure that data is adequately protected throughout the group, even in the face of advancing digitalisation and increasing external attacks.

Corporate management

Control approach

freenet uses a uniform management system across the Group to implement its long-term objectives and measure its operating performance. Performance is measured using financial performance indicators and non-financial performance indicators, which form the framework for value-oriented business conduct. The established financial management system also ensures the Group's financial stability.

The target of value-oriented business conduct is to address and take into account the expectations of various stakeholders in relation to freenet in a balanced manner. For example, equity investors expect an appropriate and sustainable long-term return on their invested capital, while debt capital providers expect interest payments to be made on time and debt repayment capacity to be maintained. Employees expect job security and fair remuneration in particular.

The appropriateness of the control system is regularly reviewed by the Executive Board.

The performance indicators used for corporate management include some alternative performance measures (APMs). Despite their widespread use by companies and investors, these are only considered to be of limited significance on their own and are not necessarily comparable between companies due to different calculation methods. Against this background, the respective calculation systems are explained below.

Key financial performance indicators

The key financial performance indicators shown in the table below will be used to measure the company's financial success in the 2025 financial year.

Key financial performance indicators for 2025

Revenues
Adj. EBITDA
EBITDA
Free cash flow
Postpaid ARPU

Management is based on the performance indicators revenues and (adj.) EBITDA at both Group and product-related segment level (Mobile Communications and TV and Media). In addition, postpaid ARPU is used for management purposes in the Mobile Communications segment. Free cash flow is managed exclusively at Group level.

The financial performance indicators (adj.) EBITDA, free cash flow and postpaid ARPU represent APM.

Revenues

Revenues correspond almost entirely to the gross value added generated in the product-related segments from operating activities and are a material indicator for measuring the company's success. Revenues in the Mobile Communications segment are mainly determined by the sale of mobile communications services. The development of revenues in the TV and Media segment is increasingly influenced by the IPTV segment.

EBITDA and adj. EBITDA

EBITDA is considered a material indicator for assessing the business performance of a company over time and of companies in the same market segment. It is also used to compare business models with different capital costs and/or investment structures. Accordingly, EBITDA is used for valuation purposes in the context of company acquisitions and sales.

The EBITDA of freenet AG is primarily influenced by the amount of gross profit (revenues minus cost of materials) and personnel and other operating expenses. This applies both at Group level and to the segments.

EBITDA provides a comprehensive view of operating income and expenses for the reporting period and also includes positive and negative special items that do not have a lasting impact on the operating performance of freenet AG. These special items are eliminated in the calculation of adjusted EBITDA. The EBITDA calculated in this way is used in the management system as a performance indicator to assess sustainable operating business development. Special items include income and expenses from personnel and material-related Restructuring, atypical legal costs, income and expenses from corporate transactions, and other material atypical effects. If there are no special effects in the reporting period, EBITDA corresponds to adj. EBITDA.

The baseline value for the derivation of EBITDA and adjusted EBITDA is EBIT (see table below).

Derivation of EBITDA and adj. EBITDA

	EBIT
+	Depreciation, amortisation and impairment
=	EBITDA
-	Adjustments
=	Adjusted EBITDA

Free cash flow and adjusted free cash flow

As a group-wide, liquidity-oriented key figure, free cash flow is a material supplement to earnings-oriented performance assessment and is equally important for equity and debt capital providers. Free cash flow is a key indicator of the Group's ability to grow on its own, ensure a stable dividend policy and meet ongoing financial obligations, and thus serves as a measure of debt servicing capacity.

Free cash flow, and in particular net working capital and its development, is managed by the treasury on the basis of an established cash management system. In addition to the continuous optimisation of payment terms for liabilities, efficient receivables management is also one of the key actions.

Free cash flow as a performance indicator shows the amount of liquid funds available for dividend payments or the Repayment of financial liabilities. It should be noted that both interest payments and lease payments are already included in the calculation of free cash flow as part of cash flow from operating activities and therefore do not represent additional cash outflows from free cash flow.

Free cash flow provides a comprehensive view of cash inflows and outflows in the reporting period and also includes positive and negative special items affecting liquidity that do not have a lasting impact on the financial performance of freenet AG. These special items affecting liquidity are eliminated in the calculation of adjusted free cash flow. The free cash flow calculated in this way will be used in the management system from the 2026 financial year onwards as the most important performance indicator in order to ensure an unbiased representation of financial strength. Special effects include cash inflows and outflows from personnel and asset-related Restructuring, atypical legal circumstances, corporate transactions and other material atypical effects. If there are no special effects in the reporting period, the adjusted free cash flow corresponds to the free cash flow.

The special items taken into account in connection with free cash flow do not necessarily correspond to the special items used to adjust EBITDA. Differences may exist both in terms of amount and in relation to the respective circumstances and their cash flow impact.

The baseline value for the derivation of free cash flow and adjusted free cash flow is cash flow from operating activities (see table below).

Derivation of free cash flow and adj. free cash flow

	Cash flow from operating activities
-	Cash outflows for investments in property and intangible assets
+	Cash inflows from the disposal of property and intangible assets
-	Cash outflows for the repayment of lease liabilities
=	Free cash flow
-	Adjustments
=	Adjusted free cash flow

Postpaid ARPU

Postpaid ARPU refers to the average monthly revenue (excluding VAT) per postpaid customer in the Mobile Communications segment. It serves as a measure of customers' willingness to pay for the Mobile communications services offered and is therefore a material indicator of the quality of the customer base, which the Executive Board has a strategic interest in securing. Changes in the market and competitive situation can have a significant impact on the development of postpaid ARPU. Regulatory changes and force majeure (e.g. restrictions on travel) can also have impacts on this performance indicator.

Postpaid ARPU is calculated without taking into account subsidy components for supplied devices included in the basic fee. The development of postpaid service revenues is derived directly from the development of postpaid ARPU and the number of postpaid customers.

Key non-financial performance indicators

The developments in the financial performance indicators revenues, (adj.) EBITDA and (adj.) free cash flow are closely related to the development of the total number of subscribers as a summary non-financial performance indicator of the strategically relevant customer groups.

The strategically relevant customer group varies depending on the segment. In the Mobile Communications segment, the postpaid customer base serves as a performance indicator. For the TV and Media segment, the TV customer base was used, which consists of waipu.tv subscribers and freenet TV subscribers (RGU). A (subscription) customer or subscriber corresponds to a contractual relationship with a payment obligation.

Customer acquisition, retention and management are of central importance for the successful development of freenet. Due to the fixed-term contracts, the postpaid customer base secures freenet's medium-term earnings and liquidity and is therefore a material control parameter. The development of freenet TV subscribers (RGU) and waipu.tv subscribers served as a benchmark for success in establishing and penetrating the German TV market.

The selection of the most material non-financial performance indicators is closely linked to freenet's strategic targets and enables targeted management of key customer segments. Since the beginning of the 2026 financial year, the non-financial performance indicator freenet TV subscription customers (RGU) will no longer be part of the management system. The reason for this is the reclassification of Media Broadcast to the Other/holding segment as of 1 January. The Other/holding segment is managed exclusively on the basis of financial key figures.

Key non-financial performance indicators for 2025

Postpaid-Kunden
freenet TV Abo-Kunden (RGU)
waipu.tv Abo-Kunden

Other performance indicators and measures for corporate success

Product brands, new products, partnerships and sales activities

Product brands, product innovations, strategic partnerships and sales activities serve as key indicators for assessing sustainable corporate development at freenet AG, alongside financial and non-financial performance indicators. Against the backdrop of changing market and customer requirements, freenet AG strives to continuously develop its product and service offering, expand existing partnerships in a targeted manner and continuously adapt its sales structures to new conditions. The target is to secure its competitive position in its core business in the long term while identifying and tapping into additional growth and earnings potential.

Development activities

freenet considers the company's development activities to be a key expression of its own performance capabilities. In view of the rapid technological change in the telecommunications industry, freenet continuously analyses relevant innovations in order to secure its long-term competitiveness in this dynamic market environment. Development activities focus in particular on projects in the areas of products, (sales) platforms, IT and artificial intelligence (AI).

In the IPTV business, the long-term success of waipu.tv depends largely on continuously developing the technical platform and its functions and tailoring them specifically to customer needs. To this end, a specialised software

development department has been set up with the necessary expertise and resources. Of the factors that contribute to the long-term success of waipu.tv, continuously developing the technical platform and its functions and tailoring them specifically to customer needs are the most important.

The development expenses for the past financial year are listed in the section on the economic situation of the Group.

Employee matters

Vocational Training and Education, dual study programmes and internal and external qualification measures contribute significantly to maintaining and developing the skills of our employees. freenet considers continuous training in line with current market and technology trends to be a material factor for the sustainable economic success of the company.

Detailed information on employee matters is provided in the chapter on the non-financial group statement.

Gross profit and gross profit margin

Gross profit is defined as the difference between revenues and the cost of materials. The gross profit margin represents the ratio of gross profit to revenues and serves as a key indicator in both product-related segments for the assessment of value creation in relation to direct costs.

The gross profit margin in the Mobile Communications segment essentially shows the relationship between revenues and tariff-related cost of goods sold to Mobile network operators, while in the TV business it essentially shows the impact of content fees paid to broadcasters on value added.

Derivation of gross profit

	Revenues
-	Cost of materials
=	Gross profit
÷	Revenues
=	Gross profit margin

Financial management system

The key performance indicator system for strategic and operational corporate management is supplemented by an established financial management system. The primary targets of the financial management approach pursued are to secure access to the (external) capital market, to maintain sufficient liquidity for operational business at all times, and to ensure a reliable and sustainable distribution policy. The tasks associated with these objectives are performed centrally by the treasury department and supported by financial controlling and accounting.

Cash, liquidity and capital structure management

Key elements for ensuring access to the (external) capital market and liquidity are cash and liquidity management and capital structure management.

Cash and liquidity management ensures that freenet can meet its payment obligations at all times. To this end, cash flows from operating activities and financial transactions are continuously monitored and integrated into rolling cash flow planning. In addition, intra-group cash pooling allows surplus liquidity from individual group companies to be used to cover the liquidity requirements of other units, thereby avoiding external financing.

Capital structure management controls the capital resources of the Group and its subsidiaries. Material performance indicators for the Group-wide capital structure are the equity ratio and leverage, for which binding limits have been defined.

A lower limit of 25.0% has been set for the equity ratio, defined as the ratio of equity to total assets as reported in the consolidated balance sheet. An upper limit of 3.0 times adjusted EBITDA applies to the leverage.

Thresholds for capital structure management

	Limit
Equity ratio	≥ 25.0
Leverage	≤ 3.0

Derivation of leverage

	Non-current financial liabilities
+	Current financial liabilities
+	Net lease liabilities
-	Liquid assets
=	Net financial liabilites
÷	Adj. EBITDA
=	Leverage

Dividend policy and share buybacks

A reliable and transparent dividend policy is a material part of freenet's financial management. The goal is to ensure that shareholders participate continuously and appropriately in the company's success and to align dividends with the company's operational development. The basis for this is the adjusted free cash flow, which is a reliable indicator of the company's ability to pay dividends.

Up to and including the 2025 financial year, the Executive Board defines 80% of free cash flow as an appropriate payout ratio. In doing so, freenet underlines its commitment to predictable dividend continuity. For the years 2026 to 2028, the Executive Board intends to either distribute 80% of adjusted free cash flow to shareholders or pay a minimum dividend of EUR 2.00 per share. The higher amount shall apply in each case. For the years thereafter, the regular distribution policy, which provides for a payout ratio of 80% of adjusted free cash flow, will apply again. With these adjustments, freenet is strengthening the reliability of its distributions, as special effects affecting liquidity in particular are excluded, while at the same time increasing predictability from the shareholders' perspective.

In addition to cash dividends, shareholders can also participate in the company's success through share buybacks. The scope and timing of such actions are decided on a case-by-case basis, taking into account the respective investments and financing plans.

Economic environment

Overall economic development in Germany

Subdued recovery, driven by private consumption

The economic environment in Germany in 2025 was characterised by weak growth momentum. Structural problems such as high unit labour and energy costs, a shortage of skilled workers and declining competitiveness weighed on the outlook. While private and public consumption stabilised the economy, the manufacturing sector remained weak and foreign demand suffered from increased US tariffs. Real disposable income rose in 2025, as did private consumption. The federal government pursued an expansionary fiscal policy with additional credit-financed spending on defence and infrastructure, which should support economic growth in the coming years.

ECB cuts interest rates amid stable inflation

Inflation in the euro area was close to the target of 2.0% in 2025, with core inflation remaining slightly elevated. The European Central Bank (ECB) has been gradually lowering its key interest rates since mid-2024 and pursued a largely neutral monetary policy in 2025. The ECB focused on ensuring price stability. The main refinancing rate stood at 2.2% (end of previous year: 3.2%), while the deposit rate was 2.0% (end of previous year: 3.0%). The 6-month Euribor (Euro Interbank Offered Rate) interest rate, which serves as a benchmark for various interest rate products in Europe, stood at 2.1% in 2025 (end of previous year: 2.6%).

Sector-related development

Mobile communications market in Germany

Regulatory developments

Expansion of 5G mobile network

In 2025, mobile network operators in Germany continued to work towards meeting the Federal Network Agency's (BNetzA) expansion targets for 5G mobile networks. 95% of Germany's territory now has 5G coverage. The BNetzA's target is to achieve seamless coverage by 2026 and a comprehensive, high-performance 5G infrastructure by 2030.

2018 frequency allocation deemed unlawful

Following the decision by the Cologne Administrative Court to declare the 2018 frequency allocation unlawful, the BNetzA opened a hearing on the reallocation in December 2025. The court objected in particular to the lack of independence and political influence in the allocation process. The Federal Administrative Court (BVerwG) also confirmed this ruling, which ordered a new allocation and overturned various partial decisions of the BNetzA's ruling at the time. Overall, the ruling strengthens the position of service providers – such as freenet – and MVNOs that are calling for a service provider obligation. The previous allocations will remain in effect until the new allocation. The debate on fair competition will remain a key regulatory issue in 2026.

Allocation of future frequency usage rights

In March 2025, the BNetzA published its decision on the future use of expiring frequency usage rights. In doing so, it complied with the demands of Mobile network operators for an extension of existing usage rights and decided against a competitive allocation of these frequencies. In future, the BNetzA intends to promote competition between network operators and independent providers – such as freenet – by extending the existing negotiation requirement with "guidelines". According to the BNetzA, this regulation is intended to support wholesale customers in negotiations.

Competitive environment

Completion of the migration of 1&1 mobile customers to the Vodafone network

1&1, which has been operating as an MVNO for many years, has been formally active as Germany's fourth Mobile network operator since the end of 2023, although its Mobile network has yet to achieve nationwide coverage. Until then, 1&1 will ensure complete network coverage through national roaming. Until August 2024, national roaming was provided by Telefónica Deutschland. Since then, the migration of around 12 million 1&1 mobile customers to the Vodafone Mobile network has begun as part of a new national roaming agreement. The migration was completed in 2025. At the same time, 1&1 is continuously expanding its own mobile network and is pursuing the target of achieving almost complete network coverage by 2030. At the end of 2025, the 1&1 mobile network served 25% of German households.

Increased price competition

Last year saw increased competitive dynamics, particularly in terms of price competition, which was characterised by numerous attractive offers. This intensification could be attributed in particular to the switch of 1&1 customers to the Vodafone network in the wake of the national roaming agreement. Some market participants saw this as an opportunity to poach customers during the migration process. Now that the migration is complete and momentum has recently stagnated, price competition is expected to decline in the future. Overall, the market environment remains rational and predictable, so that the mobile communications market in Germany can continue to be expected to remain stable.

No material shifts in market shares

The mobile communications market in Germany remained virtually unchanged compared with the prior years. In terms of revenues from Mobile communications services, the market continues to be evenly distributed among the existing players. The three established network operators continue to dominate the market, with Deutsche Telekom holding the largest share (approx. 30%). 1&1 and freenet have market shares of a similar size (approx. 10%), while the remaining providers cover only an insignificant part of the market (approx. 1%). Similarly, the overall size of the German market for mobile communications services remained constant in terms of service revenues generated (EUR 21 billion). The completion of the migration of 1&1 mobile customers to the Vodafone network has no impact on market distribution, as neither Vodafone nor Telefónica report the revenues generated through national roaming with 1&1 as service revenues.

Consumer mobile market

Mobile data usage continues to increase

freenet operates almost exclusively in the consumer market for mobile communications. This market has an estimated volume of around EUR 10 billion. Of the total market volume, freenet accounts for just under 20%. Demand for mobile communications services from private customers continues to be characterised by high demand for mobile data, driven by the use of streaming services, cloud applications and social media. In 2025, average data consumption per user in Germany was around 10 GB per month and increasingly took place on the 5G network. Data consumption remains well below the EU average, but signals a continuing, steady increase.

Against this backdrop, offers with unlimited data volumes ("unlimited tariffs") gained in importance in the past year and were increasingly marketed by all network operators. This development reflects changing user behaviour, with mobile data intensity and connectivity continuing to increase in all areas of life. For providers, this trend opened up the opportunity to transfer customers to higher-priced tariff segments.

Growth of the postpaid market continues

In the German mobile communications market for residential customers, the trend towards term-based tariff models continued in the past financial year. Residential customers increasingly prefer flexible contracts that allow them to adjust tariffs to suit their needs and preferences or to cancel them. Given the stable ratio of active personal SIM cards to residents in Germany (factor 1.3x) and the number of active personal SIM cards (107 million), the

residential customer market is essentially saturated. Market growth in terms of service revenues is primarily due to the ongoing shift from prepaid to higher-value postpaid contracts. In recent years, the share of postpaid contracts in the total number of active personal SIM cards has steadily increased. Around 75% of active personal SIM cards are now billed via postpaid contracts. In contrast, both the number and share of prepaid contracts and revenues are falling steadily. This development has been further boosted by the increasing marketing of so-called family cards and partner cards. The supplementary, discounted second or third cards within an existing contract model enable providers to bundle households and structurally strengthen customer loyalty.

TV and video market in Germany

TV and video consumption

Linear television remains the most popular form of moving image consumption

With an average of 158 minutes per day, linear television remains the most important source of moving image consumption in Germany. There is a clear age difference: older viewers spend significantly more time watching linear television – sometimes up to four hours a day. For many Germans, linear television remains a key source of information and relaxation. Around 75% of the population watches linear television at least once a week.

Breakdown of TV distribution platforms

The internet is becoming increasingly important as a means of reception

The use of the internet as a means of receiving television services continues to grow. Currently, 20% of German television consumers already use linear television via the internet (IPTV), with younger target groups in particular preferring this type of transmission. While the number of TV households remains constant, traditional distribution platforms such as cable, satellite and antenna are becoming increasingly irrelevant. In contrast, IPTV is recording continuous growth in market share, with providers such as MagentaTV and waipu.tv playing a leading role.

Liberalisation of the linear TV market through the abolition of the ancillary cost law ('Nebenkostenprivileg')

With the abolition of the ancillary cost law ('Nebenkostenprivileg'), landlords have not been permitted to pass on cable TV fees to tenants since 30 June 2024. Previously, these fees had been billed at a flat rate for decades, regardless of actual usage. Households now have to conclude contracts with the relevant providers themselves. Many of the households affected are currently not paying for cable TV, even though they continue to use the service. Due to technical challenges with the signal switch-off, more than 3.5 million households are classified as "unlicensed viewers". Only a small proportion of users have actively changed their provider or reception method. However, a significant proportion of former cable customers are increasingly opting for IPTV services. IPTV offers impressive extended functionality and higher transmission quality without necessarily requiring additional hardware.

Overview of business performance

Overall statement by the Executive Board on the business performance

2025 financial year

The results for the past financial year underscore freenet's consistently successful sales performance in the mobile communications business in terms of customer growth and its financial growth ambitions in the IPTV business. The company is focusing its core competencies on the sale of subscription models (Mobile Communications and TV Entertainment), which are generally not interchangeable or dispensable for private households in the short and medium term.

The Executive Board of freenet AG makes an assessment of the course of the 2025 financial year as neutral to slightly positive. At Group level, the guidance for adjusted EBITDA and free cash flow was slightly undershot, although the underlying operational key figures in both product-related segments continue to signal a strong market and competitive position.

The current prevailing geopolitical and economic uncertainties had no material impact on freenet's business performance.

Revenues, adjusted EBITDA and free cash flow

Revenues at Group level amounted to EUR 2,439.9 million in the reporting year, slightly below the prior year's level (EUR 2,477.5 million). The decline is mainly attributable to the sale of The Cloud Networks during the year (around EUR 27 million). In addition, the market-driven decline in postpaid ARPU had a dampening effect on the development of postpaid service revenues. Strong postpaid customer growth of 4.0% compensated for the 3.0% decline in ARPU.

Adjusted EBITDA at Group level was EUR 515.4 million, on a par with the previous year (EUR 516.1 million), but slightly below the guidance range of EUR 520 to 540 million. The shortfall in the guidance is due to a lower than planned contribution to earnings from an agreement with a network operator.

Free cash flow also fell short of the guidance of EUR 300 to 320 million, coming in at EUR 292.1 million, which was on a par with the previous year (EUR 292.3 million). The main reason for this was the payment of long-term variable remuneration components to former members of the Executive Board in the course of the reorganisation of the Executive Board.

Guidance achievement: Group

In EUR million	2024 Reference figure[1]	2025 Guidance	2025 Actual	Guidance achievement
Financial performance indicators				
Revenues	2,477.5	Moderate growth	2,439.9	Underperformed
Adjusted EBITDA	516.1	520-540	515.4	Underperformed
Free cash flow	292.3	300-320	292.1	Underperformed

[1] With regard to the restatements to the figures for the 2024 financial year, please refer to the explanations in section 2.17 of the notes to the consolidated financial statements.

Performance of the product-related segments

Mobile Communications segment

News and events

Acquisition of mobilezone Deutschland

freenet strengthens its own (online) sales structure by acquiring mobilezone Deutschland. The acquisition was completed on 31 December 2025. Since the beginning of the 2026 financial year, mobilezone Deutschland has been fully integrated into the Mobile Communications segment. With one million annual contract signings in reselling, a postpaid customer base of around 240 thousand customers and strong brands such as Sparhandy, Deinhandy, Handystar and HIGH, the company is one of Germany's leading mobile communications providers.

Extension of exclusive partnership with MediaMarktSaturn

The successful partnership with MediaMarktSaturn Deutschland GmbH has been extended for another five years. freenet will thus remain the exclusive partner for the sale of freenet tariffs on all mobile networks, the original tariffs of the network operators Telekom and Vodafone, as well as other proprietary mobile products and services in all MediaMarkt and Saturn stores in Germany and via their online channels.

Extensive expansion of the brand and tariff portfolio

freenet is expanding its Mobile Communications portfolio with new brands and tariff options, including mobilfunk.de and Unlimited Mobile. The digital platform mobilfunk.de and the relaunch of FUNK underscore the strategic focus on digitalisation, flexibility and eSIM technology. The new FUNK Unlimited tariffs offer an innovative combination of modern technology and high flexibility: contracts can be concluded via an app, usage is billed by the minute, activation is immediate with no delivery time for SIM cards, and customers have access to the 5G network. Customers can switch to the new tariffs with no hassle. Unlimited Mobile also offers flexible deals on the Telekom, Vodafone and O2 networks – with no data restrictions.

Realignment of sales marketing

At the same time, sales marketing in the mobile communications sector was realigned: the focus is now on a performance-oriented approach instead of traditional brand marketing ("investment in the freenet brand"). The target is to design advertising measures in such a way that they contribute directly to customer acquisition, and their success can be measured in terms of new customer numbers and unaided brand awareness. The current klarmobil campaign serves as an example of the successful implementation of this approach.

Customers, revenues and adjusted EBITDA

The strong customer growth in the mobile communications segment underscores the consistent further development of freenet's sales expertise in the area of subscription-based business models. The number of postpaid customers has grown significantly by 7.2% to 8,146.5 thousand since the end of the previous year (7,600.2 thousand). Net new customer growth (excluding mobilezone Deutschland) increased by almost 70% to 306.3 thousand (prior year: 181.9 thousand). This operational success demonstrates the attractiveness of the tariff offering, the company's strong sales performance and the effectiveness of the performance-oriented realignment of marketing activities. An additional increase of around 240 thousand customers resulted from the integration of mobilezone Deutschland's postpaid customers at the end of the year as part of the closing. Overall, freenet – like the market as a whole – continued to benefit from the trend of customers moving from prepaid to postpaid contracts and the desire for independent advice.

As expected, postpaid ARPU remained below the previous year's level (EUR 17.9) at EUR 17.3. The initial guidance was for "stable performance". On 6 August 2025, the guidance was downgraded to "moderate decline", mainly due to the materiality of intensified price competition in the mobile communications market. The market-driven decline in postpaid ARPU had a dampening effect on the development of postpaid service revenues, which nevertheless remained stable at EUR 1,606.1 million (prior year: EUR 1,600.5 million). Postpaid net customer growth of 4.0% (excluding Postpaid customers from the integration of mobilezone Deutschland) offset the 3.0% decline in postpaid ARPU and thus contributed materially to the stable development of postpaid service revenues. Overall, the Mobile Communications segment generated revenues of EUR 2,002.7 million, representing a moderate decline compared with the prior year (EUR 2,057.0 million) despite stable postpaid service revenues. The decline is attributable, among other things, to the sale of The Cloud Networks during the year.

The expectation of a significantly lower than planned contribution to earnings from an agreement with a network operator led to a significantly lower gross profit in the mobile communications segment than expected in the fourth quarter of 2025. As a result, adjusted EBITDA of EUR 411.4 million was below both the guidance range of EUR 420 to 440 million and the previous year's figure (EUR 431.3 million). Overall, the segment thus fell short of financial expectations.

The financial figures for mobilezone Deutschland were not included in the 2025 financial year. As of 31 December 2025, only the information on employees, balance sheet values and customer portfolios was included in the closing.

Guidance achievement: Mobile Communications

In EUR million/as indicated	2024 Reference figure[1]	2025 Guidance	2025 Actual	Guidance achievement
Financial performance indicators				
Revenues	2,057.0	Moderate growth	2,002.7	Underperformed
Adjusted EBITDA	431.3	420-440	411.4	Underperformed
Postpaid ARPU (in EUR)	17.9	Moderate decrease[2]	17.3	Fulfilled

In '000s	31.12.2024	2025 Guidance	2025 Actual	Guidance achievement
Non-financial performance indicator				
Postpaid customer base	7,600.2	Moderate growth	8,146.5[3]	Overperformed

[1] With regard to the restatements for the 2024 financial year, we refer to the explanations in section 2.17 of the notes to the consolidated financial statements
[2] The initial guidance was for "stable performance". On 6 August 2025, the guidance was downgraded to "moderate decline", mainly against the backdrop of intensified price competition in the mobile communications market.
[3] Incl. around 240k HIGH customers from the integration of mobilezone Deutschland

TV and Media segment

News and events

waipu.tv expands product and channel portfolio

The waipu.tv Stick 2.0 introduced a remote control specifically designed for waipu.tv users, which also enhances the technology of smart TVs. In addition, waipu.tv presented the "Start Package" as an attractive alternative to conventional cable connections and was the official sponsoring partner of the 2025 Handball World Cup. Furthermore, the successful cooperation between waipu.tv and Sky Deutschland was further intensified during the year. In addition, a new partnership began with the streaming service HBO Max, which launched in Germany in early 2026. The channel offering was also expanded to over 300 channels.

waipu.tv and O2 TV end sales partnership

Telefónica had announced that O2 TV would be offered via its own platform from September 2024 and would no longer use the technology previously provided by waipu.tv. Existing O2 TV subscriptions taken out as part of the cooperation with waipu.tv will remain in place until the migration. The partnership with waipu.tv ended with the expiry of the joint distribution agreement in September 2024. The O2 TV offer is exclusively reserved for O2 customers and is still not available on the open TV market.

Strategic partnerships in targeted advertising

waipu.tv secured partnerships with leading German broadcasting groups ProSiebenSat.1 and RTL in the area of targeted advertising. These partnerships enabled a significant expansion of monetisable advertising space and the further development of the technological infrastructure for data-based, target group-specific advertising on linear television. As a result, the targeted advertising business is contributing to the diversification of revenue streams and strengthening the advertising business of waipu.tv. At the same time, waipu.tv is positioning itself as a technological platform for addressable TV advertising and is participating in the growth potential of the market for programmatic TV advertising.

Media Broadcast secures distribution of programme content and expands DAB+ broadcasting network

Media Broadcast and RTL Deutschland have extended their contract for the distribution of programme content via DVB-T2 HD until 2030. The new agreement strengthens the role of digital terrestrial television and secures an attractive HD offering for viewers in the long term. In addition, Media Broadcast is expanding the transmitter network of the first nationwide DAB+ multiplex by twelve additional sites. At the end of 2025, there were 182 sites nationwide for the first DAB+ platform.

Customers, revenues and adjusted EBITDA

In the 2025 financial year, the TV and Media segment performed extremely well financially, achieving significantly higher revenues (EUR 423.7 million; prior year: EUR 399.9 million) and with EUR 130.6 million (prior year: EUR 110.1 million), it reached the upper end of the guidance range for adjusted EBITDA (EUR 115 to 135 million). The sharp rise in adjusted EBITDA is solely attributable to the significant improvement in adjusted EBITDA at waipu.tv: the figure rose from EUR -1.2 million to EUR 36.0 million, which is attributable to a sustainable portfolio of profitable customers with marketing expenditure remained unchanged. Compared to the prior year, waipu.tv had a lower number of subscribers than expected (1,984.0 thousand; end of the prior year: 1,940.6 thousand), which is attributable to the termination of a sales cooperation with O2 TV. Adjusted for this effect (elimination of O2 TV subscribers from the waipu.tv subscriber base), the waipu.tv subscriber base grew significantly from 1,602.8 thousand by 152.2 thousand to 1,755.2 thousand at the end of 2025.

As expected, Media Broadcast saw a decline in adjusted EBITDA to EUR 94.0 million (prior year: EUR 96.8 million) due to the ongoing and forecast significant loss of freenet TV subscribers (416.0 thousand; end of prior year: 496.3 thousand).

Guidance achievement: TV and Media

In EUR million	2024 Reference figure	2025 Guidance	2025 Actual	Guidance achievement
Financial performance indicators				
Revenues	399.9	Noticeable growth	423.7	Fulfilled
Adjusted EBITDA	110.1	115-135	130.6	Fulfilled

In '000s	31.12.2024	2025 Guidance	2025 Actual	Guidance achievement
Non-financial performance indicators				
freenet TV subscribers (RGU)	496.3	Noticeable decrease	416.0	Underperformed
waipu.tv subscribers	1,940.6	Noticeable growth	1,984.0	Underperformed

Financial position of the Group

Results of operations

Group revenues

At EUR 2,439.9 million, group revenues in the 2025 financial year were slightly below the prior year (EUR 2,477.5 million) due to the sale of The Cloud Group in July 2025 and the associated loss of revenues in the second half of the year. In addition, service revenues (postpaid) remained stable (EUR 1,606.1 million; prior year: EUR 1,600.5 million) as a result of a significant increase in the postpaid customers and a decline in postpaid ARPU. Revenues in the TV and Media segment increased by 6.0% to EUR 423.7 million (prior year: EUR 399.9 million) due to a further increase in the number of profitable waipu.tv subscribers. The second tranche from the sale of IP addresses that were no longer required generated revenues of EUR 12.7 million in the 2025 financial year, which was below the level of the first tranche in the 2024 financial year (EUR 18.4 million). This led to a decline in revenues in the Other/holding segment.

Revenues and adjusted EBITDA at segment and Group level

In EUR million	2025	2024 (restated)[1]	Absolute change	Relative change
Revenues[2]	**2,439.9**	**2,477.5**	**-37.6**	**-1.5%**
Mobile Communications segment	2,002.7	2,057.0	-54.2	-2.6%
Service revenues (postpaid)	1,606.1	1,600.5	5.6	0.3%
TV and Media segment	423.7	399.9	23.8	6.0%
Other / Holding segment	56.8	65.4	-8.6	-13.2%
Gross profit	976.7	977.2	-0.5	0.0%
Other expenses / income	-452.5	-452.3	-0.2	0.0%
Adjusted EBITDA	**515.4**	**516.1**	**-0.7**	**-0.1%**
Mobile Communications segment	411.4	431.3	-19.9	-4.6%
TV and Media segment	130.6	110.1	20.5	18.6%
Other / Holding segment	-26.6	-25.2	-1.4	5.4%
EBITDA	**524.2**	**524.9**	**-0.6**	**-0.1%**
EBIT	385.4	378.9	6.5	1.7%
Financial result	-22.8	-30.3	7.5	-24.7%
EBT	362.5	348.6	13.9	4.0%
Consolidated profit	**274.5**	**299.8**	**-25.3**	**-8.4%**

[1] With regard to the restatements for the 2024 financial year, we refer to the explanations in section 2.17 of the notes to the consolidated financial statements
[2] The total amount differs due to intersegment eliminations

Gross profit

Gross profit amounted to EUR 976.7 million in the 2025 financial year, remaining at the previous year's level (EUR 977.2 million). The development of gross profit was characterised by opposing effects. The strong increase in service revenues in the TV and Media segment and the contribution from the second and final tranche of the IP address sale in the amount of EUR 12.7 million (prior year: EUR 18.4 million) had a positive impact. In contrast, the Mobile Communications segment was affected by the cautious recognition of a potentially negative earnings impact from an agreement with a network operator. The gross profit margin improved slightly by 0.6 percentage points to 40.0% (prior year: 39.4%).

Other expenses and income

Other operating income increased by EUR 12.7 million to EUR 58.9 million compared to the prior-year period, primarily due to the deconsolidation gain of EUR 12.3 million from the sale of The Cloud Group in July 2025 (see Notes to the Consolidated Financial Statements, Note 36.1). In addition, other operating income mainly includes income from reminder and return debit fees charged to end customers, the external recharging of expenses for promoters and the subletting of shops.

Other own work capitalized resulted from cash-effective investments in internally generated software as part of IT, strategy and product development projects and, at EUR 26.1 million, was slightly above the previous year's level (EUR 24.6 million).

Personnel expenses fell by EUR 4.3 million to EUR 231.2 million (prior year: EUR 235.5 million). In particular, savings from the restructuring measures implemented in the TV and Media segment in the prior year more than offset the expenses associated with the termination of contracts on the Executive Board and other restructuring and individual severance payments (EUR 7.4 million).

Other operating expenses rose by EUR 18.7 million to EUR 306.3 million in the 2025 financial year (prior year: EUR 287.6 million), mainly due to higher expected loss allowances for end customer receivables. In addition, other operating expenses were largely distributed across administrative costs (e.g. ancillary costs for shops/stores and administrative buildings) and IT and consulting costs.

EBITDA and adjusted EBITDA

The total other income and expenses (the difference between gross profit and EBITDA) amounted to EUR 452.5 million, which was the same as the previous year (EUR 452.3 million). EBITDA amounted to EUR 524.2 million (prior year: EUR 524.9 million). The EBITDA margin was 21.5%, slightly above the previous year's figure (21.2%). Adjusted for the adjustments shown in the table below, adjusted EBITDA amounted to EUR 515.4 million (prior year: EUR 516.1 million) with an adjusted EBITDA margin of 21.1% (prior year: 20.8%).

Reconciliation from Group EBITDA to adjusted Group EBITDA

In EUR million	2025	2024 (restated)[1]	Absolute change	Relative change
Consolidated EBITDA	**524.2**	**524.9**	**-0.6**	**-0.1%**
Mobile Communications segment	415.4	430.6	-15.2	-3.5%
TV and Media segment	130.3	102.9	27.4	26.7%
Other / Holding segment	-21.5	-8.7	-12.8	-148.4%
EBITDA adjustments	**-8.8**	**-8.7**	**-0.1**	**-1.2%**
Income and expenses from corporate transactions	**-9.8**	**0.0**	**-9.8**	**n.a.**
Income from the deconsolidation of The Cloud Group (less consulting fees)	-11.3	0.0	-11.3	n.a.
Others	1.4	0.0	1.4	n.a.
Expenses from personnel restructuring and compensation payments	**7.4**	**9.7**	**-2.3**	**-23.8%**
Expenses from subject-related restructuring	**0.6**	**0.0**	**0.6**	**n.a.**
Other significant atypical effects	**-6.9**	**-18.4**	**11.4**	**62.2%**
Sale of IP adresses	-12.7	-18.4	5.7	31.0%
Atypical sales expenses	5.0	0.0	5.0	n.a.
Others	0.8	0.0	0.8	n.a.
Adjusted consolidated EBITDA	**515.4**	**516.1**	**-0.7**	**-0.1%**

[1] With regard to the restatements for the 2024 financial year, we refer to the explanations in section 2.17 of the notes to the consolidated financial statements

Depreciation, amortisation and impairments, financial result and taxes

Depreciation, amortisation and impairment losses decreased by EUR 7.1 million to EUR 138.9 million compared with the prior year (EUR 146.0 million). This was mainly due to lower scheduled depreciation of leased assets and depreciation of property, plant and equipment. In addition, depreciation, amortisation and impairment also include amortisation of internally developed software in the context of research and development activities in the amount of EUR 18.4 million (prior year: EUR 16.3 million). Compared to the prior year (EUR -30.3 million), the financial result improved by EUR 7.5 million to EUR -22.8 million. The main reason for this was the higher negative share of earnings in the prior-year period in connection with contributions to the equity of Antenne Deutschland GmbH & Co. KG, which is accounted for using the equity method (EUR -1.1 million; prior year: EUR -5.3 million). In addition, interest expenses fell by EUR 5.4 million to EUR 27.1 million (prior year: EUR 32.5 million) – primarily due to lower expenses from variable-rate promissory note loans and present value adjustments of lease liabilities in line with the current lower interest rate level. Earnings before income taxes rose to EUR 362.5 million, up EUR 13.9 million on the previous year (EUR 348.6 million). In the 2025 financial year, income tax expenses of EUR 88.0 million (prior year: EUR 48.8 million) were reported. This included current tax expenses of EUR 38.4 million (prior year: EUR 32.6 million) and deferred tax expenses of EUR 49.6 million (prior year: EUR 16.2 million). The deferred tax expenses reported in the reporting period resulted primarily from the reduction in deferred income tax assets on tax loss carryforwards due to their utilisation.

Group result

In total, consolidated profit from continuing operations amounted to EUR 274.5 million in the 2025 financial year (prior year: EUR 299.8 million). Consolidated profit from discontinued operations amounted to EUR 2.3 million (prior year: EUR -50.8 million), which includes subsequent expenses and income relating to the Gravis business segment discontinued in 2024 (see Notes to the Consolidated Financial Statements, Note 36.2).

Financial position and net assets

Assets

The balance sheet total as of 31 December 2025 amounted to EUR 3,676.1 million and increased significantly in connection with the acquisition of all shares in mobilezone Deutschland (see Notes to the Consolidated Financial Statements, Note 35) compared to 31 December 2024 (EUR 3,351.4 million).

Balance sheet (abridged)

In EUR million	31.12.2025[1]	31.12.2024 (restated)[2]	Absolute change	Relative change
Non-current assets	2,776.1	2,533.3	242.8	9.6%
Current assets	900.1	818.1	81.9	10.0%
Assets	**3,676.1**	**3,351.4**	**324.7**	**9.7%**
Equity	1,532.4	1,490.4	41.9	2.8%
Non-current liabilities	733.0	709.0	24.0	3.4%
Current liabilities	1,410.7	1,152.0	258.8	22.5%
Equity and liabilities	**3,676.1**	**3,351.4**	**324.7**	**9.7%**
Equity ratio	**41.7%**	**44.5%**	**-2.8%P**	**-6.3%**

[1] Incl. assets and liabilities of mobilezone Deutschland
[2] With regard to the restatements as of 31 December 2024, reference is made to the explanations in section 2.17 of the notes to the consolidated financial statements

On the assets side, non-current assets rose by EUR 242.8 million from EUR 2,533.3 million to EUR 2,776.1 million. The significant increase in intangible assets by EUR 138.4 million to EUR 297.7 million (end of 2024: EUR 159.3 million) is mainly attributable to the first-time consolidation of mobilezone Deutschland and the extension of the exclusive distribution rights with Media-Saturn Deutschland GmbH (MSD) in October 2025 (see Notes to the Consolidated Financial Statements, Note 15). Goodwill increased by EUR 74.4 million to EUR 1,459.1 million (end of 2024: EUR 1,384.8 million) as a result of the acquisition of mobilezone Deutschland. Other financial assets increased by EUR 65.1 million to EUR 180.4 million (end of 2024: EUR 115.4 million) – the decisive factor here was the positive fair value development (stock market price) of the shareholding in CECONOMY AG. This was offset by a decrease in deferred income tax assets of EUR 52.8 million to EUR 44.4 million (end of 2024: EUR 97.2 million), mainly due to the ongoing utilisation of capitalised tax loss carryforwards.

Current assets increased by EUR 81.9 million to EUR 900.1 million (end of 2024: EUR 818.1 million). This was mainly due to the increase in trade accounts receivable to EUR 398.1 million (end of 2024: EUR 337.4 million) and inventories to EUR 67.3 million (end of 2024: EUR 46.7 million); both effects were mainly attributable to the first-time consolidation of mobilezone Deutschland (see Notes to the Consolidated Financial Statements, Note 35).

Liabilities

On the liabilities side, equity increased by EUR 41.9 million to EUR 1,532.4 million as of 31 December 2025 (year-end 2024: EUR 1,490.4 million). Despite a dividend payout of EUR 234.1 million, the increase in equity was primarily driven by the consolidated result of EUR 276.9 million (see Consolidated Notes, Note 24). In addition, equity decreased by EUR 60.0 million in the 2025 financial year due to the repurchase of own shares under a share buyback programme (see Consolidated Notes, Note 24.2). The equity ratio declined from 44.5% at year-end 2024 to 41.7% as of December 2025, mainly due to the increase in financial liabilities following the acquisition of mobilezone, but remained well above freenet's defined minimum threshold of 25%.

The total non-current and current liabilities increased by EUR 282.8 million to EUR 2,143.7 million (previous year-end: EUR 1,861.0 million). Financial liabilities continued to represent the largest item within non-current and current liabilities, rising by EUR 157.4 million to EUR 575.9 million in the reporting period (end of 2024: EUR 418.5 million). A loan with a nominal value of EUR 250.0 million was taken out in connection with the acquisition of mobilezone Deutschland. In addition, the revolving credit line of EUR 100.0 million was utilised as of 31 December 2025. In contrast, the promissory note loans from 2018 and 2020 were repaid in full in the amount of EUR 192.0 million (see Notes to the Consolidated Financial Statements, Note 28). At 1.2 times EBITDA as of December 2025, the leverage based on net financial liabilites was above the level at the end of 2024 (0.9 times), but still well below the defined limit of 3.0 times EBITDA. The increase in other financial liabilities by EUR 54.1 million to EUR 116.5 million (end of 2024: EUR 62.4 million) is mainly attributable to the liability recognised in the balance sheet in connection with the extension of the exclusive distribution rights with MSD (capitalisation of an intangible asset). In addition, the increase in trade accounts payable to EUR 382.2 million (end of 2024: EUR 316.9 million) and deferred income tax liabilities to EUR 26.4 million (end of 2024: 0) was mainly due to the initial consolidation of mobilezone Deutschland.

Equity ratio and leverage

	Limit	31.12.2025[1]	31.12.2024 (restated)[2]	Absolute change	Relative change
Equity ratio	≥ 25.0	41.7%	44.5%	-2.8%P	-6.3%
Leverage	≤ 3.0	1.2	0.9	0.3	29.0%

[1] Incl. assets and liabilities of mobilezone Deutschland
[2] With regard to the restatements as of 31 December 2024, reference is made to the explanations in section 2.17 of the notes to the consolidated financial statements

Liquidity position

Cash flow from operating activities from continuing operations

Compared to the same period last year, the cash flow from operating activities from continuing operations in the 2025 financial year by EUR 0.9 million to EUR 407.2 million (prior year: EUR 406.3 million). Compared to the prior year, the EUR 33.6 million lower increase in contract acquisition costs, including net working capital, had a positive impact on cash flow from operating activities in continuing operations. This was mainly offset by additional sales tax payments of EUR 21.4 million made in the reporting period due to a completed tax audit for prior years and the adjustment for non-cash income from the sale of the The Cloud Group and freenet Datenkommunikations GmbH in the amount of EUR 12.0 million.

Cash flow from investing activities from continuing operations

Cash flow from investing activities from continuing operations in the reporting year amounted to EUR -204.2 million, compared with EUR -42.0 million in the prior-year period. This was primarily due to the outflow of EUR 201.0 million for the acquisition of mobilezone Deutschland (see Notes to the Consolidated Financial Statements, Note 35). This was offset by cash inflows of EUR 37.6 million from the sale of The Cloud Group (see Notes to the Consolidated Financial Statements, Note 36.1). Net cash investments increased slightly by EUR 1.5 million to EUR 39.8 million. The investments were financed entirely from own funds.

Cash flow from investing activities from continuing operations

Cash flow from financing activities from continuing operations developed from EUR -300.0 million in the prior year to EUR -312.3 million. Payouts in the 2025 financial year were attributable to the dividend distribution of EUR 234.1 million (prior year: EUR 210.4 million), the repayment of five promissory note loan tranches with a nominal value of EUR 192.0 million (prior year: EUR 178.5 million, see Notes to the Consolidated Financial Statements, Note 28), the repayment of lease liabilities amounting to EUR 75.3 million (prior year: EUR 75.7 million) and cash outflows in connection with the share buyback programme amounting to EUR 60.0 million (prior year: EUR 0, see Notes to the Consolidated Financial Statements, Note 24.2). In contrast, the Group received cash inflows of EUR 249.3 million in the 2025 financial year, mainly to finance the acquisition of mobilezone Deutschland (prior year: cash inflows from the assumption of financial liabilities of EUR 164.5 million).

In the 2025 financial year, free cash flow from continuing operations amounted to EUR 292.1 million, which was stable compared with the prior year (prior year: EUR 292.3 million).

Liquidity indicators for the Group[1]

In EUR million	2025	2024 (restated)[2]	Absolute change	Relative change
Cash flow from operating activities	407.2	406.3	0.9	0.2%
Cash flow from investing activities	-204.2	-42.0	-162.2	386.6%
Cash flow from financing activities	-312.3	-300.0	-12.2	4.1%
Free cash flow	292.1	292.3	-0.2	-0.1%

[1] Refers exclusively to continuing operations
[2] With regard to the restatements for the 2024 financial year, please refer to section 2.17 in the notes to the consolidated financial statements

Report on expected business performance

Economic environment

Overall economic development

Moderate improvement despite structural challenges

A moderate improvement in the economic environment in Germany is expected for 2026. Following the previous period of weakness, GDP is expected to rise by 1.3%, driven primarily by the domestic economy. Nevertheless, structural challenges such as high unit labour and energy costs, a shortage of skilled workers and declining competitiveness remain. Rising private and public consumption, supported by rising real incomes, will remain a key stabilising factor in 2026. The Federal Government is continuing its expansionary fiscal policy with additional credit-financed spending on defence and infrastructure, with the aim of stimulating the economy.

Stable inflation and neutral monetary policy by the ECB

Inflation in the euro area is expected to be close to the target of 2.0% in 2026. The European Central Bank (ECB) already lowered its deposit rate to 2.0% in June 2025, and no further interest rate changes are planned for 2026. The ECB is focusing on continuing to ensure price stability with a neutral monetary policy. Financing conditions are therefore changing only slightly: money market and capital market interest rates remain virtually stable, and no monetary policy stimulus is expected in 2026.

Mobile communications market in Germany

Regulatory developments

Competition in the wholesale market for mobile communications services remains a key issue

In March 2025, the BNetzA decided that existing frequency usage rights would be extended and that no new auction would take place. In future, competition between network operators, service providers and MVNOs is to be promoted by extending the existing negotiation requirement. In addition, the Cologne Administrative Court declared the 2018 frequency allocation to be unlawful, primarily due to political influence. The Federal Administrative Court upheld the ruling and ordered a new decision on the allocation conditions. The BNetzA then launched an industry consultation on reallocation at the end of 2025. The hearing is mainly focused on competition issues and frequency usage regulations. These developments underscore the relevance of the demand by service providers such as freenet to provide for independent and effective competition promotion for the German mobile communications wholesale market. Competition in the mobile communications market will remain a key regulatory issue in 2026.

Competitive environment

Decline in price competition momentum expected

Last year, the migration of 1&1 customers to the Vodafone network led to intensified price competition and a large number of new offers. Once this migration process is complete, the market is expected to ease and price pressure to decline. The market environment was already more stable and predictable at the end of 2025. The German mobile communications market is expected to be characterised once again by rationality and consistency. Due to price developments in the past year, the mobile communications market could now stabilise at a lower overall price level.

No noticeable changes in market breakdown foreseeable

As in previous years, the proportions of the German mobile communications market are expected to remain stable. The three main providers, led by Deutsche Telekom, will continue to hold the largest market share. 1&1 and freenet each hold around 10% of the market share, while other providers are negligible. The market size in terms of service revenues is expected to remain stable at around EUR 21 billion.

Potential changes to the market structure as a result of consolidation are currently being discussed, as there is speculation among market participants. However, consolidation in 2026 is still considered unlikely given the complex competition law framework.

Consumer mobile market

Stable demand for mobile communications services forecast

Last year saw significant progress in the expansion of the 5G mobile communications infrastructure in Germany. This led to a nationwide improvement in 5G mobile communications availability. Continuous investments in the German mobile communications infrastructure are also planned for 2026, creating the fundamental conditions for a further increase in demand for mobile communications usage.

Due to the sustained growth in mobile data transfer, a decline in demand for mobile communications services is virtually impossible. Even if there were to be a general decline in consumer spending in the private sector, no decline in revenue is expected for the industry in 2026, as mobile communications services are considered an essential part of basic services. The trend towards increased migration from prepaid to postpaid contracts is expected to continue unchanged.

Increasing availability of unlimited tariffs expected

The trend towards higher-value tariff models on the German mobile communications market is expected to continue. Tariffs with unlimited data volumes ("unlimited tariffs") in particular gained in importance last year and are likely to be advertised more heavily by network operators in the future. In addition, the trend towards so-called family cards or partner cards should continue to gain in importance. These additional, discounted second or third cards within the framework of an existing contract model enable providers to bundle households and increase customer loyalty.

This predicted market behaviour reflects the continuous increase in mobile data usage and the growing importance of seamless connectivity in everyday life. Against this backdrop, providers have attractive opportunities to steer customers towards more stable and profitable tariff segments. Overall, this trend could lead to an increase in average monthly revenues per user (ARPU), as unlimited tariffs are generally characterised by higher price structures and greater customer loyalty.

TV market in Germany

Video content consumption

Linear TV remains the most widely used form of video content consumption

Linear TV remains an important part of everyday media consumption in Germany, even if it is less relevant for younger people than for those over 50. At the same time, the integration of linear and non-linear video content platforms is steadily progressing. Streaming services are enjoying growing popularity across all age groups, with intense competition leading to ongoing changes in the portfolio. Advertising-financed and free services are becoming increasingly important, and the bundling of individual services is also on the rise. As the boundaries between linear and non-linear formats continue to blur, the ability to integrate diverse content and channels on a single platform is becoming increasingly important.

Breakdown of TV distribution platforms

The internet continues to gain importance as a means of receiving television

In line with the trend of recent years, the proportion of TV households receiving linear TV via the internet (IPTV) is expected to increase further in 2026. In contrast, traditional distribution platforms such as cable, satellite and antenna are steadily losing importance. This trend is being driven by the elimination of the ancillary cost law ('Nebenkostenprivileg'), improved technical conditions (e.g. more powerful Internet connections, Internet-enabled televisions and fibre optic expansion) and a growing preference for IPTV among young consumers.

Tapping market potential following the abolition of the ancillary cost law ('Nebenkostenprivileg')

Against the backdrop of the abolition of the ancillary cost law ('Nebenkostenprivileg') in mid-2024, estimates suggest that up to four million TV households currently continue to receive cable TV without paying for it (so-called "unlicensed viewers"). Surveys show that around one third of the more than twelve million TV households affected by the abolition of the ancillary cost law ('Nebenkostenprivileg') are fundamentally willing to switch to internet-based TV distribution platforms. It is expected that the development of this previously largely untapped market potential will take several years.

TV advertising market in the context of the increasing spread of Internet TV

In addition to fees for providing content, the sale of advertising space is the most important revenue factor for programme providers in the television market. Forecasts predict that programmatic advertising will play an increasingly important role for these providers in the future, as it allows advertising to be delivered more effectively and avoids wastage. Programmatic advertising describes the fully automated and personalised sales process of advertising space in real time with the target of delivering target group-specific advertisements individually. Thanks to their direct relationship with TV consumers and the high level of transparency regarding demographic characteristics and usage behaviour, IPTV platforms for linear television offer ideal conditions for successfully implementing programmatic advertising in the future, in collaboration with programme providers, compared to traditional distribution platforms.

Statement by the Executive Board on the expected business performance

Principles of guidance

The guidance for the business performance of the Group and its segments are based on the anticipated economic environment. Based on current assumptions, there are no indications of any fundamental changes that could significantly affect the Group's existing Business models. Deviations from expectations are monitored on an ongoing basis and, if foreseeable, are already taken into account in the company's guidance. Significant changes in the economic environment may result in the realisation of risks or opportunities that are presented in the risk/opportunity inventory of freenet AG (see report on opportunities and risks).

The expectations for the 2026 financial year refer to the reference figures for the prior year and to the new segment structure that will apply from the 2026 financial year onwards. The key financial and non-financial performance indicators are forecast at Group and segment level. The following hierarchy of development stages is used as a basis for qualitative comparative statements.

Grading of qualitative comparative guidance statements

Growth:	Moderate → Noticeable → Significant
Neutral:	Stable performance
Decline:	Moderate → Noticeable → Significant

Guidance for business performance at segment level

Mobile Communications

The mobile communications business is expected to experience positive operational development in terms of revenues and customer numbers. Nevertheless, the guidance for adjusted EBITDA does not preclude the possibility of a decline.

Segment revenues are expected to grow significantly compared to the prior year. A key growth driver is the integration of mobilezone Deutschland, which is expected to contribute around EUR 700 million to revenues, primarily through additional commission and hardware revenues.

A moderate decline in postpaid ARPU is expected. This is due to lower price levels in the German mobile communications market, which will continue to have impacts on the customer base, and the integration of the customer portfolio of mobilezone Deutschland.

The postpaid customer base is expected to experience moderate growth. This is due, on the one hand, to the continuation and expansion of performance-based brand marketing across all mobile communications brands and, on the other hand, to the integration of mobilezone Deutschland's sales activities.

High-margin postpaid service revenues, which result from postpaid ARPU and the average postpaid customer base, should increase accordingly compared with the prior year.

Adjusted EBITDA of EUR 390 to 420 million is expected for the Mobile Communications segment. In the 2026 financial year, a further reduction in earnings contribution from an agreement with a network operator is potentially to be expected.

Guidance for the Mobile Communications segment

In EUR million/as indicated	2025 Reference figure	2026 Guidance
Financial performance indicators		
Revenues	2,002.7	Significant growth
Adjusted EBITDA[1]	411.4	390-420
Postpaid ARPU (in EUR)	17.3	Moderate decrease

In '000s	2025 Reference figure[1]	2026 Guidance
Non-financial performance indicator		
Postpaid customer base	8,241.2	Moderate growth

[1] Incl. around 95k subscribers with app-based tariffs (FUNK and Flex) and around 240k HIGH customers from the integration of mobilezone Deutschland

IPTV segment

For the IPTV business, increasing revenues, further customer growth and a significant growth in adjusted EBITDA are expected.

Revenues are expected to grow significantly. This is based on further growth in the waipu.tv subscriber base, which should lead to increasing revenues from the subscription and advertising business.

The waipu.tv subscribers are expected to grow noticeably. The Reference figure of the guidance excludes O2TV subscribers from the sales cooperation with Telefónica Deutschland. The adjustment ensures that both the actual development in 2026 and the guidance of the customer base are free of distorting effects from the migration of these customers. The long-standing sales cooperation with Telefónica Deutschland ended in September 2024; since then, waipu.tv has no longer been marketed via O2TV by Telefónica Deutschland. It is expected that by the end of the first quarter of 2026 at the latest, there will be no more O2TV subscribers in the waipu.tv portfolio. This is not expected to have any material negative effects on the development of revenues or adjusted EBITDA.

EBITDA is expected to range between EUR 45 million and EUR 55 million. This is based on the expectation of stable marketing expenditure and a growing, profitable subscription customer base.

Guidance for the IPTV segment

In EUR million	2025 Reference figure[1]	2026 Guidance
Financial performance indicators		
Revenues	220.0	Noticeable growth
Adjusted EBITDA	36.0	45-55

[1] The reference figures are derived from the former TV and Media segment excluding Media Broadcast.

In '000s	2025 Reference figure[1]	2026 Guidance
Non-financial performance indicator		
waipu.tv subscribers	1,755.2	Noticable growth

[1] Excl. O2TV subscription customers from the sales cooperation with Telefónica Deutschland

Other/Holding segment

In the Other/holding segment, adjusted EBITDA of EUR 65 to 75 million is expected due to stable business development at Media Broadcast and stable holding costs.

Guidance for the Other/holding segment

In EUR million	2025 Reference figure[1]	2026 Guidance
Financial performance indicator		
Adjusted EBITDA[1]	68.0	65-75

[1] The reference figure is derived from the Other/holding segment for the 2024 financial year plus the value of Media Broadcast.

Guidance for business performance at group level

Based on the expectations for segments, positive operational development in terms of customers and revenues is expected for the Group as a whole. Adjusted EBITDA and adjusted free cash flow are expected to be within a range centred around the previous year's level; the dividend expectation remains reliable.

Group revenues are expected to grow significantly, driven primarily by the integration of mobilezone Deutschland in the Mobile Communications segment.

Adjusted EBITDA is forecast to be between EUR 500 million and EUR 530 million. In the 2026 financial year, a further decline in earnings contribution from an agreement with a network operator in the Mobile Communications segment is potentially to be expected. In the IPTV segment, however, an increase in adjusted EBITDA is expected.

Adjusted free cash flow is expected to be between EUR 270 million and EUR 300 million in 2026, based primarily on the adjusted EBITDA forecast and an expected constant cash conversion (>50%). In accordance with the distribution policy, 80% of adjusted free cash flow or at least EUR 2.00 per share will be distributed. Consequently, the expected dividend of at least EUR 2.00 for 2026 clearly exceeds the calculated lower bound of the adjusted free cash flow guidance. With an adjusted free cash flow of at least EUR 293.7 million, the payout ratio of 80% would be more advantageous for shareholders.

Guidance of financial performance indicators: Group

In EUR million/as indicated	2025 Reference figure	2026 Guidance
Revenues	2,439.9	Significant growth
Adjusted EBITDA	515.4	500-530
Adjusted free cash flow	292.1	270-300

Classification of financial ambition for 2028

Principles for statement on financial ambition for 2028

The financial ambition for 2028 does not take M&A activities into account. It is assumed that the trend from prepaid to postpaid contracts will continue. The mobile communications market is assumed to be rational, and the outlook for the IPTV market is in line with the assumptions of other market participants.

The actual developments of freenet AG and the product-related segments may deviate positively or negatively from the stated ambition due to the factors mentioned in the report on opportunities and risks or in the event that expectations and assumptions do not materialise (see report on opportunities and risks).

Financial ambition for 2028

In November 2024, the Executive Board of freenet AG presented its long-term financial ambitions for the period up to the 2028 financial year. The company continues to regard the existing operational and strategic focus of its business activities as appropriate. freenet is concentrating on securing its financially resilient mobile communications business on the basis of a constant market share, high customer satisfaction and stable profitability. In addition, freenet is focusing on the rapidly growing IPTV business (waipu.tv), which it sees as particularly promising due to a sustainably growing market and a strong competitive position. According to the Executive Board, this should lead to an increase in revenues and significant growth in adj. EBITDA.

In February 2026, the financial ambition for 2028 was adapted in line with the changed conditions (in particular M&A activities). The new reference year is now the 2025 financial year (previously 2023). Adjusted EBITDA is expected to increase from EUR 515 million to at least EUR 620 million. The Mobile Communications segment is expected to contribute an increase of EUR 30 million, the IPTV segment an increase of at least EUR 85 million and the Other/Holding segment a decrease of EUR 5 million. Adjusted free cash flow is expected to increase in parallel to at least EUR 340 million (2025 financial year: EUR 292 million). The material driver here is the expected higher adjusted EBITDA. A gradual increase in taxes paid until 2028 as a result of tax loss carryforwards being used up will limit the growth of free cash flow.

The financial ambition for 2028 implies a dividend per share of at least EUR 2.30.

Report on opportunities and risks

Opportunity report and assesment

Overall assessment by the Executive Board

To manage and monitor ongoing business, the Executive Board uses a Group-wide monthly reporting system that integrates financial and non-financial performance indicators and addresses the operational developments of all relevant business areas at regular meetings. Within this framework, current issues, foreseeable internal and external developments, actions and potential opportunities are systematically discussed. The identification, analysis, communication and utilisation of opportunities are an ongoing management task that the Executive Board performs in close, continuous dialogue with the heads of the business divisions. Non-financial opportunities are also an integral part of the Group-wide risk management process and are subject to a procedure that corresponds to the standard process for risks (see section "Risk management system").

The Executive Board has incorporated the external and internal opportunities described below into the business performance guidance presented in the Report on expected developments in accordance with its best judgement and assessment. Taking into account current market conditions, implementation status and the timing of initiatives, additional impacts on the forecast financial and non-financial performance indicators within the meaning of DRS 20 are considered to be minor overall.

External opportunities

Mobile Communications

Competitive environment

In the mobile communications segment, structural changes in the wholesale market could open up additional strategic options. The nationwide expansion of a proprietary Mobile network by the fourth network operator could be accompanied by changes in the wholesale market and favour new partnership models for service providers. This could also open up the prospect of freenet entering into another relevant wholesale partnership. However, the short-term impacts on the forecast financial performance indicators are still assessed as minor, as the network is still under construction and remains dependent on national roaming.

If the mobile communications market stabilises more quickly and sustainably than currently anticipated, this would create opportunities for a significantly more rational competitive environment. A more rapid easing of price pressure could lead to the market stabilising at a stable price level earlier than expected. This could result in greater customer value stability, improved earnings quality and more robust revenues and earnings contributions.

Retail market

A potential shift in customer demand towards convergent products offers freenet the opportunity to combine its market position in the Mobile Communications and TV sectors with the expansion of its market position in the Internet sector. In addition, the open access principle in particular allows fibre optic networks to be used by multiple providers. This could contribute significantly to the efficient expansion of the fibre optic infrastructure and open up new potential through open Business models. If integrated offerings become increasingly important across industries, freenet could benefit in particular from its established TV platform, diversified mobile communications portfolio and high brand awareness. Combining these competencies into attractive, combinable bundle products opens up potential for increasing market share, strengthening customer loyalty and generating additional, high-margin revenue sources. This could have positive impacts on (adj.) EBITDA and (adj.) free cash flow.

IPTV

Development of moving image consumption

If the integration of linear and non-linear moving image offerings progresses faster than predicted, waipu.tv could expand its position as an aggregation platform and bundle content more effectively in a central user interface. This could increase differentiation from traditional distribution channels and make the platform more attractive to different target groups. In such a scenario, the increased use of integrated interfaces would likely result in higher customer growth, longer useful lives and rising subscription revenues, with positive economies of scale for adj. EBITDA and adj. free cash flow.

Distribution of broadcasting channels

If the shift from traditional TV households to IPTV – driven by fibre optic expansion, smart devices and the preferences of younger target groups – proceeds faster than expected, acceptance of waipu.tv as an established, easily accessible IPTV product could increase further. As a result, greater reach among first-time users and switchers should enable higher net new customer numbers and accelerated revenue growth in the subscription business, which could lead to higher contribution margins and higher adjusted EBITDA and adjusted free cash flow.

If cable households become more willing to switch providers faster than expected after the abolition of the ancillary cost law ('Nebenkostenprivileg'), waipu.tv could benefit as previously passive users enter into independent contractual relationships. In particular, if the cable signal were to be switched off, previous "pirate viewers" would be increasingly motivated to switch. In this Scenario, stronger customer growth, an increase in revenues and (adj.) EBITDA and (adj.) free cash flow would be expected.

If programmatic advertising or personalised advertising becomes established in the media sector more quickly than expected, waipu.tv could make effective use of its direct connection to customers and existing user and demographic data. This could lead to above-average growth in advertising revenue and significantly improve adj. EBITDA and adj. free cash flow.

Internal opportunities

Brand, sales and products

If initiatives in the areas of branding, sales and product development have a faster or more comprehensive impact than currently assumed, this will result in additional growth opportunities for freenet. Consistent performance-oriented brand management could improve the effectiveness of customer acquisition and further increase recognition across all channels, which would have a positive impact on financial and non-financial performance indicators. Similarly, the further development of proprietary products and new sales approaches – including a stronger omnichannel focus – offers opportunities to expand both existing and new, directly controllable sales channels and generate additional demand. If the transformation cycles in the product and service portfolios take effect more quickly than forecast, this could lead to accelerated customer growth, higher service revenues and higher earnings contributions. In addition, optimised integration of brand, sales and product innovation could enable a sustainable strengthening of customer loyalty, which in turn could support the stability of the earnings base and have a more positive impact on the development of key performance indicators than previously assumed.

Cross-selling additional products – such as digital services, internet offerings or waipu.tv – also continues to offer opportunities to tap into additional revenue potential along the entire value chain. Greater integration of product worlds would enable existing customer needs to be addressed more comprehensively, customer loyalty to be strengthened and vertical growth opportunities to be realised across the entire portfolio.

Integration of mobilezone Deutschland

If the integration of mobilezone Deutschland proves to be faster or more comprehensive than expected, this could open up opportunities for freenet to expand its own market position. The acquisition not only creates a significantly greater reach in digital sales, but also expands the Group's profile of skills through the established brands sparhandy.de and deinhandy.de. If the various platforms, customer segments and data structures can be harmonised in a timely manner, this could result in a holistic and scalable offering strategy in the online sector. In such a scenario, additional cross-selling and upselling potential, higher ARPU levels and disproportionately high profitability effects could result. In addition, accelerated integration could leverage cost advantages, e.g. in marketing, purchasing and technology, which could have a positive impact on the development of financial and non-financial performance indicators – in particular reach, customer growth and contribution to (adj.) EBITDA – beyond existing planning.

Cooperation, partnerships and acquisitions

Internal opportunities could arise in particular from the possibility of further expanding existing partnerships, entering into new strategic cooperations and tapping into additional value creation potential through focused acquisitions. If these options can be realised more quickly or more comprehensively than currently assumed, freenet could significantly strengthen its market position in its core segments. Additional growth effects could result from intensifying business relationships to stabilise existing models and develop new or better ones. The total impact would be that strategic partnerships, collaborations and acquisitions could not only improve financial performance, but also positively influence non-financial performance indicators such as reach, brand perception and customer satisfaction.

Integration of AI

If the digitisation of business processes and the use of AI-based technologies have a faster and more comprehensive impact than currently assumed, freenet could realise additional efficiency and differentiation advantages in the coming years. Accelerated automation of manual processes and intelligently controlled service processes – for example, by reducing avoidable service contacts or optimising internal workflows – would significantly reduce the complexity of operations. This could result in a reduction in the cost base sooner than previously expected, thereby having a more positive impact on (adj.) EBITDA and (adj.) free cash flow than previously forecast.

At the same time, the development and increased use of AI-based analytics, decision models and agent systems offers opportunities to manage offers and campaigns in near real time in an even more targeted and individualised manner. If freenet is able to identify customer needs even earlier and automatically play out offers that are appropriate to the situation, this could increase conversion rates, improve service quality and reduce the likelihood of churn. This could lead to higher earnings contributions and increasing (adj.) free cash flow, thereby significantly exceeding the development of financial and non-financial performance indicators.

Employee support and development

If the targeted promotion and continuous development of employees proves to be more rapid or effective than currently forecast, this could strengthen employee loyalty in the long term and significantly enhance freenet's employer attractiveness. More intensive training and development of employees could increase freenet's performance beyond the expected level and further reduce the staff turnover rate. This could further increase effectiveness in all business areas and thus contribute to higher productivity.

Risk management system

Structural and procedural organisation

An efficient risk management system is considered to be of crucial importance for ensuring the long-term survival of a company. For this reason, the Executive Board of freenet AG has established a comprehensive risk management, monitoring and control system within the Group, in which all Group companies are integrated as a matter of principle. The IT-supported riskmanagementThe system pursuant to Section 91(3) of the German Stock Corporation Act (AktG) also includes the early risk detection system pursuant to Section 91(2) of the German Stock Corporation Act (AktG).

Both financial and non-financial risks are recorded in the risk management system. Non-financial opportunities are also taken into account and undergo a process corresponding to the control process for risks. Therefore, only the control process for risks is described below.

The risk management system is designed to ensure that risks to the future development of the company are identified at an early stage and reported to the responsible decision-makers within the Group in a systematic and transparent manner. The timely communication of risks to the responsible decision-makers is intended to ensure that appropriate actions are taken to deal with the identified risks in order to avert negative impacts on the company, its employees and customers.

In the risk management guidelines adopted by the Executive Board, freenet has defined the framework for the Group-wide risk management system. These guidelines set out the risk strategy and responsibilities and regulate the identification, assessment, management, communication and monitoring of risks. They also increase risk awareness and create the framework for a uniform risk culture.

The risk management systems and methods are an integral part of the general structural and procedural organisation. Risks are identified, assessed and reported at the level of the companies or divisions, which are also responsible for managing the identified risks (operational risk management). This also includes the mobilezone Deutschland Group, which was included for the first time as of 31 December 2025. Full system integration is planned for the first half of 2026. Standard risk management software is used for group-wide risk management. Defined reporting processes involve higher-level units – in this case, primarily central risk management and the CFO – in the assessment. The CFO and the risk manager regularly inform the Executive Board and the audit committee of the Supervisory Board of freenet AG about the risk situation.

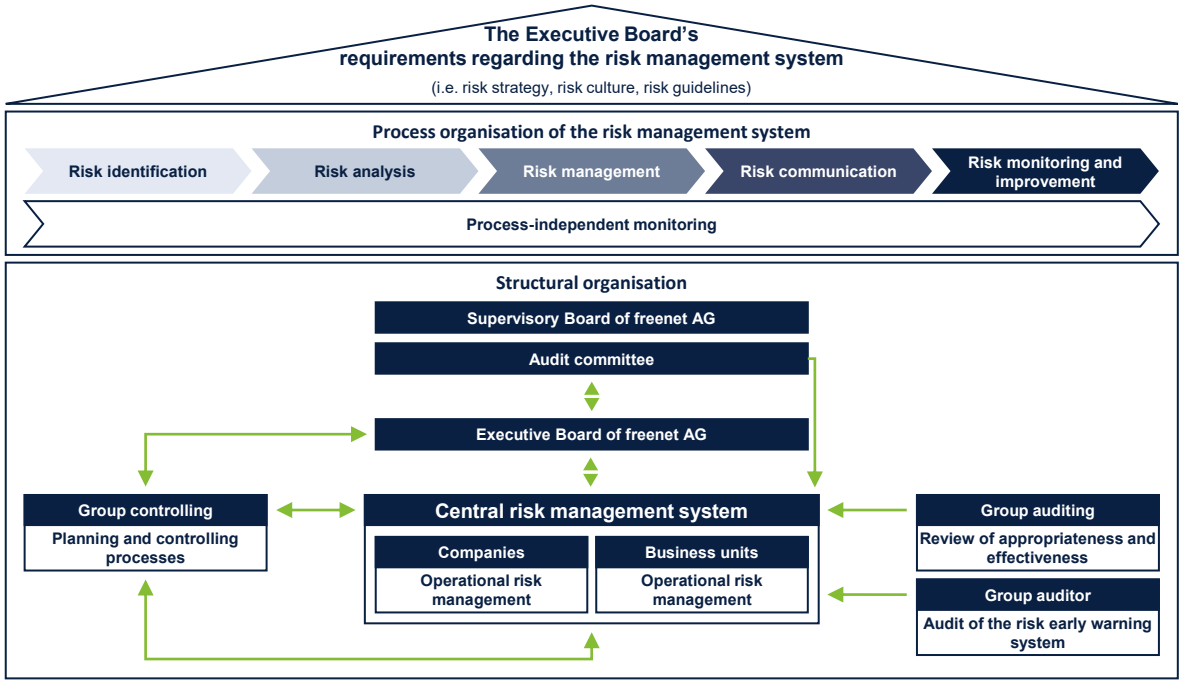
In addition to the risk management system, the Executive Board has established a comprehensive monthly reporting system for managing and monitoring ongoing business, which includes both financial and non-financial performance indicators. The Executive Board keeps abreast of operational developments through regular meetings with all relevant companies, divisions and Group Controlling. These meetings also provide an opportunity to discuss current issues and future actions.

Risk management methods and systems are regularly reviewed, further developed and adjusted as necessary. Group Internal Audit also regularly reviews the adequacy and effectiveness of the risk management system. The internal control system (ICS) also provides further support, as risks are also countered with institutionalised controls.

The Supervisory Board of freenet AG, in particular the audit committee, monitors the effectiveness of the risk management system and the ICS in accordance with stock corporation law provisions and other applicable regulations. In addition, it is involved through regular reporting and, where necessary, through ad hoc risk reporting by the Executive Board.

As part of the statutory audit mandate for the annual financial statements of freenet AG, the auditor shall examine in accordance with Section 317 (4) of the German Commercial Code (HGB) whether the early risk detection system is suitable for identifying developments that could jeopardise the company's continued existence at an early stage.

Structural and process organisation of freenet's risk management system

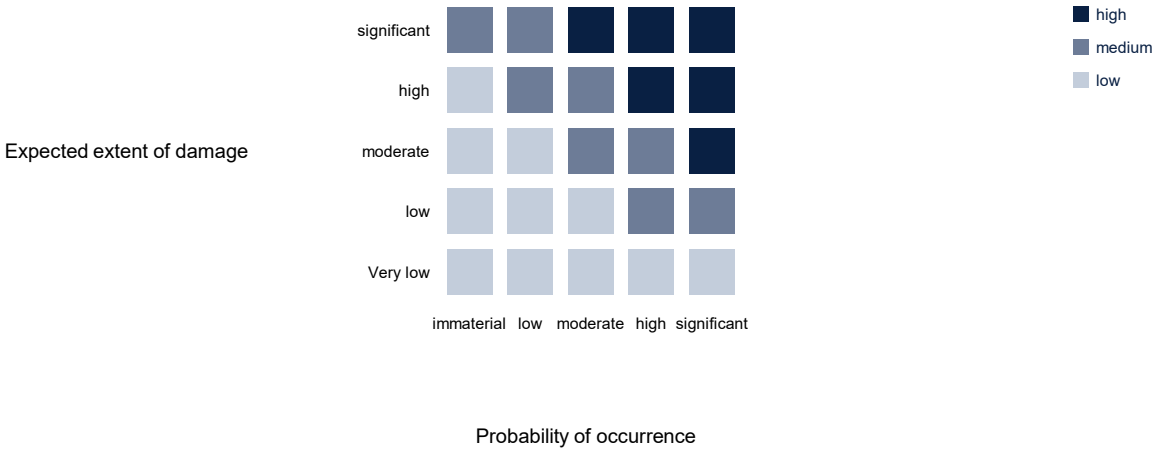


Risk identification and assessment

Risk is understood to be the possibility of events or developments occurring that could have adverse impacts on freenet's ability to achieve strategic and operational targets, which may be of a financial or non-financial nature. At least every six months, the individual companies and divisions record and update existing and any new risks that exceed a defined materiality threshold in standardised risk reports. These reports describe the specific risks and analyse their probability of occurrence and their financial and other impacts on the company using standardised criteria. Risk assessment must be based on a minimum observation period of twelve months. The potential impacts of risks must always be quantified for the financial years concerned.

At freenet, the risk portfolio (including interdependencies and sustainability) is assessed using the net principle, whereby risks are considered taking into account the effect of established risk management measures. The criteria used for the assessment of risks are "probability of occurrence" and "expected extent of damage", particularly in relation to the financial performance indicators (adj.) EBITDA and (adj.) free cash flow. Risks are categorised as very low (up to 10%), low (more than 10% and up to 30%), moderate (more than 30% and up to 50%), high (more than 50 and up to 70%) and significant probability of occurrence (more than 70%). In terms of the expected extent of damage, a distinction is made between very low (up to EUR 1.0 million), low (more than EUR 1.0 million and up to EUR 5.0 million), moderate (more than EUR 5.0 million and up to EUR 12.5 million), high (more than EUR 12.5 million and up to EUR 20.0 million) and significant (more than EUR 20.0 million). The combination of the probability of occurrence and the amount of the expected damage to the forecast performance indicators results in the classification of risks into the categories "low", "medium" and "high", as shown below.

Risk matrix of freenet



Risk management, communication and monitoring

Based on the results of risk identification and assessment, various alternative courses of action are taken within the framework of corporate management in order to respond appropriately to the identified risks. Actions to manage risks are also described in the risk reports. Even between standard reporting dates, risks are recorded, analysed, assessed and managed immediately after they are identified and, depending on their magnitude, reported directly to the Executive Board and the audit committee of the Supervisory Board of freenet AG.

Central risk management monitors the risk management process, consolidates the individual risk reports and aggregates the risks using a Monte Carlo simulation. The results of the simulation are used to determine the degree of potential risk to the company's continued existence and are summarised in a group risk report for the Executive Board. The Executive Board discusses and monitors the risk situation holistically and decides on further actions if necessary. The audit committee of the Supervisory Board of freenet AG is also regularly informed about developments in the risk situation.

Risk report and assessment

This section describes risks that could have a significant impact on freenet's net assets, financial position or results of operations. Both financial and non-financial risks for freenet were considered and divided into the following categories for the risk report:

- Environmental and industry risks,
- IT risks,
- tax risks,
- financial risks,
- strategic risks and
- operational risks.

The Mobile Communications segment is freenet's core segment in terms of both revenues and earnings. The relevant environmental and industry risks arise from this area and are presented below primarily in relation to this segment. Material differences in risk assessment between the segments are identified separately.

Framework conditions for risk identification and assessment

The economic environment is expected to be somewhat more favourable in 2026. freenet anticipates an improvement in real incomes and a slight increase in private consumer spending, with the propensity to save remaining comparatively high overall. This reflects the continuing uncertainty among consumers, which is further exacerbated by geopolitical tensions and current conflicts. In addition, the labour market is expected to remain fundamentally stable, albeit weak, with only limited employment growth. The inflation rate is likely to stabilise at around 2%, thereby contributing to the stabilisation of purchasing power. Against this backdrop, it can be assumed that the European Central Bank (ECB) will continue its monetary policy stance in 2026. Further interest rate hikes are currently considered unlikely.

As far as possible, these aspects were taken into account in corporate planning and in the assessment of risks as of 31 December 2025. No new risks were identified compared with the prior year that are directly attributable to geopolitical or economic conditions. Overall, the general conditions do not have a significant impact on freenet's risk situation.

Environmental and industry risks

Highly competitive markets

Increased competition in the telecommunications market could lead to a decline in service revenues and a loss of market share. In addition, this could increase margin pressure in the respective business areas and/or make it more difficult to gain market share. Increased competition could result in higher expenses for acquiring new customers and retaining existing ones, accompanied by declining revenues and a greater willingness on the part of customers to switch providers – primarily due to the reduction in contract terms and notice periods as a result of the 2021 amendment to the German Telecommunications Act (TKG). This could be exacerbated, for example, by greater price sensitivity and reluctance to buy on the part of customers. As a result, the forecast subscriber development and revenue-based key figures, earnings figures and (adjusted) free cash flow may not develop as planned. In order to maintain its competitive edge, freenet must continue to design attractive products and services, market them successfully and implement customer loyalty measures that are as tailored as possible. Furthermore, freenet must respond agilely to the business development of its competitors and anticipate new customer needs in order to further strengthen customer loyalty. Competitive markets represent an overall medium risk for freenet in the Mobile Communications segment.

Sales

A broad and stable sales network is a fundamental prerequisite for the success and growth of freenet. As a countermeasure to the potential loss of sales strength, the subsidiaries conclude long-term contracts with their key sales partners and offer them attractive incentive systems (e.g. airtime models). One way of maintaining current sales strength is to consistently review new partnerships in trade, distribution and cooperation, as well as to acquire additional franchise partners. freenet considers the risk of losing sales channels to be low.

For the Media Broadcast Group (future segment: Other/holding), there is a risk that customer demand for the freenet TV product, and thus also revenues and adjusted free cash flow, could be lower than expected. Media Broadcast has established close monitoring of customer and earnings development so that countermeasures (e.g. price adjustments) can be taken if necessary. Exaring AG (future segment: IPTV), on the other hand, expects a noticeable increase in its customer base. The company has also established a monitoring system to track customer figures, as well as to initiate timely operational control measures in sales. freenet considers the financial risk of not achieving the planned TV subscriber numbers in the TV and Media segment to be low overall.

Network operators

Bonus payments and commissions from network operators are key components of profitability in the Mobile Communications segment. A reduction in these payments could lower margins and make marketing more difficult. Against the backdrop of long-term agreements with network operators, the associated risks, either alone or in combination with competitive and sales risks, could have more negative impacts than expected on the forecast earnings figures and adjusted free cash flow. freenet attempts to minimise this by negotiating flexible purchasing terms and conditions and by continuously monitoring the achievement of target-based payments by network operators and renegotiating them if necessary. Based on current expectations, this represents a low risk for freenet going forward.

Margins in the Mobile Communications segment are materially determined by network operators and the structure of tariff models. This limits the scope for designing tariff models, for example through restrictions on changing tariffs. Nevertheless, purchasing models are reviewed on an ongoing basis in order to be able to respond as flexibly as possible to market effects. freenet considers the risk to be low.

The risk that the discounts granted by network operators on roaming services under the roam-like-at-home regulation may be lower than expected could have a negative impact on earnings and (adjusted) free cash flow. freenet is conducting negotiations and taking this risk into account by making proportional provisions for risks in its balance sheet. This represents a low risk for freenet going forward.

Network operators are increasingly seeking to distribute their products themselves in order to gain market share (shift to direct). In addition, due to their business structure, network operators are sometimes able to offer better terms than service providers. This could in turn lead to a loss of distribution channels and customers. This circumstance represents a low risk for freenet.

Laws and regulation

Due to more complex data protection legislation, in particular the General Data Protection Regulation (GDPR) that came into force in 2018, there are new, more extensive requirements for the handling of personal data, among other things. This could mean that business processes can no longer be carried out as in the past and/or that freenet could be subject to heavy fines. freenet considers this risk to be low.

Legal changes, interventions by regulatory authorities or landmark court rulings (see section "Regulatory developments" in the chapter "Economic environment"), in particular lawsuits brought by consumer protection organisations, could have impacts on freenet's business models and its ability to acquire and retain customers and enforce customer claims. This could have a negative impact on the amount of projected revenues and the amount of (adj.) free cash flow. The impacts of individual decisions or legal changes may not be significant in themselves, so that the overall risk can be classified as low. freenet counters this risk by regularly monitoring developments on the part of regulatory authorities and by following the outcome of court decisions.

IT risks

Infrastructure and system failures/errors

Smooth business processes are highly dependent on a powerful IT infrastructure. Serious failures, for example in the infrastructure, billing system or point-of-sale systems, could lead to a loss of customers. In addition to the Mobile Communications segment, this also affects Exaring AG (future segment: IPTV) and the Media Broadcast Group (future segment: Other/holding), where disruptions in the transmission of TV and radio signals could occur, e.g. as a result of natural disasters. In addition to the decline in revenues resulting from the loss of customers, freenet may be temporarily unable to provide any services and thus unable to generate any revenues or make any positive contribution to the expected earnings and (adj.) free cash flow. To avoid failure risks, technical operating monitoring systems are used and data is continuously backed up. In addition, redundancies are in place for

particularly critical systems. Regular software updates keep security measures up to date. Furthermore, insurance cover is in place for impairments to operational performance. Overall, the risk is classified as low.

Cyber attacks and data theft

Successful cyber attacks could compromise or encrypt IT systems or lead to the theft of customer and/or employee data. A successful attack on IT systems could trigger malicious data manipulation, which in extreme cases could cause customer and sales portals, apps or even infrastructure to fail. The risk situation in cyberspace remains very high and is expected to continue to gain momentum. As a result, implemented protective measures are continuously reviewed and adapted. In addition, Information security and cyber risk insurance policies have been taken out to cover any damage that may occur. The remaining risk is classified as medium by freenet.

Tax risks

Loss carryforwards (Section 8c of the Corporation Tax Act)

If, within five years, more than 50% of the shares or voting rights of the company were to be indirectly or directly consolidated in the hands of one or more shareholders with aligned interests (harmful acquisition of shares), the company's negative income (corporate and trade tax loss carryforwards) that has not been offset or deducted up to the point of the harmful acquisition of shares could be lost in accordance with Section 8c of the Corporation Tax Act (KStG). At present, it is not expected that this will occur and the corresponding risk is considered to be closed.

Tax risks from assessment periods that have not been finally audited

For assessment periods that have not yet been finally audited, changes may occur that result in additional tax payments or changes in loss carryforwards. This may be the case if, during external tax audits, the tax authorities arrive at different interpretations of tax regulations or different assessments of the underlying facts. On the other hand, this may also result from changes in tax case law.

This affects freenet in terms of income taxes. Here, there is a risk of differing interpretations and assessments of the facts, as well as a risk arising from changes in tax case law, particularly with regard to corporate restructuring. It cannot therefore be ruled out that, due to past contributions, other conversion processes, capital contributions and changes in shareholders, the corporation and trade tax loss carryforwards declared by the corporations of freenet AG and thus also separately assessed by the tax authorities to date could be reduced or eliminated and/or, on the other hand, additional income tax payments could result that exceed the provisions made for this purpose. Income tax risks now represent a medium risk for freenet. In addition, freenet is exposed to a risk in the area of indirect taxes, in particular value added tax. These risks are also classified as medium by freenet.

To mitigate these risks, freenet relies on a comprehensive package of measures. This includes close cooperation with several tax advisors, continuous monitoring of tax legislation, tax case law and relevant specialist literature, regular training of employees responsible for tax issues, and the operation and ongoing development of the tax compliance management system.

Financial risks

Bad debts

When considering the risk of bad debts, freenet focuses in particular on trade accounts receivable from end customers. For material contract customer areas, credit checks are carried out on customers before contracts are concluded. During the ongoing contractual relationship, regular dunning and collection processes involving several collection agencies in benchmarking and long-term collection monitoring, as well as high-spender monitoring, are key actions for reducing the risk of default. Furthermore, appropriate loss allowances are made to account for the risks.

In the area of receivables from dealers, franchise partners and other business customers, detailed credit assessment processes are also carried out, with credit limits and loss-limiting advance payment terms being set for critical suppliers. In the event of late payment, reminder and collection processes are applied. Material bad debt risks from major customers (retailers and distributors) are additionally covered by trade credit insurance. The risks associated with uninsured retailers and distributors are generally limited by an internal limit system – as a rule, customers with poor credit ratings must pay in advance or the business relationship will not be established. Material trade accounts receivable are regularly owed by Mobile network operators and public and private providers of TV and radio programmes. freenet's trade accounts receivable are regularly assessed and the collection of these accounts receivable is also monitored on an ongoing basis.

Based on experience, the overall risk of bad debt is low.

Value of assets

The consolidated balance sheet of freenet shows a material amount of goodwill and intangible assets such as customer relationships, trademarks and rights of use. There is a risk that Impairments may occur. freenet's assets are reviewed both regularly and on an ad hoc basis if there are possible indicators (so-called triggering events) of a sustained impairment. Such indicators may include, for example, an increase in interest rates or changes in the economic and regulatory environment. Any impairments would not affect cash flow and would therefore have no impact on (adj.) free cash flow. Furthermore, revenues and (adj.) EBITDA would not be affected (no impact on financial performance indicators). Overall, the risk of impairments represents a low risk for freenet.

Liquidity

Extensive financial planning tools are used throughout the Group to monitor and manage liquidity. The Group also manages liquidity risks by maintaining adequate bank balances and credit lines with banks and by continuously monitoring forecast and actual cash flows. Based on several existing intra-group cash pooling agreements in which the material companies of freenet participate, the Group centrally manages its liquidity requirements and installations.

In order to reduce its overall liquidity risk, freenet uses various financing instruments. The liabilities to banks reported under Financial liabilities result in particular from the promissory note loans concluded in February 2016, October 2023 and March 2024 (reported as of 31 December 2025 including accrued interest: EUR 226.3 million (prior year: EUR 418.4 million). There are also credit lines on current accounts amounting to EUR 15.0 million (prior year: EUR 15.0 million), which had not been drawn as of 31 December 2025, and a loan tranche of EUR 250.0 million (prior year: EUR 250.0 million) structured as a revolving credit line, of which EUR 100.0 million had been drawn as of 31 December 2025. In addition, freenet concluded bridge financing of EUR 250.0 million in the fourth quarter of 2025, which is reported at EUR 249.4 million at the end of the year, including accrued interest.

The loan agreements entered into result in a further Liquidity risk, as the restrictions agreed therein (known as "undertakings" and "covenants") limit freenet's financial and operational flexibility. For example, the agreements contain restrictions on changes to business activities, on the implementation of intra-group corporate restructuring measures, on the provision of collateral and on the acquisition and disposal of assets, in particular shareholdings. freenet is only permitted to raise external funds outside the loan agreements within narrow limits, for example to finance future strategic Investments.

Based on the company's planning and liquidity planning, and against the backdrop of the credit lines that have been established, the overall liquidity risk is classified as low.

Capital risk

freenet's capital risk management relates to the equity reported in the consolidated balance sheet and the key figures derived from it. The primary target of capital risk management is to ensure compliance with the key figures (financial covenants) specified in the loan agreements. The material financial covenants are defined in relation to the Group's equity (equity ratio) and debt (leverage). If the overall economic conditions develop significantly worse than planned, this could, under certain circumstances, result in freenet no longer being able to comply with the agreements with the lending banks. There is a moderate risk that the financing banks will call in the loans. freenet reduces this risk by continuously monitoring the financial key figures and taking appropriate actions at an early stage.

Interest rate risk

freenet's financial liabilities with variable interest rates are subject to interest rate risks, primarily related to the EURIBOR. freenet counters these risks with a mix of fixed and variable-rate financial liabilities. Interest rate risks are not explicitly hedged, but cash holdings, which are mainly invested at variable interest rates, act as a natural hedge and reduce the interest rate risk from variable-rate financial liabilities accordingly. Based on its daily liquidity planning, the company continuously reviews the various investment options for its cash and cash equivalents as well as the various options for managing its Financial liabilities. Changes in market interest rates could have impacts on the interest income from original variable-rate Financial instruments and are included in the calculation of earnings-related sensitivities. Overall, freenet considers this risk to be low.

Strategic risks

Integration of mobilezone Deutschland

The acquisition of mobilezone Deutschland involves inherent integration and performance risks. These relate in particular to the harmonisation of processes and management structures, the retention of key personnel and deviations from the assumptions made in the business case. In addition, delays in implementation could impair the expected performance and earnings development and lead to lower subscriber numbers, lower (adj.) EBITDA and reduced (adj.) free cash flow. To mitigate this risk, a structured integration plan with clear responsibilities and milestones has been implemented, and the Executive Board is closely monitoring key financial and operational key figures. Overall, freenet considers the risk to be low.

Shareholdings

freenet AG holds several investments. It is possible that the business of these investments could perform worse than expected, which in turn could have negative impacts on earnings (but not on (adj.) EBITDA). freenet summarises the investment risk as low.

Business Process Outsourcing Customer Service

As a strategic partner of freenet in business process outsourcing (BPO), Capita Customer Services (Germany) GmbH provides customer service in the Mobile Communications sector. In the event of an unexpected cessation of business operations, there is a risk that the contractually agreed repatriation of activities or the transition to an alternative provider will incur additional costs. To limit this risk, freenet has conducted an assessment of transfer scenarios and developed contingency plans to ensure a swift and orderly transfer of services in the event of a short-term failure. freenet considers this risk to be low.

Operational risks

General personnel risks

Competition for qualified personnel continues to pose a challenge for numerous business areas. Successful recruitment, integration, development and retention of competent specialists is essential for the company's success.

There are no bottleneck risks with negative impacts on operational processes. However, due to a favourable starting position for employees on the market (employee market), the costs of recruiting and retaining personnel could be higher than expected. freenet counters this risk with, among other things, a performance-based remuneration system, increasingly flexible working time models and the use of external service providers. Overall, freenet considers this risk to be low.

Hardware availability

Supply bottlenecks/shortages at manufacturers of devices and accessories can be caused by a diversity of factors – these could include production stoppages due to climatic factors, the loss of production facilities or logistics centres, and disruptions to supply chains. If insufficient devices are available over a longer period of time, this could impair the sale of telecommunications services (e.g. lack of hardware for the bundle business), with negative impacts on new customer acquisition, revenues, (adj.) EBITDA and (adj.) free cash flow. freenet is countering this low risk by potentially expanding its stock ranges, using alternative sources of supply and adapting its marketing strategy to device shortages.

Overview of the risk situation and overall assessment by the Executive Board

The risks listed above as of 31 December 2025 are summarised below and compared with the prior year's assessment.

Risk overview

	Risks per 31.12.2024			Risks per 31.12.2025			
	Probability of occurence	Expected extend of damage	Risk class	Probability of occurence	Expected extend of damage	Risk class	Tendency
Environmental and sector risks							
Highly competitive markets	moderate	moderate	medium	moderate	moderate	medium	>
Distribution							
Loss of distribution partners	low	low	low	low	moderate	low	>
Customer demand TV and media	moderate	low	low	moderate	low	low	>
Network operators							
Bonuses and commission	low	high	mediuml	low	moderate	low	v
Premiums and margins	low	very low	low	low	very low	low	>
EU roaming	-	-	-	high	very low	low	new
Shift to direct	low	very low	low	low	very low	low	>
Laws and regulation							
Data protection	low	moderate	low	low	moderate	low	>
Other legal risks	low	moderate	low	low	moderate	low	>
IT risks							
Infrastructure and system malfunctions/errors	very low	moderate	low	very low	moderate	low	>
Cyber attacks and data theft	low	high	medium	low	high	medium	>
Tax risks							
Loss carryforwards (§ 8c KStG)	very low	significant	medium	-	-	-	-
Income taxes	-	-	-	moderate	high	medium	new
Other tax risks	moderate	low	low	moderate	moderate	medium	^
Financial risks							
Bad debt losses	low	very low	low	low	very low	low	>
Impairment of assets	very low	moderate	low	very low	moderate	low	>
General liquidity risk	very low	very low	low	very low	very low	low	>
Capital risk	very low	significant	medium	Very low	significant	medium	>
Interest rate risk	low	low	low	low	low	low	>
Strategic risks							
Integration of mobilezone Deutschland	-	-	-	low	low	low	new
Equity investments	low	moderate	low	low	moderate	low	>
Business process outsourcing of customer support	low	very low	low	low	low	low	>
Operating risks							
General human resources risks	low	very low	low	low	very low	low	>
Hardware availability	very low	very low	low	very low	very low	low	>

^ Classification in higher risk class compared to prior report
> Classification in same risk class compared to prior report
v Classification in lower risk class compared to prior report
- Risk or risk category no longer exists

The risk management process that has been implemented and the monthly reporting system provide the Executive Board with an overview of the risk situation presented. As of 31 December 2025, various environmental and industry, IT, tax, financial, strategic and operational risks were identified. No risks classified as "high" were identified.

The potential impact on the overall future development of freenet and the financial and non-financial performance indicators within the meaning of DRS 20 are assessed by the Executive Board as low overall. The Executive Board expects that the positive development reflected in freenet AG's guidance (see Report on Expected Developments) will not be significantly affected by the risks identified. Overall, it can be assumed that the risks will have no impact on the continued existence of freenet AG.

Non-financial group statement

General disclosures (ESRS 2)

Basis for preparation

General basis for preparation (BP-1)

Consolidation and framework

On 3 September 2025, the Federal Cabinet approved the government draft of the bill to implement the Corporate Sustainability Reporting Directive (CSRD) into German law (RegE of CSRD-UmsG). The government draft is based on the draft bill of the Federal Ministry of Justice (BMJ) dated 10 July 2025 and, in terms of content, provides for a largely unchanged implementation of the EU policy.

As the legislative process had not been completed by 31 December 2025, the legal requirements for the non-financial group statement (hereinafter also referred to as NFS or sustainability report) remain applicable for the financial year of freenet AG ending on 31 December 2025. The non-financial group statement of freenet AG is therefore not subject to the statutory management report audit, but is voluntarily subjected to a limited assurance audit. In accordance with Section 315b of the German Commercial Code (HGB), freenet AG is required to prepare a non-financial group statement for the freenet Group in the group management report. The following content represents the non-financial group statement for the 2025 financial year for the freenet Group and refers to the period from 1 January to 31 December 2025.

According to Section 289d HGB in conjunction with Section 315c (3) HGB, there is a formal possibility to refer to national, European or international frameworks when preparing the NFS. According to prevailing opinion, the European Sustainability Reporting Standards (ESRS) published in December 2023 as a delegated act of the European Commission (Delegated Regulation (EU) 2023/2772) are to be understood as a European framework. freenet has accordingly decided to use the ESRS as a framework and to report voluntarily in advance for the 2025 financial year in full compliance with the ESRS (prior year: based on the ESRS). The break with continuity in reporting to date (up to and including the 2023 financial year) is justified in light of the importance attached to the ESRS for Sustainability reporting in the EU following its adoption by the European Commission and the expected implementation of the CSRD into national law in the 2026 financial year.

The material topics identified in the materiality analysis in accordance with ESRS (see List of material impacts and risks) can be assigned to CSR-RUG aspects. A reconciliation is shown in the table below.

Reconciliation from CSR-RUG aspects to ESRS topics

Aspect according to CSR-RUG	Topics according to ESRS
Environmental matters	E1 (Climate change) E5 (Resource use and circular economy)
Employee matters	S1 (Own workforce)
Social matters	Entity-specific disclosures (IT/cyber security) S2 (Workers in the value chain)
Respect for human rights	ESRS 2 (General disclosures) S1 (Own workforce) S2 (Workers in the value chain) Entity-specific disclosures (IT/cyber security)
Anti-corruption and bribery matters	G1 (Business conduct)

freenet's non-financial group statement for the 2025 financial year was prepared in full compliance with the European Sustainability Reporting Standards (ESRS) as the underlying framework. The sustainability report covers all fully consolidated subsidiaries of the freenet Group in the financial reporting as well as companies over which freenet exercises Operational control in accordance with ESRS E1.

In October 2025, freenet AG concluded an agreement to acquire mobilezone Deutschland GmbH. The legal completion of the transaction and the full consolidation of mobilezone Deutschland GmbH and its subsidiaries took place on 31 December 2025 (midnight). When determining the key figures for the non-financial group statement, the acquired companies are only taken into account in terms of stock figures. They are not included in any other key figures.

Detailed information on the basis of consolidation is provided in the notes to the consolidated financial statements in the annual report (see Related information and link to the financial statements). The subsidiaries of freenet AG listed on the basis of consolidation will only fall within the initial scope of application of the CSRD for financial years beginning after 31 December 2025. freenet has not made use of the option to omit information relating to intellectual property, know-how or innovations. Furthermore, freenet does not make use of the exemption (pursuant to Article 19a, paragraph 3 and Article 29a, paragraph 3 of Policy 2013/34/EU) to omit information on future developments or matters currently under negotiation.

The contents of the sustainability report are based on the results of the initial Double Materiality Assessment, which was updated for the 2025 financial year. The company's own greenhouse gas emissions are accounted for in accordance with ESRS E1, based on the international Greenhouse Gas Protocol standard. It should be noted that, due to the number format used for the intermediate and final totals, there may be rounding differences in the calculations, as the figures have been rounded to one decimal place. Furthermore, the conversion of units of measurement (e.g. in '000s to millions) may result in a figure of 0.0 or -0.0 for reported items. Key figures published in the previous reporting year are presented in the current reporting year as prior-year figures for comparison purposes.

Coverage of the value chain

When conducting the assessment of impacts, risks and opportunities as part of the Double Materiality Assessment, freenet takes the value chain into account. In addition to its own business operations, this also includes upstream and downstream value chain activities. Further information on the freenet value chain is provided in section SBM-1.

Policies, actions and targets relating to material topics are essentially limited to freenet's own (internal) business activities due to the greater possibility of exerting influence. In this regard, the company makes use of the transitional provision for the value chain in accordance with ESRS 1.133 in relation to ESRS 1, Chapter 5. The reason for this is that obtaining information directly from actors in upstream and downstream stages of the value chain involves a high level of personnel and time expenditure for all parties involved. The content of relevant information must be closely coordinated and new reporting processes must be implemented to ensure that third parties provide accurate and binding information. If relevant information is available internally or publicly, a reference is made to the upstream and downstream value chain in relation to policies, actions and targets, e.g. in the disclosure requirements of the topic-specific ESRS S2 standard with regard to direct upstream suppliers and their workforce.

Key figures relating to the upstream and downstream value chain are primarily reported in connection with the disclosure requirements of the topic-specific ESRS E1 standard. These are energy consumption and indirect emissions generated in the upstream and downstream stages of freenet's value chain (Scope 2 and Scope 3 emissions according to the Greenhouse Gas Protocol). In addition, a key figure on mobile devices returned by customers is disclosed in connection with the disclosure requirements of the topic-specific standard ESRS E5.

Disclosures in relation to specific circumstances (BP-2)

Time horizons

The following time horizons were defined and used as a basis for the content of this non-financial group statement:

- short term: one to two years
- medium term: two to five years
- long term: more than five years

The climate risk and opportunity analysis uses a different methodology with regard to time horizons (see E1 IRO-1).

Value chain estimations

In the 2025 financial year, there were key figures for upstream and downstream value chain activities that were estimated based on indirect sources. The corresponding assumptions are presented at the end of the respective key figure overview or table in this non-financial group statement. For an overview of the estimates based on indirect sources, which are primarily of materiality in terms of Scope 3 emissions, please refer to the following table.

Sources of estimation and outcome uncertainty

freenet primarily collects quantitative key figures relating to key sustainability matters associated with its own (internal) business activities on the basis of actual activity data available for the reporting period (e.g. key figures relating to its own workers). If data is not available, freenet uses estimation methods and makes assumptions (e.g. with regard to Scope 1 and Scope 2 emissions from its shops). Unless otherwise stated, the quantitative key figures reported in the NFS are not validated by an external body.

freenet has made estimates and underlying assumptions primarily in connection with the determination of key figures in the upstream and downstream value chain (e.g. for the collection of Scope 3 emissions). They are generally based on indirect sources, empirical values (e.g. historical data) or trends (forward-looking statements).

When determining greenhouse gas emissions, previous year's figures are only adjusted retrospectively if the deviation from the previously reported value exceeds 8% for Scope 1 and Scope 2 emissions or 15% for Scope 3 emissions. These thresholds also apply to the correction of reporting errors (in accordance with ESRS 1, paragraph 7.5). They are based on the relevance of the information for the reader's decision-making. A lower tolerance is applied to direct emissions (Scope 1 and Scope 2) as these are more susceptible to company-specific influences and require greater accuracy. A higher threshold applies to indirect emissions (Scope 3) as these are based on more complex assumptions and are naturally subject to greater uncertainty.

Further information on the most important estimates, Judgements and assumptions is provided in the corresponding information on the survey methodology for the respective key figures within the topic-related ESRS or in the context of the respective key figure overview.

The following table lists the key figures that are subject to a high degree of measurement uncertainty.

Key figures with high measurement uncertainty, including reference

Key figures	Section
Scope 3.11: Use of sold products	E1-6

Standards and certifications

Media Broadcast GmbH, a subsidiary of freenet, is ISO 27001 certified and has established an information security management system (ISMS) in accordance with ISO 27001. DIN ISO/IEC 27001 is an international standard and certification in the field of cyber security. In addition, Media Broadcast is certified according to DIN ISO 14001, a recognised standard for environmental management systems. External audits have verified that the requirements of ISO/IEC 27001:2022 and ISO 14001:2015 are met. Both certifications are valid until 24 June 2027 and cover all activities and service structures of Media Broadcast in Germany.

Incorporation by reference, related information and link to the financial statements

This report does not include any incorporation by reference (information in accordance with ESRS 1.119 et seq.). The following table shows which ESRS disclosure requirements are linked to the consolidated financial statements (information in accordance with ESRS 1.123).

Related information and link to the financial statements

Information in accordance with ESRS 1.123	Reference
Basis for consolidation	Notes to the consolidated financial statements, note 1.2, note 37 of the 2025 annual report
Personnel costs	Consolidated income statement, notes to the consolidated financial statements, note 8 of the 2025 annual report
Accounting principles for revenue recognition (EU Taxonomy)	Notes to the consolidated financial statements, note 2.1 of the 2025 annual report
Net revenues of the Group (EU Taxonomy)	Consolidated income statement, notes to the consolidated financial statements, note 4 of the 2025 annual report
Accounting principles for investments (EU Taxonomy)	Notes to the consolidated financial statements, note 2.2 and note 2.3 of the 2025 annual report
Total investments, Property, plant and equipment (IAS 16), intangible assets (IAS 38), Leases (EU Taxonomy)	Notes to the consolidated financial statements, note 39, note 2.5.1 of the 2025 annual report
Other operating expenses (EU Taxonomy)	Notes to the consolidated financial statements, note 10 of the 2025 annual report

Additional information, external documentation sources and expert opinions that are not part of the sustainability reporting and are referenced in the report are listed in the following table.

Supplementary information, external documentation sources and expert opinions

Supplementary information, external documentation sources and expert opinions	Reference
Remuneration system for the Executive Board and Supervisory Board	Remuneration report pursuant to Section 162 AktG of freenet AG for the 2025 financial year
Risk management and internal control system of freenet AG	Sections "Corporate Governance and other disclosures" and "Report on opportunities and risks" in the management report of the 2025 annual report
Strategy, business model and value chain of freenet AG	Sections "Corporate Strategy and objectives" and "Organisational structure and business model" in the management report of the 2025 annual report
Sustainability-related expertise of the Executive Board and Supervisory Board, skills matrix of the Supervisory Board of freenet AG	Corporate Governance Statement in accordance with sections 289f, 315d HGB for the 2025 financial year
Professional experience and qualifications of Executive Board and Supervisory Board members	CVs of the Executive Board and Supervisory Board
Code of Conduct for Suppliers	Supplier Code of Conduct
General Terms and Conditions of Purchase	Terms and Conditions
freenet AG's policy statement on the protection of human rights	Policy statement on the protection of human rights
Net Zero Emission scenario of the IEA	World Energy Outlook 2024
High-emission scenario SSP5-8.5	Climate Change 2023 Synthesis Report
Federal Statistical Office, monthly report on electricity supply	Balance sheet – Monthly report on electricity supply
Federal Environment Agency - Carbon calculator	Carbon calculator
Conversion factors Federal Environment Agency (commuter traffic)	Federal Environment Agency - Emissions data for passenger transport (German version only)
Conversion factors Federal Environment Agency (electricity mix)	Development of the specific Greenhouse Gas Emissions from the German electricity mix between 1990 and 2023 (German version only)
Sector-averaged environmentally extended input-output emission factors for the determination of Scope 3 emissions	U.S. Environmental Protection Agency - Supply Chain Greenhouse Gas Emission Factors
Greenhouse Gas Reporting: Conversion Factors 2025, Department for Environment, Food & Rural Affairs (DEFRA)	Greenhouse gas reporting: conversion factors 2025 - GOV.UK
The Greenhouse Gas Protocol, Corporate Standard revised	GHG Protocol
Greenhouse Gas Protocol, Technical Guidance for Calculating Scope 3 Emissions	Technical Guidance for Calculating Scope 3 Emissions
Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard	Corporate Value Chain (Scope 3) Accounting and Reporting Standard

Governance

Role of the administrative, management and supervisory bodies (GOV-1)

Composition, diversity and business-specific expertise

freenet AG is a public limited company established under German law, in which management and control are exercised by separate bodies (dualistic system). The Executive Board is responsible for managing the company as the executive body. The Supervisory Board exercises control over the Executive Board as the supervisory body.

During the reporting year, there was a change in the composition of the Executive Board of freenet AG: from six members previously, the Executive Board was reduced to two members as of 1 September 2025, with both positions being held by men. For the period from 1 September to 31 December 2025, this results in an average ratio of female to male members of the Executive Board of 0.0 (until 31 August 2025: 0.2; prior year: 0.2). The Supervisory Board is responsible for appointing the Executive Board. When composing the Executive Board, the Supervisory Board also takes into account the criterion of diversity, which it understands to include different, complementary professional profiles, career and life experiences of potential candidates.

The Supervisory Board of freenet AG consists of a total of twelve members and is composed of six shareholder representatives (prior year: six shareholder representatives) and six employee representatives (prior year: six employee representatives). In 2025, a total of five women were represented on the Supervisory Board. This corresponds to a weighted average ratio of female to male members of 0.7 (prior year: 0.7). In addition to the minimum gender representation required by law, the Supervisory Board should also ensure that its composition reflects cultural diversity and differences in educational and professional backgrounds, experience and ways of thinking.

According to the assessment of the Supervisory Board, all six shareholder representatives (100%) were independent within the meaning of the German Corporate Governance Code in the 2025 financial year (prior year: 100%). The assessment of independence is based on the German Corporate Governance Code in the version dated 28 April 2022, which does not take employee representatives into account.

The Executive Board and Supervisory Board have knowledge and many years of experience in the business areas of telecommunications, TV and Media that are strategically relevant to freenet, as well as in relation to the product and service portfolio offered on the German market. Relevant areas of expertise in telecommunications and media, IT, finance and compliance, human resources, partner and customer management are covered by the Executive Board through the respective areas of responsibility specified in the schedule of responsibilities. The profile of skills of the respective Supervisory Board members is determined on the basis of a self-assessment of their experience and expertise in the business and sustainability-related areas of expertise relevant to freenet (for further information, see section "Sustainability-related expertise and access to expert knowledge"). Further information on the individual professional experience and qualifications of the members of the Executive Board and Supervisory Board can be found in the CVs available to the public on the freenet AG website.

Responsibilities within the ESG organisational structure and control mechanisms

freenet has implemented a group ESG organisational structure. The associated tasks and responsibilities of the bodies, committees and functions have been formalised and approved by the Executive Board. They supplement the distribution of tasks and cooperation within the Executive Board and Supervisory Board, as well as between the bodies, as set out in the rules of procedure and the schedule of responsibilities for the Executive Board and the rules of procedure for the Supervisory Board.

The entire Executive Board is responsible at the operational level for monitoring and managing sustainability-related impacts, risks and opportunities and the associated policies, actions and targets. Each member of the Executive Board is responsible for managing the units within their respective areas of responsibility. Following the reduction in the size of the Executive Board in the reporting year, the Chief Financial Officer (CFO) has been responsible for implementing the overarching ESG strategy since 1 September (previously: CHRO). Furthermore,

ESG Management has also been assigned to the Finance department since then. At the control level, the Supervisory Board as a whole is responsible for monitoring freenet's ESG activities.

The CFO reports to the Supervisory Board on relevant sustainability issues (e.g. results of the Climate risk and opportunity analysis), objectives and progress (e.g. development of ESG key figures). He also keeps the Chief Executive Officer informed about sustainability issues at Executive Board meetings (e.g. on the implementation and results of the 2025 materiality analysis).

In addition, freenet has established an organisational unit with a specific sustainability-related function below the level of the Executive Board in the form of the ESG Committee. It deals with the requirements, implementation and monitoring of ESG guidelines across all divisions and coordinates sustainability activities. The ESG Committee is an interdisciplinary body that brings together the relevant expertise of the functions responsible for sustainability within freenet. It serves as a forum for regular exchange on current ESG issues, develops objectives and makes recommendations for action. With effect from 1 September 2025, decision-making responsibility for the implementation of recommendations will no longer lie with the ESG Board (until then composed of the CEO, CHRO and CFO), but with the two-member Executive Board, which will decide on these matters at its meetings. In order to systematically track the achievement of ESG targets, ESG Controlling has also been reporting relevant ESG key figures to the Executive Board on a quarterly basis since the beginning of 2025.

ESG organisational structure of freenet AG since 1 September 2025

Sustainability-related expertise and access to expert knowledge

To ensure effective management and appropriate monitoring of sustainability activities, the Executive Board and Supervisory Board should have relevant sustainability-related expertise in connection with the identified material impacts, risks, opportunities and sustainability matters of freenet.

Since 1 September 2025, the Executive Board has comprised two members who have specific expertise and, in the context of the distribution of responsibilities, are responsible for sustainability issues. Overall, the Executive Board combines sustainability-related expertise in the areas of human resources, IT and data security, environmental matters, supplier/partner management, compliance and risk management, corporate governance, and sustainability reporting, either directly or through access to internal expert knowledge. The material impacts, risks and opportunities identified in the materiality analysis and the associated sustainability matters are addressed comprehensively through the aforementioned expertise and responsibilities.

Whether and to what extent the Supervisory Board has the required sustainability expertise is determined on the basis of an individual self-assessment by its members. They assess their specialist knowledge and experience in the areas of expertise that are important for freenet and that are also related to sustainability or closely linked to the identified material impacts, risks and opportunities. The valuation result is summarised in a skills matrix and

published annually as part of the reporting in the Corporate Governance Statement. The skills matrix also serves as a basis for identifying further development needs.

In the skills matrix for the Supervisory Board, sustainability expertise is assigned to various areas of expertise. The area of information technology is directly linked to the company-specific topic of IT/cyber security, which has been identified as material. In the area of expertise for business conduct, corporate governance and compliance as well as law and regulation cover the identified material impacts, risks and opportunities relating to general legal compliance and the fulfilment of human rights due diligence obligations in the company's own business operations and in the supply chain. The area of expertise of human resources describes the existing expertise on material issues relating to employees (e.g. upgrading skills and diversity), whereas the area of expertise of environmental matters is closely linked to the material impacts and risks in the areas of climate change mitigation and the Circular economy. Competencies in the area of finance and reporting also relate to ESG regulation and reporting.

As part of a structured succession process, the Supervisory Board of freenet is guided by its targets for composition and proposes candidates to the Annual General Meeting who have expertise in the relevant areas of expertise as outlined in the Skills matrix for the Supervisory Board.

The Supervisory Board and its committees are regularly informed about regulatory and other relevant developments (e.g. CSRD, LkSG, EU taxonomy) at their meetings by the Executive Board, the members of the ESG Committee or the sustainability officers appointed by the Supervisory Board. The sustainability officers are two members of the Supervisory Board who, due to their activities, have relevant expertise in sustainability reporting/regulation and the topics of the environment (e.g. Climate change mitigation) and human resources (working conditions and Equal treatment/Equal opportunities). They provide the Executive Board and Supervisory Board with expert knowledge by contributing their experience and expertise to the meetings of the Supervisory Board and its committees (Audit and Personnel Committee). Members of the Executive Board and Supervisory Board are generally responsible for their own further training.

The Supervisory Board's skills matrix and further information on the composition, working methods and independence of the members of the Supervisory Board can be found in the Corporate Governance Statement.

Information provided to and sustainability matters addressed by the Executive and Supervisory Board (GOV-2)

At freenet, material impacts, risks and opportunities as well as the associated material sustainability matters are identified and assessed using a process described in section IRO-1. The ESG Committee is informed by the ESG department during the annual update of the DMA about the process, methodology and any changes compared to the prior year. The ESG department and other departmental representatives also provide information on the status of implemented policies and actions, as well as related objectives, at the monthly meetings of the ESG Committee.

The Chief Financial Officer is responsible for implementing the DMA, the results of which are discussed, validated and decided upon by the entire Executive Board. At regular meetings (usually monthly), the members of the ESG Committee keep the Executive Board informed about relevant sustainability issues, depending on the topic and department. The audit committee is informed annually about the audit of non-financial reporting, changes in the materiality of Sustainability matters and the resulting Disclosure requirements. Furthermore, the Executive Board informs the Supervisory Board about implemented and planned policies, actions and, if applicable, objectives pursued in relation to material Sustainability matters. Outside of meetings, there is an exchange between the Executive Board and the Supervisory Board's Sustainability Officers.

Monitoring human rights-related elements in risk management falls within the remit of the Chief Compliance Officer, who also serves as the Human Rights Officer. In accordance with legal requirements, the Executive Board has established a reporting process through which information on the characteristics and effectiveness of human rights-related risk management, including the results of the annual risk analysis, is provided on a regular basis, at least once a year. The Chief Compliance Officer reports on the current risk situation, including (remedial) actions taken to reduce risks and their effectiveness, at the monthly meetings of the ESG Committee and at least once a year at a Board of Directors meeting. The results and progress are recorded in the annual reports, including in accordance with the Supply Chain Due Diligence Act. These reports are publicly available and underscore the transparency of freenet's sustainability efforts. The Chief Financial Officer is responsible for taking a holistic view of sustainability across the entire value chain. In addition, risk management-related Due Diligence obligations are part of the audit universe of freenet Group Audit and are therefore subject to a continuous review process. Further information on the due diligence obligations relating to the material sustainability matters of freenet can be found in section GOV-4 and in the sections referenced therein.

The conditions under which management and supervisory bodies are involved in decision-making processes of strategic importance are set out in the rules of procedure for the Executive Board and the Supervisory Board and in the company's Articles of Association. When monitoring the corporate strategy, making decisions on transactions and managing risks, the Executive Board and Supervisory Board of freenet take into account not only strategic and economic factors, but also Sustainability matters associated with material impacts, risks and opportunities (e.g. impacts on employees and the environment). Sustainability risks and opportunities are systematically identified and assessed to ensure that strategic decisions are consistent with the company's long-term targets from a financial perspective. Where necessary, different points of view are weighed against each other, possible alternatives are identified and compromises are considered in order to achieve a balance between economic, environmental and social targets.

In the 2025 financial year, the Executive Board, Supervisory Board and audit committee addressed key issues relating to the management and monitoring of sustainability-related aspects within the framework of ESG governance. These included, among other things, the adjustment of the ESG organisational structure following the reduction in the size of the Executive Board and the updating of the initial materiality analysis carried out in the prior year and its results. In addition, the committees dealt with the results of the climate risk and opportunity analysis, the identified non-financial opportunities and risks, and their development over the course of the year. Another focus was on the progress of the project to expand the non-financial internal control system (N-ICS), particularly with regard to the formalisation of ESG-relevant controls. In addition, the focus was on quarterly monitoring and ensuring ESRS compliance of selected ESG key figures, as well as setting corporate targets for the 2025 financial year – particularly with regard to the integration of ESG components.

Integration of sustainability-related performance in incentive schemes (GOV-3)

In addition to non-performance-related remuneration, which is mainly composed of basic remuneration (fixed salary), the Executive Board’s remuneration also includes performance-related remuneration consisting of a short-term incentive (STI) and a long-term incentive (LTI) component. The performance-related remuneration of the members of the Executive Board is linked to performance parameters on the one hand and geared towards sustainable business conduct on the other. A detailed description of the characteristics of the remuneration system, including the relative weighting of sustainability-related targets and the amount of remuneration paid to the members of the Executive Board in the reporting year, is provided in the remuneration report.

The remuneration system for supervisory board members does not include any incentive system incorporating sustainability elements.

Various sustainability-related targets are embedded in the performance-related remuneration for members of the Executive Board. In the short-term incentive component (STIP) for the 2025 financial year, the focus is on the rate of annual performance reviews (JEG) as a key ESG target. This target is weighted at 10%, with target achievement linked to clearly defined quantitative thresholds (see S1-13).

As part of the long-term incentive plan (LTIP), the target for the 2025–2028 performance period was defined as increasing the return rate for devices, thereby promoting the circular economy (see E5-3). Employee satisfaction has been defined as a long-term incentive criterion for the 2023–2026 performance period. In addition, a reduction target for Scope 1 and Scope 2 emissions has been set for the period 2022–2025. As the GHG emission reduction target reported in section E1-4 was formulated later, it should be considered independently of this LTIP target. The long-term sustainability-related targets in the LTIP are generally weighted at 20%.

The incentive schemes are approved by the Annual General Meeting as part of the regular presentation of the remuneration system and updated by the Supervisory Board after preparation by the personnel committee and in consultation with the Executive Board. Further details can be found in the remuneration report and the current remuneration system for the Executive Board.

Statement on due diligence (GOV-4)

The most important aspects and steps of the due diligence procedures are related to a series of general and topic-specific disclosure requirements under the ESRS. These are presented in the table below.

Due diligence information

Core elements of due diligence	Section/reference
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2
	ESRS 2 GOV-3
	ESRS 2 SBM-3
b) Engaging with affected stakeholders in all key steps of the due diligence process	ESRS 2 GOV-2
	ESRS 2 SBM-2
	ESRS 2 IRO-1
	Topical ESRS (phases and purpose of engagement)
	ESRS 2 MDR-P
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1
	ESRS 2 SBM-3
d) Taking actions to address those adverse impacts	ESRS E1-1 Transition plan for climate change mitigation
	Topical ESRS (range of actions)
	ESRS 2 MDR-A
e) Tracking the effectiveness of these efforts and communicating	Topical ESRS (in relation to key figures and targets)
	ESRS 2 MDR-M
	ESRS 2 MDR-T

Risk management and internal controls over sustainability reporting (GOV-5)

At freenet, sustainability risks and risks related to sustainability reporting are incorporated into the group-wide risk management system (RMS) and the internal control system (ICS). The RMS and ICS are based on international (such as COSO) and national frameworks (e.g. the IDW auditing standards). Information on sustainability-related risks and opportunities in connection with the Double Materiality Assessment and the integration of the RMS is discussed in section SBM-3. Sustainability-related risks and opportunities are identified, assessed, managed and regularly reported to the ESG Committee and the entire Executive Board. Material sustainability risks are integrated into the regular risk management reporting to the Executive Board and the audit committee. Further information on the Group-wide RMS and ICS is provided in the 2025 annual report in the sections "Report on opportunities and risks" and "Corporate Governance and other disclosures".

For the purposes of sustainability reporting, non-financial medium- and long-term opportunities and risks for the next five years and beyond are also identified, assessed, managed, communicated and monitored. Identified non-financial opportunities and risks are assessed qualitatively both without the effects of measures (gross principle) and taking into account the effects of measures (net principle). The combination of the probability of occurrence and the magnitude of the expected impacts results in the classification of risks and opportunities into categories. The assessment ranges correspond to those used in general risk management. For the purposes of sustainability reporting, the prioritisation of non-financial opportunities and risks is based on the classification resulting from the risk assessment. No material risks were identified in relation to the sustainability reporting process.

The accounting-related ICS is designed to ensure reliable financial reporting and the preparation of financial statements. Similarly, the sustainability reporting-related ICS (N-ICS) is designed to ensure reliable sustainability reporting. The sustainability reporting-related ICS is continuously being developed. As part of the design of the central processes for Sustainability reporting, the associated procedures were reviewed by the responsible decision-makers in the specialist departments for possible (process) risks and monitoring measures were established. Core elements of the monitoring system at freenet are process-integrated and process-independent actions, such as automated IT controls, the dual control principle, and functional and access restrictions in workflows.

The responsibility for collecting reportable data lies with the respective departments. Material information in sustainability reporting is quality-assured and approved by central functions such as the ESG department and ESG Controlling, as well as on an interdisciplinary basis by the ESG Committee. This is done taking into account the inherent risks and the results of internal controls relating to Sustainability reporting. If process weaknesses are identified at the departmental level or in the course of (functional) monitoring, these are assessed, addressed and followed up until they are remedied. The Executive Board is actively involved through regular reporting by the departments and central functions.

The results of the risk management process and statements on the adequacy and effectiveness of the internal control system are reported regularly to the Executive Board and the audit committee of the Supervisory Board of freenet AG.

The Group Audit department independently reviews the adequacy and effectiveness of the financial and non-financial internal control and risk management systems. The audit results are reported to the responsible decision-makers, the Executive Board and, on a regular basis, to the audit committee of the Supervisory Board of freenet AG.

Strategy

Strategy, business model and value chain (SBM-1)

freenet AG positions itself as a digital lifestyle provider and primarily offers Mobile Communications and TV services as well as related mobile devices and accessories. Its operating business focuses mainly on the consumer market in Germany. The total of 3,085 employees at freenet are almost exclusively based in Germany. There is therefore no geographical breakdown, but rather – where necessary – a differentiation between the Mobile Communications, TV and Media, and Other/holding segments. Compared with the prior year, there were no changes in the reporting period with regard to new or discontinued products or services, or changes with regard to new or no longer current markets or customer groups.

Internal value chain activities include the bundling of preliminary products, omnichannel distribution and customer management. Products and services are marketed under the company's own brand via a German distribution network that includes specialist and retail outlets as well as online channels. Revenues are mainly generated through the marketing of fixed-term contracts (known as subscriptions).

The Mobile Communications segment primarily offers mobile communications services, often in conjunction with a mobile device. freenet does not operate its own mobile network, but instead purchases tariffs from the relevant German mobile network operators on a wholesale basis for resale on its own account. In the TV and Media segment, freenet operates as a platform provider for internet-based television (IPTV) and terrestrial television (DVB-T) as well as for digital terrestrial radio (DAB+) in Germany.

The upstream stages of the value chain involve the extraction and processing of raw materials, as well as the manufacture of components for and final assembly of mobile devices and active transmission infrastructure. ICT device manufacturers are among the direct suppliers of both segments. Device distributors and German Mobile network operators are also relevant to the Mobile Communications segment. In the TV and Media segment, freenet purchases inputs from TV and radio stations and content providers. Other services include customer service, cloud and software services, marketing and consulting services, and energy procurement. Contractual relationships with key suppliers are strategic partnerships and are generally designed to be long-term. Downstream value chain activities include external services such as logistics, Franchises and customer service. Customers are important stakeholders in the downstream value chain.

freenet's value proposition, "Always the right choice" is aimed at all of the company's stakeholders. freenet offers customers a wide range of products and services as well as independent advice. For investors, long-term prospects are provided by a stable core Mobile Communications business and growth opportunities in the TV and Media segment. In addition, freenet is committed to providing its employees with a safe, flexible and non-discriminatory working environment. freenet's ESG strategy defines environmentally responsible, socially equitable and economically profitable action as an integral part of the company's strategy. As a digital lifestyle provider, the business model is primarily designed around relationships, which is why people are at the centre of everything we do. The overarching targets of the ESG strategy relate to fields of action across all products, segments and markets that are closely linked to the interests of freenet's key stakeholder groups. The guiding principle is translated into the fields of action of climate, Circular economy, employees, customers and governance. The target is to give equal consideration to environmental, social and governance issues in business decisions, with economic profitability serving as the basis.

Field of action climate

As a company, freenet takes its environmental responsibility seriously and supports the 1.5-degree target set out in the 2015 Paris Climate Agreement. This is based on scientific findings that show that higher temperature increases can have more serious impacts on the environment and society. In the climate field of action, freenet intends to achieve the 1.5-degree path in relation to Scope 1 and Scope 2 emissions by 2030. Scope 3 emissions have not yet been taken into account in the transition plan for climate change mitigation (see E1-1).

Compared to Scope 1 and Scope 2 emissions, Scope 3 emissions in the ICT sector are many times higher. At the same time, freenet has only limited control over this category of emissions. Within the scope of its own capabilities, freenet therefore wants to exert influence in its supply chain in order to contribute to mitigating climate change.

Field of action circular economy

According to industry studies (among others Bitkom Research), German households have over 200 million unused mobile phones lying around in drawers, which contain valuable raw materials. In the area of circular economy, freenet aims to encourage customers to consume sustainably and reduce electronic waste. Customers should be informed about sustainable uses so that resources can be returned to the cycle or disposed of properly.

Field of action employees

Demographic change and skills shortages pose challenges for companies. freenet sees its employees as a key factor and promotes diversity and equality within the company. A dialogue-oriented and high-performance working environment is designed to empower employees and increase the company's employer attractiveness.

Field of action customer and governance

freenet offers a wide range of products and services and strives for high customer satisfaction. Millions of customers entrust freenet with their personal data as part of their contractual relationship, which is why data protection is a top priority in the area of governance. freenet's IT security strategy protects its IT infrastructure and thus also customer data from cyber attacks.

Further information on freenet's strategy, business model and value chain is provided in the group management report in the sections "Corporate Strategy and objectives" and "Organisational structure and business model".

Interests and views of stakeholders (SBM-2)

The relevant stakeholders of freenet can be divided into two groups: Users of sustainability reporting (including financial reporting) and affected stakeholders whose interests are impacted by freenet's business activities. The following table provides an overview of the most important stakeholders.

Stakeholders of freenet

Stakeholder category	Stakeholder group	Key stakeholders	Formats of engagement
Users of sustainability reports	Main users of financial reporting	Investors, lenders, financial analysts	Investor meetings, Annual General Meetings, capital market conferences and roadshows, conference calls, surveys as part of Double Materiality Assessments
	Other users of the sustainability report	ESG analysts, ESG rating agencies, non-governmental organisations (NGOs)	Analyst discussions and dialogue as part of the rating processes, use of published information from NGOs and studies
Affected stakeholders	Own workforce	**Employees:** Permanent and part-time employees (in administration, retail (shops), logistics, IT), persons employed for training purposes (dual students, trainees, interns), working students, trainees	Employee representatives on the Supervisory Board, works council and works meetings, employee surveys, town halls, whistleblower system, survey as part Double Materiality Assessments
		Non-employees: Employees from agencies and temporary employment agencies, leased workers, temporary workers	Whistleblower system
	Value chain workers	**Workers in upstream value chain activities:** Employees in raw material extraction and mining, employees in raw material processing (smelting, refining), employees in component manufacturing for and final assembly of ICT equipment	Publicly available information and industry reports
		Workers in downstream value chain activities: Customer service employees, promoters	Survey as part of Double Materiality Assessments, whistleblower system
	Suppliers	**Direct upstream suppliers**: Mobile network operators, ICT device and accessory manufacturers, distributors, TV and radio transmitter manufacturers, content providers, customer service providers, marketing and consulting services, indirect purchasing services (e.g. catering, travel, energy, cleaning)	Whistleblower system, exchange between procurement units and suppliers, survey as part of Double Materiality Assessments
	Customers / End consumers	**Private customers:** Subscribers in the Mobile Communications and TV and Media segments, users of ICT devices marketed via freenet	Customer surveys, survey on ESG strategy, dialogue with relevant German authorities (as stakeholders)
	Nature	Nature as a silent stakeholder	Publicly available information (e.g. studies on circular economy in the telecommunications industry)

Due to the listing of freenet AG on the stock exchange, the material users of the reporting are existing and potential investors, financial and ESG analysts/rating agencies and lenders. freenet attaches great importance to communication with these groups, which takes place through frequent discussions (e.g. Conference calls, capital market conferences and other engagements) with investors and analysts in order to incorporate their perspectives into corporate decisions. On its website, freenet provides information such as corporate news, ad hoc announcements, financial and Sustainability reports, which serve as a basis for exchange with these interest groups. Formats such

as annual general meetings and personal exchanges at capital market conferences promote dialogue. Discussions focus on the net assets, financial position and results of operations, strategic issues, and freenet's financial ambitions and dividend policy. The sustainability dialogue focuses primarily on corporate governance aspects (including IT/cyber security) and the integration of sustainability matters into the incentive systems for members of the Executive Board. The topics of human capital management (e.g. upgrading skills and diversity) and climate change mitigation are also addressed. By participating in the Carbon Disclosure Project (CDP), freenet voluntarily provides its stakeholders with climate data on an annual basis. There is no direct exchange with non-governmental organisations (NGOs), which are considered relevant stakeholders in their role as users of the sustainability report. The interests of NGOs are indirectly taken into account through published information and studies. In principle, NGOs also have the opportunity to present their views at specialist conferences or industry meetings or to contact the Investor Relations and ESG department directly with their concerns in order to actively engage in dialogue with freenet.

Important affected stakeholder groups include own workers, workers in the value chain, suppliers, customers and nature as a silent stakeholder. Their perspectives are incorporated through various formats. With regard to nature as a silent stakeholder, the environmental perspective is taken into account through publicly available information.

From freenet's perspective, a relationship of trust with employees and suppliers as well as good customer relationships are crucial to business success. Respect for human rights forms the basis for a trusting relationship. It is formalised in the Policy statement on the protection of human rights and is also promoted in the supply chain through the Supplier Code of Conduct and specific contractual clauses. The freenet-specific values of cooperation and leadership are communicated via the intranet. Training courses are designed to ensure that these values are known and embedded in everyday working life.

freenet offers its employees a wide range of opportunities to contribute their interests and opinions, e.g. through regular works meetings, employee surveys or town hall meetings with the Executive Board, thereby promoting diversity in corporate culture and promoting an open, dialogue-oriented approach. Employee representatives on the Supervisory Board contribute the views of the workforce to discussions, thereby helping to ensure that corporate decisions are made in line with their interests. The works councils at freenet meet regularly with management and ensure that employee matters, e.g. by concluding works agreements. The focus is on issues such as job security, fair pay and a better work-life balance. Feedback from the workforce influences company decisions, e.g. with regard to flexible working time models.

Employees of direct suppliers are sometimes in direct contact with the procurement units responsible for them within the freenet Group as part of their supplier relationships with freenet. They are also involved in the risk analysis in accordance with the LkSG by completing questionnaires. The questions asked in these questionnaires relate in particular to compliance with human rights. freenet requires its suppliers to comply with minimum standards, particularly in the areas of the environment, human rights and Data protection, which is to be ensured through the Group-wide Supplier Code of Conduct and the applicable General Terms and Conditions of Purchase. With regard to the main suppliers, procurement organisation and responsibility are bundled in the CEO's area of responsibility on the Executive Board. Communication with mobile network operators, device and accessory manufacturers and suppliers, and customer service providers takes place via separate procurement functions. Due to the highly specific nature of its business, Media Broadcast also has its own purchasing unit.

There is no direct involvement in the sense of regular dialogue with employees of companies that do not have a direct contractual relationship with freenet. As part of the Double Materiality Assessment, the interests and views, as well as the rights of employees, particularly those further down the value chain, were taken into account indirectly via publicly available information and industry reports. There is a risk of human rights violations with potentially negative impacts on affected workers, particularly in labour-intensive processes (e.g. extraction of mineral raw materials, manufacture of components and final assembly of mobile phones). In freenet's view, its ability to influence the impacts on value chain workers is limited. Potentially negative impacts can be reported to freenet

via the publicly accessible whistleblower system. This complaint mechanism is available to all stakeholders, including value chain workers at more distant stages. The target is to ensure that legitimate reports received via the freenet AG whistleblower system are investigated appropriately, promptly and in accordance with the law. To this end, the company has established a whistleblower committee and a corresponding whistleblower process.

The growing threat of cyber attacks poses a significant challenge for the German economy. The information and communications industry is subject to strict legal requirements in this regard and also has a strong vested interest in protecting sensitive data. For freenet, data security is a top priority and is firmly anchored in its IT strategy. The target is to protect company and customer data through technical and organisational actions, to safeguard data protection rights and thus to secure the company's reputation.

Customers are not directly involved in IT and cyber security issues and processes. However, in a representative survey of customers conducted in 2024 on the topic of sustainability, data security was identified by customers as an important aspect.

As part of updating the Double Materiality Assessment for the 2025 financial year, freenet consulted stakeholders (see Stakeholders of freenet) in order to understand their interests and views on sustainability matters that are material to freenet. To this end, the results of the previous year's survey on material sustainability matters were made available and feedback was collected in an online survey. The results were presented to the Executive Board and Supervisory Board and taken into account in the update of the Double Materiality Assessment. For further information on the materiality analysis process and the inclusion of stakeholder interests in the analysis, please refer to section IRO-1.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The CSRD requires a Double Materiality Assessment to be carried out for sustainability reporting in order to improve the comparability of reports. The policy requires companies to assess sustainability-related risks and opportunities, as well as the environmental and social impacts of their business activities and relationships, in order to determine their materiality for reporting purposes.

As a result of updating the initial Double Materiality Assessment for the 2025 financial year, freenet has identified – as in the prior year – material impacts on the environment (climate change and circular economy), social issues (own workforce and workers in the value chain) and governance (corruption and bribery). In addition, the topic of "IT/cyber security" is covered by entity-specific disclosures. Overall, the results of the updated materiality analysis are consistent with those of the prior year; no significant changes were identified.

Within the areas of IT/cyber security and climate change, in addition to (potentially) negative impacts on the environment and society, material risks were also identified which, in case of materialisation, could have a negative impact on freenet's net assets, financial position and results of operations in the short, medium and long term.

Identified material impacts and risks are listed in the table below. As in the prior year, freenet has not identified any material positive impacts or material opportunities.

List of material impacts and risks

ESRS	Classification	Position in the value chain	Description	Time horizons
E1	actual negative impact	upstream own operations downstream	Throughout the entire value chain of freenet, climate-damaging greenhouse gas emissions (e.g. during the production and use of mobile ICT devices) are emitted, which contribute negatively to global warming/climate change.	short, medium and long term

ESRS	Classification	Position in the value chain	Description	Time horizons
E1	risk	upstream own operations downstream	Rising prices for greenhouse gas emissions (e.g. CO_2 emissions) due to stricter regulations (in the ICT sector) could have negative impacts on earnings (higher costs) in case of materialisation.	short, medium and long term
E1	actual negative impact	own operations	High internal electricity consumption (e.g. at Media Broadcast GmbH and in the shop chain) leads to increased Greenhouse Gases and contributes negatively to global warming/climate change.	short and medium term
E5	actual negative impact	downstream	Improper recycling by customers or improper recovery of mobile devices, such as those distributed by freenet, has negative impacts on the environment.	short and medium term
S1	potential negative impact	own operations	Depending on the economic situation of the company, uncertain working conditions (e.g. short-time working or redundancies) could have negative impacts on the motivation and health of own workforce.	medium and long term
S1	potential negative impact	own operations	The requirement for regular overtime, long working hours or an inflexible/stressful working time policy could have a negative impact on employees' private lives and lead to dissatisfaction and illness.	long term
S1	potential negative impact	own operations	A lack of work-life balance, e.g. in the form of inflexible working conditions, could have negative impacts on employee motivation and health.	medium and long term
S1	actual negative impact	own operations	Unequal treatment and pay between employees doing the same work have a negative impact on employee motivation and health, as well as on social equality as a whole.	medium and long term
S1	potential negative impact	own operations	A lack of provision of or equal access to adequate development opportunities could have negative impacts on employee satisfaction.	medium and long term
S1	potential negative impact	own operations	Inadequate measures against violence and harassment in the workplace could have a significant negative impact on the sense of security in the workplace and the mental and physical health of affected employees.	long term
S1	potential negative impact	own operations	A lack of awareness of the issue of diversity, e.g. among managers, could have negative impacts on underrepresented groups in the workforce.	medium and long term
S1	actual negative impact	own operations	One case of discrimination was reported during the reporting year, with negative impacts on the personal integrity of the person concerned.	short term
S2	potential negative impact	upstream	Poor working conditions (e.g. low wages, lack of Social protection) can have negative impacts on the living conditions and health of workers in the upstream value chain.	short and medium term
S2	potential negative impact	upstream	Human rights violations in the form of child labour / forced labour could occur in more distant, upstream stages of freenet's value chain (e.g. extraction and processing of raw materials for the manufacture of ICT components / devices), with negative impacts on the living conditions and health of the workers concerned.	long term
G1	potential negative impact	own operations	Bribery and corruption disrupt the optimising effect of the market and undermine trust in public institutions and companies. This could lead to damage to businesses and the economy.	long term
Company-specific disclosures	potential negative impact	own operations	Successful cyber attacks could damage the IT infrastructure, with serious consequences for customers and / or employees (e.g. through the loss of sensitive data).	short, medium and long term
Company-specific disclosures	risk	own operations	If cyber attacks materialise, they can result in financial penalties / compensation payments and reputational damage, which can lead to customer churn. Successful cyber attacks also carry the risk of data protection breaches.	short, medium and long term

Material environmental impacts and risks

Climate change

Greenhouse Gases, especially carbon dioxide (CO_2), are considered the main cause of climate change due to their negative environmental impact. The ICT sector, in which freenet operates, causes significant greenhouse gas emissions. These emissions arise both upstream in the value chain and downstream when consumers use ICT devices. GHG emissions from freenet's own business operations come from transport activities, the operation of its own retail stores in Germany and the use of office space.

Tighter regulatory actions on climate change mitigation could also lead to higher pricing for CO_2 emissions in the ICT sector, with negative consequences for freenet's entire value chain. Higher procurement prices for ICT equipment and accessories and higher logistics costs could increase freenet's operating expenses and thus burden financial performance indicators.

Resource use and circular economy

By placing devices on the downstream value chain (distribution and sale to customers), freenet contributes to an actual negative impact on the environment if, at the end of the device's useful life, the customer fails to recycle it properly or disposes of it incorrectly, which can be observed in some cases.

Material impact on social aspects

Own workforce

Within the workforce, political and economic crises can influence perceived secure employment and lead to mental and physical stress. Unequal treatment and pay, as well as a lack of opportunities for further development and equal access to Training, can reduce employee satisfaction. Harassment and violence in the workplace can have serious negative consequences for those affected and for the general sense of security in the workplace. A lack of awareness of diversity among managers can lead to discrimination against underrepresented groups due to implicit biases and negatively impact equality within the company. In the reporting year, there was one reported case of Discrimination, which had negative impacts on the personal integrity of the employee concerned. The potential and actual impacts on freenet's own workers described above can in principle affect both employees and non-employees, which is why both employee groups are covered by the disclosures pursuant to ESRS 2. Further information on the definition of the respective group of workers can be found in sections S1-6 and S1-7 can be taken.

Non-employees at freenet are exclusively workers from employment agencies and temporary employment agencies. These are predominantly non-employees in logistics and on-site IT support. If potential impacts on our own employees materialise, they tend to occur sporadically or in connection with individual incidents.

Serious human rights violations such as human trafficking, Forced labour or Child labour are prohibited by law in Germany. freenet operates exclusively in Germany and is required to comply with applicable laws and regulations. Within freenet's own workforce, there are no geographical or technical areas of operation that are subject to a material risk of child labour or Forced labour. Accordingly, the exposure of freenet's own workers is low.

freenet's transition plan for climate change mitigation currently covers only Scope 1 and Scope 2 emissions and focuses on reducing negative impacts on the environment. Due to freenet's business model, the plans and actions outlined therein to reduce carbon emissions have neither a significant negative nor positive impact on freenet's workforce. As part of the Double Materiality Assessment, women were identified as a group among the company's own workers who are or could be more affected by certain negative impacts (e.g. in terms of remuneration).

Workers in the value chain

The ICT sector, which includes freenet's business activities, relies on the use of critical raw materials and components for mobile devices, transmission infrastructure and accessories from international suppliers. Labour-intensive processes upstream of freenet's own value creation, such as the extraction of mineral raw materials for component manufacturing, the manufacture of preliminary products for and the final assembly of electronic devices, are mostly located in developing and emerging countries. According to publicly available information, there is a widespread high risk of human rights violations in these countries, which can have negative impacts for workers involved in the activities described above. These can arise due to precarious working conditions and, in the worst case, involve serious human rights violations such as forced and child labour. According to publicly available information, children, who are considered particularly vulnerable to human rights violations, are often employed in the extraction of raw materials. Value chain workers involved in the activities described in freenet's upstream value chain therefore fall under the provisions of ESRS 2.

In line with its corporate culture, freenet is committed to protecting human rights and natural resources along its supply chain. freenet AG and its affiliated companies must act in accordance with applicable laws and strive to comply with internationally recognised human rights and environmental standards. Given the importance of the supply chain for its business model, freenet also imposes corresponding requirements on its suppliers, service providers and other business partners, as specified in its policy statement on the protection of human rights and its Supplier Code of Conduct.

Material impacts and risks relating to IT/cyber security

The material impacts and risks for employees, consumers and end-users identified in freenet's materiality analysis result from the increasing number of cyber attacks to which companies in the ICT sector are also exposed. These risks are therefore closely linked to freenet's business model and are addressed as part of its IT strategy.

Cyber attacks on customer and sales portals, company-specific apps or the company infrastructure in general pose material risks to companies in the information and communications industry due to their business model. These risks include, among other things, the potential failure of IT service portals, sanctions and fines, and the associated loss of trust and reputation among important stakeholder groups such as customers. When conducting the materiality analysis, no distinction was made between different customer groups, as freenet believes that no group is exposed to a greater risk of damage due to the homogeneity of the customer base.

Given the increase in cyber attacks in recent years, it cannot be entirely ruled out that security gaps may be deliberately created or exploited by third parties, leading to the leakage of relevant company data, including personal customer and employee data.

Material impact on governance aspects

Corruption and bribery fundamentally disrupt market mechanisms and can undermine trust in public institutions and companies, which can lead to operational and economic damage and loss of reputation. Corruption and bribery are prohibited by law in Germany. Compliance with legal requirements is ensured by the Internal Audit and Compliance units and the Compliance Management System, and is independent of operational business.

The material impacts and risks identified in the materiality analysis for the 2025 reporting year have not had any impact on the overall corporate strategy and Business model of freenet AG as a digital lifestyle provider to date, nor are they expected to do so in the future. Nevertheless, freenet intends to strengthen its focus on sustainability within its existing strategic orientation and business model.

The assessment of the identified risks and opportunities in the context of financial materiality was primarily qualitative. No current financial impacts on the financial and earnings position or cash flows were identified. There is no significant risk of a material adjustment to the carrying amounts of assets or liabilities for the 2025 financial year. Risks identified in the Double Materiality Assessment were transferred to the risk management system.

Resilience of strategy and business model

In the reporting year, freenet conducted a climate risk and opportunity analysis to identify short-, medium- and long-term material climate risks that could negatively impact freenet's economic activities. The results of the qualitative resilience analysis demonstrate the resilience of freenet's corporate strategy and Business model to the material physical and transitional climate risks that need to be addressed (see explanations below). In addition, freenet also assumes fundamental resilience in the short, medium and long term with regard to the other impacts and Risks identified as material, in line with the findings of the materiality analysis.

In the second half of 2025, freenet conducted a climate risk and opportunity analysis in accordance with CSRD/ESRS. For each identified material climate-related risk, it was explained whether it was a physical or a transition risk.

The scope of the resilience analysis, which was conducted as part of the climate risk and opportunity analysis, covered all of freenet's business activities as well as the upstream and downstream value chain. No significant physical risks or transition risks were excluded from the analysis.

Critical assumptions were considered, particularly with regard to the pricing of CO_2 emissions and the resulting risks for freenet. Further assumptions related to law and politics, technology and the market. The assumptions described in the International Energy Agency (IEA) net-zero Scenario and taken into account in the 2025 resilience analysis have no relevant effects on the macroeconomic trends and energy consumption relevant to freenet.

The resilience analysis assesses how freenet's adaptation and mitigation actions address the gross risks identified in the climate risk and opportunity analysis, and derives resilience from this. To this end, short-term (until 2030), medium-term (until 2040) and long-term (until 2050) periods were defined, which serve both to identify material physical and transition risks and to set emission reduction targets.

Climate change mitigation actions and resources (see E1-3) were incorporated into a separate net assessment to mitigate risk. The identified risks were assessed taking into account expected future actions and resources.

Overall, freenet's business model appears to be resilient to physical and transitional climate risks. The scenario analysis identified a material transitory gross risk: rising costs in the short, medium and long term due to the increase in CO_2 emission pricing, which may lead to higher prices for purchased products and energy (e.g. electricity and fuels). This risk can be significantly reduced through the planned mitigation actions, in particular the continued switch to Renewable energy and the Electrification of the vehicle fleet. In addition, adaptation measures such as existing insurance policies or (energy) improvements to buildings have a positive impact on the risk of physical hazards.

The resilience analysis takes into account future developments that are inherently uncertain (e.g. the development of Scope 3 emissions). No risky assets or business activities were identified that would have required additional consideration in strategy, investment decisions or ongoing/planned climate change mitigation actions.

The analysis shows that freenet's business model is only marginally affected by ongoing climate change or actions to mitigate it. Accordingly, it is expected that access to finance at reasonable capital costs will not be affected by this in the future.

Management of impacts, risks and opportunities

Double Materiality Assessment (IRO-1)

For the 2024 financial year, freenet conducted a Double Materiality Assessment for the first time in accordance with the requirements of ESRS 1 and identified material impacts, risks and opportunities of its own, as well as upstream and downstream value chain activities in relation to environmental, social and governance aspects. The results of this comprehensive analysis form the basis the DMA update, which freenet carries out annually and which may result in changes to the material impacts, risks and opportunities.

The DMA for the 2025 reporting year was updated in several steps. To validate the selection of topics, external analyses on CSRD implementation practices were consulted and a non-representative peer analysis for the telecommunications sector was conducted. Changes in the legal and economic structure of the Group (such as M&A activities, relocations or new business activities) were taken into account in the context of the DMA update, and key stakeholders were involved in the form of a survey. The initially identified impacts, as well as the associated policies, actions and targets, were reviewed for completeness and accuracy by those responsible for managing material sustainability issues, taking into account the characteristics specified in ESRS 1. Identified opportunities and risks relating to material sustainability matters were updated in a combined top-down/bottom-up process for the reporting year. A top-down review of the risks and opportunities was carried out, and a comparison with sector-specific ESG risks in accordance with the SASB standard was performed by Group Risk Management. As part of the Group-wide risk management process, non-financial risks and opportunities were identified and assessed bottom-up by the respective risk owners. The results were incorporated into the update of the DMA 2025. In addition, in August 2025, freenet conducted an analysis of climate risks and opportunities, the results of which were also included in the revision of the risks and opportunities for the DMA 2025.

Principles, methods and assumptions

The identification of material impacts, risks and opportunities is based on the principle of double materiality as set out in ESRS 1, i.e. taking into account the impact materiality on the environment and society as well as the financial materiality that may result from risks and opportunities. Applying the value chain reporting policy, freenet includes both its own business activities and upstream and downstream value chain activities in its analysis. In addition, publicly available information and studies – for example, from NGOs – are used. Due to the high importance of stakeholder involvement, freenet surveys key stakeholder groups (see Stakeholders of freenet) on their views regarding relevant sustainability issues for freenet and uses the feedback to validate its own findings.

freenet identifies and assesses impacts, risks and opportunities using a combined top-down / bottom-up approach. For its assessment methodology, freenet makes specific assumptions about the characteristics of the aspects and assessment criteria under consideration, e.g. to distinguish between potential and actual impacts and to define the assessment levels for scale, scope and irremediability on a range from 1 (low) to 5 (high).

Process of the Double Materiality Assessment

freenet closely followed the process steps outlined in EFRAG's Implementation Guidance 1 (Materiality Assessment) when conducting the Double Materiality Assessment. The first step was to conduct a context analysis of freenet's own business activities in the Mobile Communications and TV and Media operating segments, as well as upstream and downstream business relationships and value creation stages of freenet with regard to relevant sustainability issues. The target was to create a common understanding among the internal experts involved in conducting the materiality analysis.

Taking into account relevant business areas, processes and product groups, freenet-specific value chain activities were defined, analysed and grouped, and affected stakeholders were assigned to the respective value chain activities/stages. Activities, resources and relationships that freenet uses to provide its products or services were taken into account, from conception to delivery, including the customer usage phase and the handling of products at the end of their service life. The reporting on the value chain of the freenet peer group also served as an industry-specific guide. The (potential) geographical location was researched for each cluster in the upstream and downstream value chain. With regard to freenet's direct contractual relationships (first stage of the value chain), freenet based its assessment on the actual geographical location of its business partners. For more distant stages – such as raw material extraction – the raw materials contained in mobile devices and transmitters and the regions in which these are typically extracted were taken into account. An initial analysis of potentially critical sustainability issues for each activity along the Value chain based on this served as the starting point for the initial identification of potential and/or actual impacts, risks and opportunities.

Step two involved a broad analysis of a wide range of sustainability issues, consolidating the issues in terms of their relevance to freenet (initial issue prioritisation), and formulating the impacts, risks and opportunities to be assessed along the freenet value chain. Potential and actual negative and positive impacts were classified thematically, chronologically and according to the stakeholder group affected and their location in the freenet value chain, using the list of sustainability matters to be considered for materiality assessment in accordance with ESRS (see ESRS 1, Appendix A). The resulting list of possible impacts served as the basis for the assessment of impacts and for evaluating possible related dependencies that could give rise to risks and opportunities. As with the identification of impacts, the identification of possible risks and opportunities was also carried out using the list of sustainability matters covered in the topical ESRS. In its financial materiality analysis, freenet considers risks from its risk inventory and assesses sector-specific ESG risks in accordance with the SASB standard. Potential risks and opportunities that are not directly related to identified impacts are also included in the analysis. In addition to specifying dependencies on resources or relationships, the respective stakeholder group affected, the time frame (short, medium or long term) and the location in the freenet value chain (upstream, own operations, downstream), freenet evaluates which aspects of freenet's net assets, financial position, results of operations and cash flow situation could be significantly affected by the identified risks and / or opportunities.

The initial analysis to determine the sustainability issues, impacts, risks and opportunities relevant to freenet included extensive literature and desktop research based on freenet's previous sustainability reporting in accordance with CSR-RUG, including peer group reporting, results from stakeholder surveys (e.g. customer surveys), ESG rating reports (e.g. MSCI) and industry reports, as well as relevant studies and statistics. The analysis of environmental and social impacts included the following: customer surveys), ESG rating reports (e.g. MSCI) and industry reports, as well as relevant studies and statistics. To analyse environmental and social impacts, risks and opportunities, freenet also drew on scientifically validated databases (e.g. ENCORE tool or CSR risk check) and based its analysis on relevant EU framework concepts (e.g. European Pillar of Social Rights, Circular Economy Action Plan). The analysis involved the members of the Executive Board and specialist departments (e.g. Human Resources, Group Facilities, Risk Management, Legal Department) and internal experts with a focus on sustainability (e.g. the ESG and ESG controlling departments) were involved in the analysis through interviews, discussions and coordination meetings. The initial identification and assessment of impacts, risks and opportunities was carried out in the prior year by a specially formed interdisciplinary working group composed of internal representatives for the respective stakeholders with a high level of expertise in sustainability and the company's activities. In 2024, the committee was transferred to the ESG Committee, which dealt extensively with updating the Double Materiality Assessment in the reporting year.

In step three, an assessment scheme with objective scales and appropriate materiality thresholds was established, and finally, the working group members assessed the impacts, risks and opportunities in a workshop. The assessment results were then validated. In particular, consideration was given to whether the assessment had been carried out consistently. Inconsistencies and critical points were discussed again and appropriate adjustments were made to the assessment. In addition to this internal validation of the valuation results, an external validation was also carried out on the basis of a survey of key stakeholder groups on the relevance of sustainability matters for freenet's business model and value chain.

As part of the initial double materiality assessment, freenet assessed negative impacts and risks as material. The DMA update process for the 2025 financial year did not reveal any new material impacts, risks or opportunities. The sustainability topics derived that are subject to reporting requirements therefore remain unchanged from the prior year. The results of the updated DMA 2025 were discussed and approved by the ESG Committee and adopted by the Executive Board. The Executive Board accepted the ESG Committee's recommendation to use the identified material impacts and risks and the material topics derived from them as the basis for the 2025 sustainability reporting.

In addition to the Executive Board, the audit committee of the Supervisory Board of freenet AG and the Works Council of freenet were informed about the process for conducting the materiality analysis and, as in the prior year, were notified of the results for the 2025 financial year.

Assessment scheme and thresholds

The assessment of actual and potential impacts, risks and opportunities was carried out in the reporting year using the same methodology as in the prior year. Actual impacts are assessed in terms of their severity using the characteristics specified in the ESRS: scale, scope and, in the case of negative impacts, irremediability. freenet also conducts an assessment of potential impacts in terms of their likelihood of occurrence. The assessment is made on a range from 1 (lowest rating) to 5 (highest rating). The Threshold for the materiality of actual impacts is set at ≥ 8. Actual impacts are therefore considered material if the additive combination of the scores for each assessment criterion results in a valuation result of eight or higher.

For potential impacts, freenet calculates an average value from the three scored characteristics for severity and compares this with a matrix of probability of occurrence. The materiality or immateriality of potential impacts is determined using defined combinations. In accordance with the requirements of ESRS 1, in the case of negative impacts, it is taken into account that each of the three characteristics (scale, scope and irremediability) can make a negative impact serious. On the other hand, in the case of possible negative impacts on human rights, the severity of the impacts is given priority over the likelihood by assigning it a correspondingly higher assessment. Since freenet classifies all material impacts as equally significant, it does not prioritise negative impacts based on their relative severity and likelihood of occurrence.

Risks and opportunities are also assessed on a range from 1 (lowest assessment) to 5 (highest assessment) based on their likelihood of occurrence and their potential financial impacts (magnitude of financial impacts). The combination of probability of occurrence and potential impact results in the total valuation result, which is transferred to the risk matrix of freenet. The Threshold for financial materiality is based on the risk categories (low, medium, high) used in freenet's Enterprise Risk Management (ERM). In relation to the assessment model used, a threshold value of ≥ 3 means that risks and opportunities with a valuation result of 3 or higher are financially material and that issues derived from them lead to a reporting obligation for freenet. The materiality threshold of ≥ 3 corresponds to the "high" risk category in the freenet ERM system.

As in the prior year, sustainability risks were not prioritised in comparison with other types of risks. The prioritisation of sustainability risks follows the methods applied within risk management.

Identification and assessment of climate-related impacts, risks and opportunities (E1 IRO-1)

Information on the procedure for identifying and conducting the assessment of climate-related impacts can be found in section E1-6.

freenet used Scenario analysis to identify and assess physical and transitional climate risks. The analysis covered short-term (until 2030), medium-term (until 2040) and long-term (until 2050) periods. In addition, a screening was carried out to identify which assets and business activities of freenet could potentially be exposed to climate risks and transition events.

In line with freenet's strategic planning period, the short-term period was set at 2030. The periods take into account the useful life of the assets and capital allocation plans; the medium and long-term time horizons are also based on relevant political aspirations (e.g. the EU's Net Zero Strategy 2050).

The analysis of physical risks was based on climate projections from the latest IPCC Assessment Report. freenet focused on the high-emission scenario SSP5-8.5 with the most pronounced physical risks. This scenario considers climate hazards such as temperature, wind speed and precipitation that could have impacts on freenet's assets. freenet defined each climate hazard and used scientific thresholds to determine when they would cause material damage to the company.

The physical risk analysis comprises two main components: exposure assessment and vulnerability assessment. freenet conducts a site-specific analysis using geocoordinates to compare climate projections with predefined thresholds for each hazard. freenet performs an assessment of the vulnerability of its business activities at each site analysed to determine whether a hazard could significantly impact its operations. A physical gross risk exists when a site is exposed to a hazard and is also vulnerable to its impacts. This approach ensures that freenet has effectively identified and can manage potential risks. No significant physical climate hazards were identified for the 2025 analysis.

For transitional risks, freenet examines the impacts of transitional events on business activities along the supply chain, its own operations and customer interactions. The analysis considers a 1.5-degree Scenario and integrates sector-specific data and macroeconomic variables. freenet uses the IEA's Net Zero Emissions Scenario as described in the World Energy Outlook (WEO) 2024, which supports the Paris 1.5-degree target and describes key factors such as CO_2 Emissions, fossil fuel prices and sector-specific analyses. The scenario analysis does not identify any assets or business activities that are incompatible with the transition to a climate-neutral economy. Uncertainties arise from assumptions that go beyond the currently foreseeable political agenda.

The 2025 annual financial statements of freenet do not contain any critical climate-related assumptions.

Identification and assessment of impacts, risks and opportunities related to pollution (E2 IRO-1)

As part of the overarching materiality analysis process (see IRO-1) reviewed its own business activities in order to identify actual and potential impacts, risks and opportunities in its own business area and in the upstream and downstream value chain. In doing so, both the sites and business activities of freenet were analysed for possible sources of environmental pollution. No evidence of significant environmental pollution can be derived from freenet's business model and activities, so a specific site analysis was not considered necessary. No affected communities were consulted.

Identification and assessment of impacts, risks and opportunities related to water and marine resources (E3 IRO-1)

As part of the overarching materiality analysis process (see IRO-1) reviewed its own business activities in order to identify actual and potential impacts, risks and opportunities in its own business area and in the upstream and downstream Value chain. To this end, business activities were analysed with regard to relevant Water consumption. According to this analysis, freenet's business model does not indicate any material impacts on water and marine resources in its own business area or in the value chain, so no specific analysis of assets or individual activities was carried out. No affected communities were consulted.

Identification and assessment of impacts, risks, dependencies and opportunities related to biodiversity and ecosystems (E4 IRO-1)

In order to identify significant impacts, risks and opportunities related to biodiversity and ecosystems, freenet has conducted a comprehensive Double Materiality Assessment (see IRO-1) implemented a simplified procedure based on the TNFD's LEAP approach for its own business area. In the first step, the actual and potential impacts on and dependencies of biodiversity and ecosystems were identified, taking into account the local conditions of the sites and business activities for the following clusters:

Sales locations (including franchises and external sales areas)

freenet has around 500 shops throughout Germany, consisting of its own branches and franchise partners. The retail space is leased. In addition to its own shops, freenet is represented throughout Germany with smaller sales areas in Media Markt Saturn stores.

Administrative locations, warehouses, and data and computer centres

freenet leases office space at various sites. freenet has its own office buildings at two sites and its own storage space and a data centre at one site each.

Transmission infrastructure

In order to provide its TV and radio services, Media Broadcast GmbH leases technical and antenna space from a specialised infrastructure service provider/developer at over 750 sites in order to install active and passive transmitters (or transmission infrastructure) for broadcasting TV/radio signals. Most of the sites are existing sites such as radio towers or radio masts, with a few roof sites also being leased. In addition to the leased sites for technical and antenna space, Media Broadcast has ten of its own or leased sites with passive and, in some cases, active transmission infrastructure, seven of which have already been decommissioned.

In the second step, potential impact drivers for biodiversity loss and ecosystem services were evaluated. Based on the evaluated impacts, physical, transitional and systemic risks and opportunities were also identified and analysed in the final step of the overarching process (see IRO-1). The analysis did not reveal any material impacts, risks, dependencies or opportunities in relation to biodiversity and ecosystems. No separate consultations with affected communities were conducted as part of the process.

For the transmission infrastructure cluster, sites that are in or near biodiversity-sensitive areas were identified based on information about all sites (not limited to infrastructure leased by freenet) provided by the specialised infrastructure service provider/developer. The sites provided by the infrastructure service provider are located in various geographical areas, including urban agglomerations and agricultural areas. According to the service provider, a small proportion of 12.4% (2023) are located in areas worthy of protection for their diversity, with the proportion of sites in Natura 2000 areas accounting for 2.5%.

Of the ten properties owned by the broadcasting infrastructure, three (two of which are still in operation) are located in areas worthy of protection. freenet has leased or owns a small number of sites in the broadcasting infrastructure sector that are located in or near areas sensitive in terms of biodiversity. The analysis carried out

did not identify any freenet-specific impacts or the need to implement Remediation in accordance with the applicable policies, standards and frameworks or equivalent national regulations.

Identification and assessment of impacts, risks and opportunities related to resource use and the circular economy (E5 IRO-1)

As part of the overarching process of materiality analysis (see IRO-1) screened its own business activities to identify actual and potential impacts, risks and opportunities in its own business area and in the upstream and downstream value chain. As part of this screening for the upstream value chain, publicly available information on the global smartphone market, including life cycle analyses and industry studies, was also used. Estimates were made to assess the impacts resulting from the placing on the market of devices (mainly smartphones) and potentially improper recycling or recovery at the end of their useful life. These are based on freenet's relative share of the global smartphone market and on available information on reuse, recycling and recovery rates. To assess the impacts with regard to the topic of "resource inflows, including resource use", the identified impact was assessed in terms of the smartphone industry's use of resources in the overall context of the information and communications sector. No materiality was identified in this regard.

With regard to its own business activities, freenet has not consulted with affected communities. With regard to the upstream value chain, publicly available information was used to incorporate the perspectives of affected communities, which are being taken into account in the implementation of actions for the circular economy.

Identification and assessment of impacts, risks and opportunities related to business conduct (G1 IRO-1)

In determining material impacts, risks and opportunities in connection with business conduct, freenet has drawn on the results of the ongoing analysis of business relationships and transactions as part of the overarching materiality analysis process, which is an integral part of the company-wide risk management and risk-oriented compliance management system. Furthermore, with regard to freenet's core business areas in the telecommunications and media sector, potential sector-specific risks and opportunities, such as regulatory developments, were included in the assessment.

Disclosure requirements covered by the sustainability report (IRO-2)

To derive the disclosure requirements in accordance with ESRS that are to be covered by the sustainability report in connection with the impacts, risks and opportunities assessed as material, freenet has followed the EFRAG Guidance. The impacts and risks identified as material in the Double Materiality Assessment (freenet did not identify any material opportunities) were assigned to the individual ESRS data points in the EFRAG data point list (EFRAG Implementation Guidance 3). For questions of interpretation regarding the mapping of topics to ESRS data points, freenet used, among other things, the explanation published by EFRAG on this subject as a working aid.

For the company-specific topic of "IT/cyber security", freenet has based its qualitative disclosures on the structure of the topic-specific ESRS S4 standard. It has defined key figures for "IT/cyber security" based on the quantitative disclosures required in the topic-specific G1 standard.

With a few exceptions, freenet has omitted voluntary disclosures. These are marked as disclosures pursuant to ESRS 1.114 in the relevant sections. freenet has always reported on conditional disclosure requirements when these applied to freenet or were applicable. Company-specific key figures on important sustainability matters are presented in the relevant sections of this sustainability report.

Explanations of the thresholds set for the assessment of sustainability matters can be found in section IRO-1 in this chapter.

An overview of all disclosure requirements covered by the sustainability reporting, as well as a list of data points in general and topic-specific standards resulting from other EU legislation, are provided in the appendix to the non-financial group statement, which forms an integral part of the non-financial group statement.

Environmental disclousures

Climate change (ESRS E1)

Transition plan for climate change mitigation (E1-1)

In 2024, freenet formulated its first transition plan for climate change mitigation, covering the period from 2022 to 2030. The aim is to demonstrate the extent to which freenet AG's business model is compatible with the transition to a sustainable economy. The transition plan is not comprehensive, as emissions along the upstream and downstream value chain (Scope 3 emissions) have not yet been taken into account. The reason for this is that these emissions were measured for the first time in 2024 and freenet is currently in the analysis phase to identify and derive specific decarbonisation levers.

The current transition plan aims to reduce Scope 1 and Scope 2 emissions by more than 70% by 2030 compared to the base year 2022 (see E1-4) and is consistent with the 1.5-degree target of the Paris Agreement for these emission categories. With regard to the GHG reduction targets for Scope 1 and Scope 2 emissions, the transition plan contains two key decarbonisation levers (see E1-4): (1) Electrification of the vehicle fleet and (2) Conversion of further locations to renewable energies. The levers are implemented through three actions (see E1-3) for climate change mitigation. The implementation of the transition plan does not require any significant investments on the part of freenet (see E1-3). They can also be realised entirely using own own financial means. With regard to the actions, freenet does not currently have Taxonomy-aligned CapEx or CapEx plans.

When determining the decarbonisation levers of the transition plan for Scope 1 and Scope 2 GHG emissions, locked-in GHG emissions were identified in particular with regard to the heat supply of various office locations and shops, as the replacement of existing heating supply systems (including heating systems and district heating) would only be possible at great expense. It is assumed that the GHG emissions of these assets will not decrease by 2030. Nevertheless, the two decarbonisation levers included in the transition plan make it possible to achieve a reduction in GHG emissions for Scope 1 and Scope 2 that is in line with the 1.5-degree target (see E1-4). No transition risks could be identified in connection with the locked-in GHG emissions.

freenet has various economic activities that fall under the Delegated Regulations on climate change adaptation or mitigation under the Taxonomy Regulation (see EU Taxonomy). The activities are predominantly cross-sectional activities. freenet’s core business has not yet been covered by the Taxonomy Regulation. There are currently no intentions or plans to achieve Taxonomy-alignment for the identified activities. As a company, freenet does not fall under the criteria for exclusion from the EU Paris-aligned Benchmarks.

The alignment of the business model with the 1.5-degree target and the associated transition plan for climate change mitigation is part of freenet's ESG strategy. The decarbonisation levers identified for Scope 1 and Scope 2 emissions do not require any fundamental adjustment to the general business strategy. Accordingly, there is compatibility between the formulated transition plan and the business strategy, without taking Scope 3 emissions into account. The costs of implementation are taken into account in the ongoing financial planning.

The transition plan was approved by the Executive Board in 2024 and presented and discussed by the Supervisory Board.

Progress in implementing the Transition plan can be found in the explanations of the actions.

Policies (E1-2)

To promote sustainable mobility, the E-Car policy introduced in 2024 was applied in the reporting year. The policy regulates the procurement, the requirements for the purchase, and the use of company cars and vehicles. The aim of the policy is to electrify the Group´s vehicle fleet in order to reduce the climate-damaging impacts of a combustion engine-based vehicle fleet. The policy thus pursues climate change mitigation. The areas of adaptation to climate change, energy efficiency and the use of renewable energies are not covered by the policy. The policy applies to all permanent employees of the Group who are entitled to a company car and also covers the procurement of pool and commercial vehicles. Since the restructuring of the Executive Board in September 2025, the Chief Financial Officer has been primarily responsible for implementing the policy, which was adopted by the entire Executive Board. The policy was published on the intranet and thus made generally available to employees. The employees responsible for ordering vehicles were involved in the development of the policy and, after the final decision, were informed of the final version by email from the Executive Board and instructed to implement it. As part of regularity audits, company guidelines are subject to internal audit checks.

Actions and resources (E1-3)

The key actions for climate change mitigation to achieve the climate-related targets and objectives of the policies consist of the electrification of the vehicle fleet (Scope 1) and the conversion of further locations to renewable energies (Scope 1 and 2). These actions also represent the two decarbonisation levers of the transition plan for climate change mitigation (see E1-1) In addition, a photovoltaic plant is operated at one of the company's own logistics sites, and in the reporting year, work began on introducing an ISO 50001-certified energy management system (EnMS) for the most energy-intensive business area (Media Broadcast).

Electrification of the vehicle fleet (Lever 1)

The action "Electrification of the vehicle fleet" aims to convert the vehicle fleet, which has so far been predominantly powered by combustion technology, to electric vehicles. This is intended to almost completely reduce the climate-damaging GHG emissions from fuel combustion (Scope 1). The conversion includes both service and pool vehicles as well as the Group's service vehicle fleet. These actions will be implemented gradually and should be almost completely finalised by the end of 2030 – the time horizon of the transition plan. Only a small portion of Media Broadcast's service vehicle fleet cannot be converted by then, as no suitable electrically powered vehicle alternatives are currently available. Based on the transition plan's base year (2022), the action is expected to reduce GHG emissions from the incineration of vehicle-related fuels (Scope 1) by around 97% (2,075.8 t CO_2e) by 2030. By the end of 2025, an electrification rate of approximately 23% had been achieved, resulting in a reduction in vehicle-related GHG emissions of 299 t CO_2e (prior year: 144 t CO_2e).

Conversion to renewable energies for electricity procurement (Lever 2a)

At the majority of its company locations, freenet already obtains electricity from renewable sources. In the base year of the transition plan, the quota was 97.3%. To further reduce GHG emissions from electricity procurement (Scope 2), the remaining locations (including transmission sites and administrative locations) are also to be converted to renewable energies. Accordingly, the transition plan for climate change mitigation assumes a complete conversion of all sites. Based on the base year (2022), GHG emissions from electricity procurement (Scope 2) are expected to be reduced completely (by 100%) by 2030 at the latest, which corresponds to a reduction of 1,208.3 t CO_2eq. Based on this target value, a reduction of 1,038 t CO_2e was achieved by the end of 2025 (prior year: 1,015 t of CO_2 eq).

Replacement of an oil heating system with renewable energies (Lever 2b)

In 2024, it was decided to replace the existing oil-fired central heating system at the Nauen site with a heating system powered by renewable energy. The action is to be implemented by the end of 2028 at the latest and aims to reduce climate-damaging GHG emissions from the incineration of heating oil (Scope 1). This was assumed in the transition plan for climate change mitigation. Based on the base year (2022), this action is expected to reduce GHG emissions by around 114 t CO_2e by 2030. Although the heating system was not replaced in the reporting year, oil consumption was already reduced through maintenance and repair work. This reduced GHG emissions by 46 t CO_2e by the end of 2025.

Photovoltaic plant at the Büdelsdorf logistics site

Since its installation at the end of 2024, the photovoltaic system on the roof of the logistics building in Büdelsdorf has been in operation, supporting the site's power supply with a nominal power of 99 kWp. This action contributes to climate change mitigation by using locally generated electricity from renewable sources. As the site was already fully supplied with electricity from renewable energies before the plant was built, the installation has no additional decarbonising effect on the GHG balance and does not represent a lever for the transition plan (see E1-1).

Introduction of an energy management system (ISO 50001)

The target is to systematically record, analyse and optimise energy consumption in order to continuously increase energy efficiency and meet regulatory requirements. A central component of the actions is digital electricity consumption measurement: the installation of measuring sensors at the transmitter sites operated by Media Broadcast enables systematic energy monitoring in real time. The data is aggregated and evaluated using proprietary software. This creates the basis for identifying energy saving potential, deriving actions and monitoring them. Installation will initially take place at transmitter sites with a connected load of more than 5 kW (excluding sites owned by public authorities), as these contribute significantly to overall energy consumption. By the end of 2025, installation had been completed at the majority (approx. 75%) of the sites covered by the action; the other sites are expected to be equipped with sensors by the end of 2026. ISO 50001 certification is scheduled for February 2026. As most sites were already sourcing electricity from renewable sources before the EnMS was introduced and the future efficiency gains have not yet been quantified, the action is not currently leading to a measurable reduction in energy consumption, and does therefore not constitute a lever within the transition plan.

No significant CapEx and/or OpEx are required for the current and planned implementation of the Actions. They can and will also be carried out entirely using internally available financial resources.

Targets (E1-4)

In 2024, freenet formulated its first long-term reduction target for its Scope 1 and Scope 2 GHG emissions. This target takes into account the established and planned actions "Electrification of the vehicle fleet", "Converstion to renewable energies for electricity procurement" and "Replacement of an oil heating system with renewable energies" as well as the E-Car policy. There is no target for Scope 3 emissions as yet, as these are still undergoing internal evaluation. The formulated target therefore only covers activities that can be directly influenced by freenet and not the upstream and downstream value chain.

The target is to reduce Scope 1 and Scope 2 emissions by around 73% by 2030. This is intended to enable the company's directly influenceable activities to be compatible with the 1.5-degree target of the Paris Climate Agreement and to reduce the climate-related impacts on global warming. The reference year and Reference figure for measuring progress are the Scope 1 and Scope 2 emissions for 2022, which has also been defined as the base year for the transition plan. The base year takes into account all future activities of freenet AG and is largely free of distortions that have had impacts on the GHG balance as a result of the coronavirus pandemic (e.g. shop closures, office vacancies due to predominantly mobile working). For the Transition plan, the base year of the GHG balance sheet (see E1-6) adjusted for the business activities of the subsidiary Gravis (cumulative Scope

1/Scope 2 effect in 2022: 433.5 t CO_2e), as its operations were discontinued on 30 June 2024. In addition, emissions from the company's own data centre are not included (Scope 1/Scope 2 effect in 2022: 180.7 t CO_2e), as it was sold in the 2024 financial year and handed over to the new owner in September 2025. The sale of The Cloud Networks in July 2025 results in a further adjustment to the base year (cumulative Scope 1/Scope 2 effect 2022: 71.5 t CO_2e). In addition, the improved processing of raw data for calculating the company's own emission resulted in minor adjustments to the base year of the transition plan and a revision of the decarbonisation levers (see Decarbonisation levers).

To derive and compare the target, freenet calculated reference target values for Scope 1 and Scope 2 emissions based on the cross-sector reduction path for the 1.5-degree target of the Science Based Targets Initiative (SBTi) (42% reduction by 2030). SBTi is an organisation that supports companies in defining science-based climate targets. Its targets are widely accepted and considered "science-based". However, the SBTi methodology is subject to inherent uncertainties regarding the underlying scientific findings and forward-looking assumptions on the reduction of GHG emissions required to achieve the 1.5-degree target. The methodology published in 2021 is currently being revised. Newer scientific findings on the course of climate change could lead to adjustments to the SBTi methodology and the assessment of whether the current level of ambition of the targets is sufficient to limit global warming to the 1.5-degree target.

A comparison of the SBTi Reference figure and the freenet-specific reduction pathway based on the actions makes it clear that by implementing these actions, freenet will achieve the 1.5-degree target for its directly influenceable business activities. The following table shows the reduction targets for Scope 1 and Scope 2 emissions and the respective reference target values.

Reduction target for Scope 1 and Scope 2 emissions

in t CO_2e or as indicated	Scope 1/Scope 2 emissions	Reduction vs. base year	Scope 1 emissions	Reduction vs. base year	Scope 2 emissions	Reduction vs. base year
2022 (base year/value)	4,663.7		3,241.0		1,422.7	
2030 (target year/value)	1,266.1	-72.9%	1,051.7	-67.6%	214.4	-84.9%
2030 (SBTi Reference figure = base value minus 42%)	2,705.0	-42.0%	1,879.8	-42.0%	825.2	-42.0%

The targets are gross targets, i.e. neither removal of greenhouse gases nor CO_2 certificates are assumed. The stated target relates entirely to Scope 1 and Scope 2 emissions, which are reported in the greenhouse gas balance sheet in accordance with the GHG Protocol and taking into account operational control (see E1-6). The greenhouse gas target for Scope 2 emissions is based on the market-related method. Based on current knowledge, it is estimated that there will be no significant increase in greenhouse gas emissions (Scope 1 and Scope 2) during the target period. Although business development in the coming years assumes relevant customer growth, this will not be accompanied by an expansion of administrative and sales structures (e.g. an increase in the number of shops) or entry into new, energy-intensive business areas. The full consolidation of mobilezone Holding AG took place on 31 December 2025 (midnight). Scope 1 and Scope 2 emissions are therefore attributable to freenet AG from the 2026 financial year onwards. The impacts of the corporate transaction on the Transition plan are considered to be minor, as Mobilzone has only limited physical infrastructure of its own (e.g. administrative buildings or shops). The target was set internally; external stakeholders were not involved. The target was not externally validated.

To achieve its GHG emission reduction targets, freenet has identified two decarbonisation levers:

1. Electrification of the vehicle fleet (Scope 1), with an estimated reduction of 2,075.8 t CO_2e (Lever 1). The target is linked to the e-car policy (see E1-2).

2. Conversion of additional locations to renewable energies (Scope 1 and Scope 2), with an estimated reduction of 1,321.9 t CO_2e (Lever 2a + 2b).

The introduction of new technologies was not taken into account. Different climate scenarios were not assumed for determining the decarbonisation levers. The targets are based exclusively on the impacts of the conversion to sustainable or emission-free alternatives in the areas of vehicle fleets and electricity and heat supply.

Decarbonisation levers

	t CO_2e
Base value 2022: Scope 1+Scope 2 (excluding Gravis and The Cloud business activities/own data centre refrigerant emissions)	**4,663.7**
Scope 1 and Scope 2 expansion through company activities 2022-2030	0.0
Lever 1: Electrification of the vehicle fleet (Scope 1)	-2,075.7
Lever 2a: Conversion to renewable energies for electricity procurement (Scope 2)	-1,208.3
Lever 2b: Replacement of an oil heating system to renewable energies in Nauen (Scope 1)	-113.6
Target value 2030	1,266.1
Target valuse 2030 in line with 1.5-degree target (SBTi reduction: -42%)	2,705.0

Compliance with the planned target is monitored and reviewed by the Chief Financial Officer. To this end, the annual reduction in Scope 1 and Scope 2 emissions assumed in the Transition plan is compared with the actual emissions from the greenhouse gas balance sheet for the respective year (annual progress measurement). In the event of material deviations from the expected value, consultations and discussions on actions to be taken are held with the responsible departments. In 2025, the emissions – adjusted for the events described in chapter E1-4 – were reduced by 31% (1,431 t CO_2e) compared to the prior year (previous year: 26%, corresponding to 1,232 t CO_2e). The emissions covered by the transition plan totalled 3,232.9 t CO_2e at the end of 2025. This development is in line with the planned progress.

Energy consumption and energy mix (E1-5)

The total consumption of energy at freenet AG comprises fuel consumption for the vehicle fleet as well as electricity and heating energy.

Energy consumption and energy mix

in MWh	2025	2024	absolute change 2025/2024	percentage change 2025/2024	2022 (base year)
Total energy consumption	**78,927.9**	**85,157.0**	**-6,229.0**	**-7.3%**	**87,659.9**
Total fossil energy	**14,757.9**	**16,646.6**	**-1,888.7**	**-11.3%**	**19,846.7**
Fuel consumption from coal and coal products					
Fuel consumption from crude oil and petroleum products					
Fuel consumption from natural gas					
Fuel consumption from other fossil sources					
Consumption of bought or acquired electricity, heat, steam and cooling from fossil sources					
Share of fossil sources in total energy consumption	18.7%	19.5%	-0.9%	-4.3%	22.6%
Total energy consumption from nuclear sources	**0.0**	**0.0**	**0.0**		**406.4**
Share of consumption from nuclear sources in total energy consumption		0.0%	0.0%		0.5%
Total renewable energy consumption	**64,170.0**	**68,510.3**	**-4,340.3**	**-6.3%**	**67,406.8**
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	0.0	0.0	0.0		0.0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	64,089.6	68,510.3	-4,420.7	-6.5%	67,406.8
Consumption of self-generated non-fuel renewable energy	80.4	0.0	80.4		0.0
Proportion of renewable energies in total energy consumption	81.3%	80.5%	0.9%	1.1%	76.9%
Non-renewable energy production					
Renewable energy production	84.3	0.0			0.0
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors					

The PV installation at the company's Büdelsdorf site generated a total of 84.3 MWh of electricity from renewable sources in the reporting year, consisting of the portion consumed by the company (see table above) and the portion fed into the grid.

Fuel, heating and electricity consumption are calculated as follows:

Fuel consumption (Scope 1)

A consumption-based approach is used to determine the fuel consumption of freenet AG's own vehicle fleet. Fuel cards are used to directly record the number of litres of fuel (diesel and oil) consumed. Conversion factors are used to convert the consumption data from litres to kilowatt hours. The approach used to determine fuel consumption does not involve any material limitations or estimation uncertainties, as fuel consumption is based on actual consumption and completeness is ensured by automatic recording via fuel cards. The input variables are based exclusively (100%) on primary data. The conversion factors used are the annually updated data from the Department for Environment, Food & Rural Affairs (DEFRA) (Diesel Average Biofuel Blend; Petrol Average Biofuel Blend).

Heating (Scope 1) and electricity consumption (Scope 2)

freenet AG uses a hybrid approach to determine electricity and heat consumption and the resulting emissions. In some cases, actual consumption at sites is recorded, while in others, consumption data is projected. Heat consumption is partly billed using energy units (e.g. for properties with multiple parties), which must be converted into consumption units (primarily kilowatt hours). In the retail environment, consumption is determined using historical average consumption per sales area unit (square metre) and a corresponding projection based on the rented space per heat carrier. Estimation uncertainties always arise when the energy source is unknown. In these cases, appropriate assumptions must be made. The primary data share for determining the energy consumption of office and broadcasting locations is 100%. The energy consumption of a shop, which is multiplied by the respective leased area, is based on historical average data. With regard to the leased areas, freenet AG relies entirely (100%) on primary data. With regard to the average consumption per unit of space in the retail chain, the proportion of primary data is 37.5%. Due to limited data availability, fuel consumption from biomass is not reported.

Gross GHG emissions from Scope 1, 2 and 3 categories and total GHG emissions (E1-6)

In order to become aware of the impacts on the climate and to make them transparent, freenet AG prepares a greenhouse gas balance sheet. In addition to Scope 1 and Scope 2 emissions, this also includes the relevant Scope 3 emissions along the value chain. The principles, requirements and guidelines of the GHG Protocol (2004 version) are considered in accounting. To compare the effects of the different Greenhouse Gases and summarise them into a single metric, they are converted into CO_2 equivalents (CO_2eq) using global warming potentials (GWPs), which allows the climate impact of all Greenhouse Gases to be compared to the impact of CO_2 equivalents (CO_2eq), thereby standardising the climate impact of all Greenhouse Gases to the effect of CO_2.

Scope 3 emissions in category 10 were excluded from the analysis of emissions from the value chain activities of freenet AG and were therefore not taken into account. According to the GHG Protocol, this category refers to indirect GHG emissions that arise when sold products are further processed or converted by third parties before reaching the end consumer (customer). Such activities do not occur in the downstream value chain of freenet AG.

For information on milestones and targets, please refer to the explanations in the transition plan (see E1-4).

Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions (E1-6)

in tCO2eq	2025	2024[1]	absolute change 2025/2024	percentage change 2025/2024	2022 (base year)
Scope 1 GHG emissions					
Gross GHG emissions Scope 1	2,864.3	3,169.0	-304.7	-10%	3,599.3
Scope 2 GHG emissions					
Gross GHG emissions Scope 2 (location-based)	23,694.9	26,528.9	-2,834.1	-11%	29,506.8
Gross GHG emissions Scope 2 (market-based)	517.0	643.8	-126.7	-20%	1,752.6
Scope 3 GHG emissions					
Total gross indirect (Scope 3) GHG emissions	71,177.7	130,711.6	-59,533.9	-46%	93,028.9
Scope 3.1: Purchased goods and services	30,679.8	67,042.5	-36,362.7	-54%	50,376.8
Scope 3.2: Capital goods	6,186.6	6,305.3	-118.7	-2%	8,554.9
Scope 3.3: Fuel and energy-related activities	1,878.0	2,036.8	-158.8	-8%	2,293.8
Scope 3.4: Upstream transportation and distribution	1,975.6	4,156.0	-2,180.4	-52%	3,978.9
Scope 3.5: Waste generated in operations	0.6	0.9	-0.3	-35%	1.1
Scope 3.6: Business travel	723.3	768.0	-44.7	-6%	602.7
Scope 3.7: Employee commuting	4,455.6	5,018.1	-562.5	-11%	5,527.8
Scope 3.8: Upstream leased assets	99.0	47.8	51.1	107%	62.5
Scope 3.9: Downstream transportation	78.8	121.2	-42.4	-35%	112.6
Scope 3.11: Use of sold products	20,211.3	37,821.5	-17,610.2	-47%	13,276.8
Scope 3.12: End-of-life treatment of sold products	365.6	938.3	-572.7	-61%	644.1
Scope 3.13: Downstream leased assets	257.7	1,745.5	-1,487.8	-85%	1,551.4
Scope 3.14: Franchises	1,150.1	1,270.8	-120.6	-9%	1,399.4
Scope 3.15: Investments	3,115.9	3,438.9	-323.0	-9%	4,646.3
Gross GHG emissions (total)					
location-based	97,736.9	160,409.6	-62,672.7	-39%	126,135.0
market-based	74,559.0	134,524.4	-59,965.3	-45%	98,380.9
GHG intensity					
location-based	40.1	64.7	-24.7	-38%	49.3
market-based	30.6	54.3	-23.7	-44%	38.5

[1] In the reporting year, the base year and the prior year were adjusted due to improved data sources.
[2] Adjustments to Scope 1 and Scope 2 emissions in the base year due to events are made in the table "Reduction target for Scope 1 and Scope 2 emissions" (see E1-4).

The proportion of electricity and heat from renewable sources acquired in the reporting year via contractual instruments bundled with energy generation attributes amounts to 100%. Only long-term electricity contracts were used for this purpose. Furthermore, freenet did not purchase any electricity via contractual instruments with unbundled energy generation attributes.

No biogenic CO_2 emissions were generated in the reporting year.

No significant events or changes relating to greenhouse gas emissions have occurred at companies in the value chain whose data is included with a financial year that differs from that of freenet (e.g. Ceconomy AG).

There were no material changes in definitions or methods in the reporting year that could limit comparability. For Scope 1 and Scope 2 emissions, the prior year was adjusted due to improved processing of the underlying raw data. In the assessment of other hardware (Scope 3), there was a material change in estimates in the 2025 reporting year, which is why the prior year was also adjusted to maintain comparability. Thereof, categories Scope 3.1, 3.4, 3.11 and 3.12 were adjusted.

Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions are calculated as follows:

Fuel consumption (Scope 1)

A consumption-based approach is used to determine emissions from fuel consumption in freenet AG's own vehicle fleet. Fuel cards are used to directly record the number of litres of fuel (diesel and oil) consumed. Conversion factors are used to translate the consumption data into Greenhouse gas emissions. The conversion factors used are the annually updated data from DEFRA. The approach for emissions from fuel consumption does not present any significant limitations or estimation uncertainties, as fuel consumption is based on actual consumption and completeness is ensured through automatic recording via fuel cards. Furthermore, the calculation is based entirely (100%) on primary data.

Heat consumption (Scope 1) and electricity consumption (grey electricity, Scope 2)

freenet AG uses a hybrid approach to determine electricity and heat consumption and the resulting emissions. In some cases, actual consumption at Sites is recorded, while in others, consumption data is projected. Heat consumption is partly billed in energy units (e.g. for properties with multiple parties), which must be converted into consumption units (primarily kilowatt hours). In the retail environment, consumption is determined based on historical average consumption per sales area unit (square metre) and a corresponding Projection of the leased space per heat carrier. Estimation uncertainties always arise when the energy source is unknown. In these cases, appropriate assumptions must be made. The primary data share for determining emissions from office and broadcasting locations is 100%. The energy consumption or emissions of a shop, which is multiplied by the respective rented space, is based on historical average data. With regard to the rented space, freenet AG relies entirely (100%) on primary data. With regard to the average emissions per unit of space in the retail chain, the proportion of primary data is 37.5%. Conversion factors are used to translate consumption data into greenhouse gas emissions. The conversion factors are based on the annually updated data from the Federal Environment Agency ("Development of specific greenhouse gas emissions from the German electricity mix"; CO_2 emission factor for the electricity mix). The annually updated data from DEFRA is used as conversion factors for heat consumption per energy source (gas, oil and district heating).

Purchased goods (Scope 3.1):

Methodologically, data collection is based on product-specific life cycle analysis (LCA) data from hardware manufacturers (product-level method, corresponding to the supplier-level method of the GHG Protocol). The LCA of a device divides the GHG footprint across the following phases: (1) raw material extraction and production, (2) transport, (3) use by the customer, and (4) end-of-life treatment. The footprint share of the life cycle attributable to raw material extraction and hardware production is multiplied by the quantity purchased. There is no explicit conversion factor for the category "other hardware". For approximation purposes, the average emission value for electronic devices from the CO_2 calculator of the Federal Environment Agency was used. The method used to record emissions from purchased goods (LCA approach) also has limitations and estimation uncertainties. If manufacturers do not publish explicit data for their products, average LCA analyses of comparable product groups are taken into account. Regarding purchased goods, freenet AG relies exclusively (100%) on primary data. With regard to the emission values from the LCA analysis, the proportion of primary data is 75.7%.

Purchased services (Scope 3.1):

Methodologically, data collection is essentially based on company-specific methods. For services relevant to the value chain, emissions from purchased services are largely determined on the basis of a service provider-specific greenhouse gas intensity (e.g. CO_2eq per revenues). This is multiplied by the corresponding expenses for freenet. The method has limitations and estimation uncertainties. In some cases, the calculation is based on the service providers' data from the previous year. The freenet-specific expenses are based exclusively (100%) on primary data. With regard to service provider-specific Greenhouse Gases intensities, the proportion of primary data is 96.9%.

Capital goods (Scope 3.2)

Methodologically, emissions are calculated using the average data method (expenditure-based industry average). Capital goods are additions to the fixed assets of freenet AG. Reinvestments in leased assets (within the meaning of IFRS 16) are not taken into account, as the emissions generated by these assets are essentially already included in the Scope 1 and Scope 2 categories (e.g. the passive transmission infrastructure of Media Broadcast or the Emission of leased office buildings and shops). Emissions from capital goods are determined on the basis of industry-average environmentally extended input-output (EEIO) emission factors, which are multiplied by the respective Investments in the main segments of Mobile Communications and other, as well as TV and Media. For this purpose, the "Supply Chain Greenhouse Gas Emission Factors" of the U.S. Environmental Protection Agency are used. As the emission factors are available in USD and date from 2021, the data must be converted into euros and adjusted for inflation. Methodological limitations and estimation uncertainties arise from the fact that average expenditure-oriented industry emission factors are used, which cannot directly reflect the emissions of freenet AG, but only correspond to an approximate value (industry average). The input variables are based exclusively (100%) on primary data.

Fuel and energy related activities (Scope 3.3)

Emissions from fuels and energy purchased by freenet AG that are not already included in Scope 1 and Scope 2 emissions. This includes transmission and distribution losses resulting from the purchase of electricity and district heating, as well as emissions from the upstream transport of fuels from the source to the tank (well to tank). Methodologically, data collection is based on the average data method. Greenhouse gas emissions from fuel and energy activities result from all upstream emissions of energy sources from Scope 1 and 2 (electricity, district heating, fuel). The method used to record emissions from fuel and energy activities also has limitations, as the calculations are based on average values. The determination of emissions from fuel and energy activities is based exclusively (100%) on primary data. The annually updated data from DEFRA is used as the conversion factor for grid losses from district heating and fuel activities. For grid losses in electricity, the share of grid losses in total electricity consumption in Germany is used, which averages 6% ("Grid losses", Federal Statistical Office, Balance sheet - Monthly report on electricity supply, as of June 2024).

Upstream transportation and distribution (Scope 3.4)

Methodologically, emissions for purchased goods (transport from the manufacturer/distributor to freenet AG) are calculated on the basis of product-specific life cycle analysis (LCA) data from hardware manufacturers (product-level method, corresponding to the supplier-level method of the GHG Protocol). The GHG footprint share of the life cycle attributable to the transport and packaging of the hardware is multiplied by the quantity purchased. There is no explicit conversion factor for the category "other hardware". The average emission value for electronic devices from the CO_2 calculator of the Federal Environment Agency was used for approximation. In addition, the Scope 3.4 category takes into account all emissions from transport from freenet AG to the customer in cases where the customer does not have to pay a flat-rate shipping fee (e.g. delivery in a bundle or to the freenet shop). The method used to record emissions from upstream transport (LCA approach) also has limitations and estimation uncertainties. If manufacturers do not publish explicit data for their products, average LCA analyses of product groups are taken into account. With regard to purchased goods, freenet AG uses only (100%) primary data. With regard to the emission values from the LCA analysis, the proportion of primary data is 65.5%. The proportion of transport from freenet AG to customers for which no flat-rate shipping fee is charged is based on an internal estimate and amounts to 82.5%.

Waste generated in operations (Scope 3.5)

Methodologically, data collection is conducted according to the waste-type-specific method (as defined in the GHG Protocol). It essentially takes into account the waste generated by freenet logistics (paper, plastic and commercial waste) as well as hazardous waste (electronic waste, e.g. from returned devices). Depending on the type of waste, disposal is carried out by various service providers, from whom freenet AG receives weight data for the different types of waste. Depending on the type of waste, the conversion is carried out using a waste-type-specific conversion factor. The conversion factor for emissions from the waste agreement is based on DEFRA data, which is updated annually. Limitations or estimation uncertainties arise from the fact that freenet AG has no further information about disposal by the service provider. The determination of emissions from waste generation is based exclusively (100%) on primary data.

Business travel (Scope 3.6)

Methodologically, travel activities (flights, trains, rental cars and hotel stays) are surveyed using a hybrid calculation method. The GHG footprint from travel activities (flights, trains and rental cars) is essentially derived from service provider-specific reports based on distance-based methods, which directly indicate the greenhouse gas effect attributable to freenet AG. Hotel stays are calculated using an emission factor per hotel stay. The emission factor varies depending on the country. DEFRA's emission factors ("hotel stay") are used for the conversion of hotel stays into GHG emissions. The method for recording emissions from travel activities also has limitations and estimation uncertainties, as no corresponding emission factor per hotel stay is specified for some countries. In these cases, an average value is used. The number of hotel stays in different countries is based exclusively (100%) on primary data, while a primary conversion factor is used for 99.30% of the stays.

Employee commuting (Scope 3.7)

Methodologically, data collection is based on the distance-based calculation method. The GHG footprint from commuter traffic is derived from the weighted footprint of an average freenet employee, which was calculated on the basis of an internal mobility study (participation rate 11.2%). In addition, the key figure takes into account mobile working and an employee's working days. The DEFRA emission factor was used for mobile working. Furthermore, in line with the calculation of holiday provisions under commercial law (HGB), an assumption of 220 working days per employee is made. The method used to record emissions from commuting also has its limitations. The mobility survey must be repeated at least every three years, as otherwise changes in commuting behaviour would not be considered in the future (survey from October 2023). In addition, estimation uncertainties arise from the fact that not all eligible employees participated in the survey. The data on "emissions from passenger transport" provided by the Federal Environment Agency is used as conversion factors for the various modes of transport used by employees. The input variables are based exclusively (100%) on primary data.

Upstream leased assets (Scope 3.8)

As part of its activities in the value chain, freenet AG leases some data centres (colocation sites). Emissions from upstream leased assets are determined according to the industry-average environmentally extended input-output (EEIO) emission factors, which are multiplied by the respective reinvestments in the leased assets. For this purpose, the "Supply Chain Greenhouse Gas Emission Factors" of the U.S. Environmental Protection Agency are used. Since the emission factors are available in USD and date from 2021, the data must be converted into euros and adjusted for inflation (MDR-M 77 c). Methodological limitations and estimation uncertainties arise from the fact that average expenditure-oriented industry emission factors are used, which cannot directly reflect the emissions of freenet AG, but only correspond to an approximate value (industry average). The input variables are based exclusively (100%) on primary data (MDR-M 77 a).

Downstream transportation and distribution (Scope 3.9)

Methodologically, data collection is based on the distance-based calculation method. The GHG footprint of downstream transportation and distribution is calculated from the emissions of the shipping documents and the number of goods shipped from freenet to the customer or to its own retail chain (shops). In addition, the cardboard packaging required for shipping (packaging for the delivery of goods) is considered. Only transport for which the customer bears the shipping costs are taken into account. The method used to record emissions from downstream transportation and distribution also has its limitations. The proportion of shipments from freenet AG to the customer for which a flat-rate shipping fee is charged is based on an internal estimate and amounts to 17.5%. The determination of emissions from downstream transportation and distribution is based exclusively (100%) on primary data. Service provider-specific information is used as emission factors.

Use of sold products (Scope 3.11)

Methodologically, data collection is conducted on the basis of hybrid calculation models. With regard to hardware use, product-specific life cycle analysis (LCA) data from hardware manufacturers (product-level method, corresponding to the supplier-level method of the GHG Protocol) is used. The GHG footprint share of the life cycle attributable to hardware use is multiplied by the quantity sold. There is no explicit conversion factor for the category "other hardware", so the average emission value for electronic devices from the CO_2 calculator of the Federal Environment Agency was used for approximation. Emissions from the use of the IPTV platform "waipu.tv" are also taken into account. This approximation is based on studies on media use in Germany (source: VAUNET – "Media Use Analysis"), a corresponding emission factor for streaming linear TV content (source: Federal Environment Agency – "Background Information on the Climate Impact of Video Streaming & Co." dated 7 September 2020) and the company-specific number of customers. The annual Greenhouse Gases effect is thus calculated by multiplying the average daily TV viewing time, the number of customers and the emission factor. The methods used to record emissions from the hardware usage phase (LCA approach) and the use of "waipu.tv" also have limitations and estimation uncertainties. If manufacturers do not publish explicit data on the technical analysis of their products with regard to hardware usage, average LCA analyses of product groups are taken into account. In addition, the life cycle analyses of hardware manufacturers assume an average useful life for the devices and an assumed energy mix. These parameters do not necessarily correspond to the usage behaviour of freenet AG customers, which leads to high estimation uncertainties. With regard to the goods sold, freenet AG relies exclusively (100%) on primary data. Regarding the emission values from the LCA analysis, the proportion of primary data is 21.8%. The approach used to determine the usage behaviour of the IPTV product "waipu.tv" is based on two studies that do not reflect the usage behaviour of freenet customers 1:1 but merely provide an approximate value. In addition, the signal transmission technology to the customer is assumed to be exclusively optical fibre, which results in further estimation uncertainties with regard to CO_2 Emissions.

End-of-life treatment of sold products (Scope 3.12)

Methodologically, data collection is based on product-specific life cycle analysis (LCA) data from hardware manufacturers (product-level method, corresponding to the supplier-level method of the GHG Protocol). The GHG footprint share of the life cycle attributable to end-of-life treatment of the hardware is multiplied by the quantity sold. There is no explicit Recycling factor for the category "other hardware". The average emission value for electronic devices from the CO_2 calculator of the Federal Environment Agency was used for approximation. The method for recording emissions from use (LCA approach) also has limitations and estimation uncertainties. If manufacturers do not publish explicit data for their products, average LCA analyses of product groups are taken into account. With regard to the goods sold, freenet AG relies exclusively (100%) on primary data. With regard to the emission values from the LCA analysis, the proportion of primary data is 44.9%.

Downstream leased assets (Scope 3.13)

Methodologically, data collection is based on the average data method. Emissions from downstream leased assets result from the operation of network equipment (routers, switches and access points) leased by the former subsidiary The Cloud Networks Germany GmbH (deconsolidation in Q3/2025). The leases are exclusively operating leases, which must generally be reported in Scope 1 and 2Due to the fact that Scope 1 and Scope 2 emissions are regularly reported with high data quality, but freenet AG has no data on the actual usage, electricity consumption or electricity mix of the leased network equipment, including these emissions in Scope 2 would significantly reduce the data quality. Therefore, based on the available data quality, these emissions are reported in Scope 3. Further methodological limitations and estimation uncertainties arise from the fact that average life cycle analysis (LCA) data for comparable product groups is used, as manufacturers do not publish explicit data. With regard to leased products (routers, switches and access points), freenet AG relies exclusively (100%) on primary data. As previously stated, freenet AG uses only secondary data for the emission values from the LCA analysis.

Franchise (Scope 3.14)

Methodologically, emissions from franchises are calculated using the average data method. The GHG footprint from franchises is derived from the greenhouse gas emissions of the franchise stores and the emissions generated by the proportionate use of sales space in indirect sales (at MediaMarkt/Saturn). The emissions from franchise stores are calculated by multiplying the average energy consumption and corresponding emissions of freenet's own stores (per unit of floor space) by the sales areas of the franchises. The same method is also used for the use of sales areas in indirect sales. Here, the average emission per square metre of MediaMarkt/Saturn are used. Limitations and estimation uncertainties arise when the energy source of a franchise branch is unknown. In these cases, appropriate assumptions must be made. In addition, the energy consumption of a shop is based on historical average data. To determine the key figure, freenet AG uses 100% primary data for the franchisors' floor space.

Investments (Scope 3.15)

freenet AG includes two relevant investments in category 15, namely Ceconomy AG, in which freenet AG directly holds 6.76% of the shares, and Antenne Deutschland GmbH & Co. KG (50%). The GHG Protocol defines the minimum boundaries for Scope 3 emissions in its "Corporate Value Chain (Scope 3) Accounting and Reporting Standard". For category 3.15, in the case of investments where the reporting company has neither financial control nor significant influence over the emitting company, the company must include the Scope 1 and Scope 2 emissions of its investments on a pro rata basis in its own Scope 3 emissions in order to meet the minimum boundaries. The GHG Protocol also states as an explicit option that the inclusion of pro-rated Scope 3 emissions should be considered if they are significant or otherwise relevant compared to other emission sources. freenet AG does not make use of this option and therefore includes the proportionate Scope 1 and Scope 2 emissions of its investments, as the Scope 3 emissions are unrelated and disproportionate to those of freenet AG. The methodology does not have any limitations or estimation uncertainties. Furthermore, the determination of emissions from Investments is based exclusively (100%) on primary data.

GHG intensity

GHG intensity is the ratio of GHG emissions (in t CO_2e) to net revenues (in millions of euros) of freenet AG. For information on the net revenues of freenet AG, see note 4 in the consolidated financial statements. GHG intensity is calculated separately using the market-based method and the location-based method, i.e. the application of both methods relates to Scope 2 emissions. The data for Scope 1 and Scope 3 emissions remain unchanged. The methodology does not have any limitations or estimation uncertainties. Furthermore, the determination of GHG intensity is based exclusively (100%) on primary data.

GHG removals and GHG mitigation projects financed through carbon credits (E1-7)

freenet AG does not engage in removal of greenhouse gases or greenhouse gas reduction projects financed by CO_2 certificates.

Internal carbon pricing (E1-8)

freenet AG does not apply an internal CO_2 pricing scheme.

Resource use and circular economy (ESRS E5)

Policies (E5-1)

freenet AG's business model focuses on the sale of mobile devices, especially smartphones, in addition to the offering of various tariffs. As a rule, the tariffs are offered together with a corresponding end device. After a change of device, the original smartphone often remains unused in the customer's possession or is not disposed of properly. In view of the increasing scarcity of resources, approaches to extending the life of a device (e.g. refurbished devices) and the proper disposal and return of raw materials to the value chain are becoming increasingly important. As a retailer with direct customer contact, freenet also offers the possibility of returning devices into the circular economy through services such as a trade-in programme (see E5-2), both online and in stores. This is made possible through cooperation with a specialised service provider (see E5-2) where the actual recycling/treatment processes take place. The return of devices is a voluntary act on the part of customers, which freenet can encourage but cannot prescribe or formalise. In view of freenet AG's purely intermediary role in this area, the introduction of a policy on the circular economy for mobile devices is not considered appropriate at this time. Such an internal policy would have no direct effect on the behaviour of external actors – in particular customers – and would therefore have no substantial impact.

Actions and resources (E5-2)

freenet customers and other website and shop visitors have the opportunity to trade in or return an old device as part of the "trade-in service" both in stores and in the online shop. The target of these trade-in services is to motivate customers to return their unused devices to the cycle – either through subsequent recycling and reuse of the devices or through proper recovery of the raw materials or proper disposal. As a sales company with direct customer contact, freenet takes the opportunity to inform its customers about the existing take-back options and thus contribute to the return of resources and the promotion of circular value creation.

In cooperation with device manufacturers, the trade-in services are partly supported by "bonus promotions". As part of these promotions, customers receive an additional bonus on the purchase price when buying a new device that qualifies for the promotion, provided they return an old device at the same time. To encourage the return of devices that are no longer in use, freenet has also created additional incentives in 2025. These include, among other things, the introduction of a new billing option whereby a freenet customer can have the credit for the returned device paid directly into their freenet customer account and offset against other services. Furthermore, the trade-in services were communicated more strongly to customers through targeted information campaigns, such as newsletters and flyer inserts.

During the reporting year, freenet offered trade-in services in cooperation with DIS-CONNECT, a service provider specialised in this area. As part of the further development of the trade-in services, a new tool for accepting old devices in freenet shops was implemented in 2025 in cooperation with the service provider with the target of increasing user-friendliness. As part of the introduction of the new tool, the content of the training portal for sales staff was structurally revised and updated. The IT and process adjustments associated with the switch to the new tool, as well as the reduction in bonus campaigns, led to a decline in the use of the purchase service in the 2025 financial year. The cooperation with DIS-CONNECT is open-ended and covers both the trade-in services for

devices in shops and online. The cooperation involves referring customers to DIS-CONNECT. The actions were implemented throughout the reporting year and are planned to be continued in subsequent years. As part of the continuation, freenet is also evaluating the effectiveness of the actions and examining potential for optimisation to further promote the return rate. (MDR-A 68c). In addition, in cooperation with the service provider DIS-CONNECT, freenet also offers the option of taking back devices for disposal only (without compensation for the customer) on the basis of an open-ended contract. On the website of the mobile phone brand "freenet", every visitor has the option of creating a shipping label to send in their devices for proper disposal. This action was also implemented throughout the reporting year and is planned to be continued in the coming year.

Targets (E5-3)

For the circular economy field of action, a voluntary target was set at the beginning of the 2025 financial year with regard to the "Return rate" key figure defined in this chapter. The target is to increase the return rate to 6% and thus ensure that old appliances available to customers are either reused or properly recovered or disposed of, thereby contributing to circular value creation. This is a relative target that, in accordance with the key figure defined in this chapter, reflects the ratio between returned and sold devices and thus represents an appropriate benchmark for our company. The target does not refer to a specific level of the waste hierarchy but covers all end-of-life devices taken back, regardless of their further treatment after take-back (e.g. reuse, recycling or disposal). The target covers activities relating to the take-back of end-of-life devices (online and in-store) in the mobile communications segment.

There is currently no link to an internal company policy, as no corresponding policy has yet been established for the circular economy field of action. The target has been defined as a four-year target up to and including 2028, with no interim targets set. It is part of the long-term variable remuneration (LTIP) of the Executive Board of freenet AG and was determined by the Supervisory Board as part of the LTIP remuneration. No scientific findings, methods or significant assumptions were used in defining the target.

The basis for measuring the target is the company-specific key figure "Return rate", which is explained in the following chapter (see E5-5). Progress towards achieving the target is measured using the “Return rate" of end end devices key figure, which serves as the basis for the assessment of the target (see E5-3) . For the 2025 financial year, the return rate amounts to 1.4% (prior year: 3.9%).

Entitiy-specific key figure "Return rate” for devices (E5-5)

In the area of circular economy, the company-specific key figure "Return rate" serves as a central tool for measuring performance. It is directly related to the identified impact of e-waste in the downstream value chain and enables the assessment of the effectiveness of the actions implemented.

Ratio of returned devices to mobile devices sold (Return rate)

in %	2025	2024
Return rate	1.4%	3.9%

This key figure describes the ratio of devices accepted by freenet as part of the purchase and recycling programmes described above to the average sales figures for mobile devices over the last three years. The following calculation method is used to determine this metric, which is expressed as a percentage: Number of mobile devices accepted in the reporting year divided by the three-year average of mobile devices sold. Choosing the average value for the last three years as the denominator allows the return rate to be calculated without being influenced by possible annual changes in the number of devices sold. The most important limitation regarding the informative value of the key figure is that it does not provide any information about the use of the returned devices after they have been handed over to the service provider. With regard to goods sold and devices accepted, freenet AG relies exclusively (100%) on primary data.

EU-Taxonomy

Subject and objective of the EU-Taxonomy

The main objective of the EU Action Plan for Sustainable Growth is to steer capital flows towards sustainable investments and ensure market transparency. The overarching goal is to transform Europe into a carbon-neutral economy by 2050. The EU-Taxonomy serves as a key steering instrument to promote the transition to a sustainable economy.

The legal basis is Regulation (EU) 2020/852 of 18 June 2020 (hereinafter: Taxonomy Regulation or EU-Taxonomy) on the establishment of a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088. For the 2025 financial year, taxonomy reporting was carried out in accordance with Delegated Regulations (EU) 2021/2178, (EU) 2021/2139 and (EU) 2023/2486, as amended on 31 December 2025.

Within this framework, non-financial companies are required to disclose the proportion of their revenues, capital expenditure (CapEx) and operating expenditure (OpEx) that is associated with economic activities covered by the Taxonomy Regulation (hereinafter also referred to as "economic activity" or "activity").

In this regard, information must be provided on activities defined by the EU for the six environmental targets set out in Article 9 of the Taxonomy Regulation.

Economic activity of freenet AG

Principles and definitions

The EU-Taxonomy distinguishes between Taxonomy-eligible and Taxonomy-aligned activities. An economic activity is Taxonomy-eligible if it is mentioned in one of the delegated acts supplementing the Taxonomy Regulation and its environmental objectives. Conversely, all economic activities not mentioned there are considered non-Taxonomy-eligible.

An economic activity is Taxonomy-aligned, i.e. environmentally sustainable within the meaning of the Taxonomy Regulation, if it cumulatively fulfils the following requirements:

- it makes a significant contribution to one or more environmental objectives, as demonstrated by compliance with the substantial contribution criteria defined by the EU,
- it does not significantly compromise the achievement of other environmental objectives (‘DNSH: Do No Significant Harm’) and
- it is carried out in accordance with minimum safeguards.

The Taxonomy Regulation and the related Delegated Acts contain formulations and terms that are still subject to considerable uncertainty in interpretation and have not yet been fully addressed by clarifications. The interpretation of the activity description is the responsibility of the reporting companies, as there is a lack of commentary from regulators, academia or relevant practitioners. In order to ensure proper interpretation and the preparation of correct disclosures, freenet AG has taken into account the available interpretation notes, delegated acts and relevant FAQs from the European Commission. The following reporting requirements reflect the current state of assessment.

Procedure followed for the identification of Taxonomy-eligible and Taxonomy-aligned economic activities

At freenet AG, an interdisciplinary team involving the ESG, ESG Controlling, Accounting and Legal departments is responsible for addressing the requirements of the EU-Taxonomy. Internal experts are consulted to identify Taxonomy-eligible economic activities, examine the impact on individual business activities in detail and systematically classify the identified topics. The starting point for analysing the fundamental impact of the EU taxonomy was the “Mobile Communications” and “TV and Media” segments defined in accordance with IFRS 8 and their primary sales activities.

In the "Mobile Communications" segment, freenet AG primarily provides services as a mobile communications service provider. Its primary revenue-generating activity is the purchase and marketing of mobile communications services. It does not operate its own mobile network, but instead uses the network infrastructure provided by network operators based in Germany. In the "TV and Media" segment, the main activity is the transmission of third-party television and radio programmes using its own or leased infrastructure (see section "Organisational structure and business model”). The primary revenue-generating activities of freenet AG can be classified under the (NACE) sector “Information and Communication”, which is covered by the EU-Taxonomy, meaning that the company is potentially affected.

The results of the annual eligibility analysis were summarised in an eligibility matrix, which contains all activities of the EU-Taxonomy and explanations of their relevance to freenet. Since 2024, freenet has also included materiality considerations in its eligibility analysis, which serve to identify activities that are not further assessed for Taxonomy-eligibility due to their negligibleness and cost-benefit aspects. Financial absolute and relative thresholds were established as the basis for the assessment. In this context, it was also noted that individual negligible activities do not have a material impact on the metrics when aggregated.

For the economic activities defined by the EU Commission (Articles 10-15), Taxonomy-alignment must be checked, taking into account all interim additions. freenet has analysed its Taxonomy-eligible activities on the basis of the compliance requirements and evaluated their degree of fulfilment. In doing so, the above-mentioned cost-benefit aspects were taken into account in conjunction with the availability of necessary information from suppliers in order to assess compliance.

Taxonomy-eligible economic activities

For the core business areas of "Mobile Communications" and "TV and Media" mentioned above, the following activities relevant to the "Information and Communication” sector were recognised and, as in the previous year's reporting, classified as non-taxonomy-eligible:

- Activity 8.2: Data-based solutions to reduce greenhouse gas emissions (environmental goal: climate change mitigation
- Activity 8.3: Broadcasting activities (environmental goal: climate change adaptation)

Accordingly, primary revenue activities are currently not covered by the EU-Taxonomy.

With regard to activity 8.2, it was also clarified in a notice (FAQ) published by the European Commission on 20 October 2023 that although general electronic communication networks are an important and necessary prerequisite for implementing the ICT solutions mentioned in the activity, they are not operated primarily to reduce emissions (FAQ No. 159). General telecommunication infrastructures, such as Mobile networks, are therefore not covered by the activity. Accordingly, freenet AG’s business activity of providing customers with access to Mobile Communications is also not covered by activity 8.2.

According to the current understanding of the EU-Taxonomy, it is not only important whether an economic activity directly serves to generate turnover and thus the actual economic activity of the company. Rather, any activity that is carried out within the company can be Taxonomy-eligible.

In providing its own services, freenet also uses products and services from suppliers that are related to investments and operating expenses. In the context of the EU-Taxonomy, this involves the acquisition of output in the form of assets or services in connection with Taxonomy-eligible activities or the implementation of individual actions to improve energy efficiency. At freenet, this primarily involves cross-sectional and infrastructure activities such as the leasing of vehicles (Section 6 – “Transport” sector) or the buildings used (Section 7 – “Construction and real estate” sector). In addition, freenet also carries out activities relating to data centres (Section 8 – “Information and Communication” sector), charging infrastructure for e-mobility (Section 7 – “Construction and real estate” sector), and circular economy-oriented product solutions (Section 5 – “Services” sector).

With regard to the activities of the “Transport” sector, the “Construction and real estate” sector, and the “Information and Communication” sector, the focus is on the “Climate change mitigation” target, as the activities are not aimed at making the company more resilient to potential climate risks in the future. The activities of the “Services” sector can be classified under the environmental target of "Transition to a circular economy".

All activities relevant to the 2025 financial year and their allocation to the respective environmental objectives are described in the following table.

Taxonomy-eligible economic activities

No. Environmental target [1]	Economic activity	Description related to freenet AG
“Transport” sector		
6.5 CCM	Transport by motorbikes, passenger cars and light commercial vehicles	Vehicle fleet consisting of company and service cars
“Construction and real estate” sector		
7.7 CCM	Acquisition and ownership of buildings	Operating expenses (maintenance, servicing and other) for the Büdelsdorf, Oberkrämer and Nauen sites
“Information and Communication” sector		
8.1 CCM	Data processing, hosting and related activities	Operation of own data centre and rental of co-location areas, including power supply and air conditioning (right-of-use assets recognised in accordance with IFRS 16), equipped with own IT
“Services” sector		
5.4 CE	Sale of second-hand goods	Sale of used mobile devices and accessories (Mobile Communications segment)
5.5 CE	Product as a service and other circular and outcome-based service models	Rental models for access points for the operation of WiFi networks (Mobile Communications segment)

[1] This column shows the number and environmental target of the Economic activities. If assigned to several possible environmental targets, highlight the target to which the activity has been assigned. The abbreviations are specified by the Taxonomy Regulation: Climate change mitigation = CCM Climate Change Mitigation, Climate change adaptation = CA, Water and marine resources = WTR (Sustainable Use and Protection of Water and Marine Resources), Circular economy = CE (Transition to a Circular Economy), Avoidance and Reduction of Environmental Pollution = PPC (Pollution Prevention and Control), Biodiversity and ecosystems = BIO (Protection and Restoration of Biodiversity and Ecosystems)

freenet has also identified activities for the 2025 reporting year that may have Taxonomy-eligibility. However, due to their negligible amount, it was decided not to include them in the eligibility analysis in accordance with the materiality concept. Activities in the areas of energy (activity 4.1) and climate, heating and lighting technology (activity 7.3) that took place in office buildings and shops were not analysed further. The refurbishment and sale of used access points and CI cards (activities 5.1 and 5.4) in the "TV and Media" segment are also non-Taxonomy-eligible. Furthermore, activities related to the renovation of an existing building (activity 7.2), the installation and maintenance of electric charging stations at various administrative locations (activity 7.4), and the installation of sensors for digital energy measurement in a test shop (activity 7.5) were not analysed regarding their Taxonomy-eligibility.

Taxonomy-alignment of the identified Taxonomy-eligible economic activities

During the alignment assessment, it was determined that the majority of freenet's taxonomy-eligible activities require the provision of evidence or information by third parties. This is because most activities involve the acquisition of outputs from Taxonomy-eligible economic activities and individual measures ("category (c)" under section 1.1.2.2. and section 1.1.3.2. of Delegated Act (EU) 2021/2178 pursuant to Article 8 of the Taxonomy Regulation). Due to the cost-benefit considerations described above, combined with a lack of external information from the supply chain, a, in the applicable cases the activities were reported as non-Taxonomy-aligned (see FAQ C/2023/305 of 20 October 2023 – Question 13).

Taking into account the cost-benefit considerations described above, three of the economic activities carried out were subjected to closer scrutiny. With regard to the data centres (activity 8.1), the criteria defined by the EU for a substantial contribution to the environmental goal “climate change mitigation” are not met. In particular, the global warming potential (GWP) of the refrigerants used in the cooling system of the data centres is above the defined maximum value of 675 for the data centre itself and for most co-locations. For some co-locations, it was not possible to obtain information on the refrigerants used. Furthermore, due to insufficient information, it was not possible to determine the extent to which the relevant procedures from the EU Code of Conduct for the Energy Efficiency of Data Centres are implemented and validated by an independent third party. The expenses associated with this activity are therefore reported as non-Taxonomy-aligned.

As part of the review of the alignment with the technical screening criteria for the company’s own buildings (activity 7.7), it was found that neither an Energy Performance Certificate with class indication was available for Büdelsdorf nor for Oberkrämer. No specific information (reference portfolio) could be determined for an alternative assessment, e.g. through the primary energy demand compared to the top 15% of the national or regional building stock. The expenses associated with this activity are therefore also reported as non-Taxonomy-aligned.

Furthermore, Taxonomy-alignment was checked for the company's own vehicle fleet (activity 6.5). Only a small proportion of the vehicles (less than 15%) meet the technical assessment criterion for CO_2 emissions (50g CO_2/km). However, partial compliance cannot be established, as the requirements for rolling noise and rolling resistance coefficient of tyres (DNSH criterion environmental target "Environmental Pollution") are not met. This is because no relevant information is available in the internal systems and vehicle users are free to choose their own tyres. Accordingly, this activity is also classified as non-Taxonomy-aligned.

Due to non-compliance with the first conformity criteria tested and the sequential nature of the three-stage test in accordance with Article 3 of the Taxonomy Regulation, the remaining criteria were not tested for the three activities. For the 2025 reporting year, all taxonomy-eligible activities are therefore reported as non-taxonomy-aligned. The taxonomy-aligned portion of revenues, CapEx and OpEx is therefore 0% in each case (prior year: 0%).

Taxonomy indicators and reporting principles

According to Art. 8 of the EU-Taxonomy, revenues, CapEx and OpEx must be disclosed as KPIs, subdivided into Taxonomy-eligible/non-Taxonomy-eligible and Taxonomy-aligned/non-Taxonomy-aligned. The Delegated Regulation (EU) 2021/2178 of the European Commission on the content and presentation of disclosure requirements under Art. 8 of the EU-Taxonomy Regulation (as amended on 21 November 2023) defines the content, calculation and presentation of the disclosures. freenet AG has determined the required disclosures in accordance with these requirements from the Group's accounting system; double counting is excluded by direct allocation to activities.

Abridged presentation of the Taxonomy KPIs 2025

Taxonomy-KPI in EUR million/as indicated	Total (KPI denominator)	Non-Taxonomy-eligible portion		Taxonomy-eligible portion		Taxonomy-aligned portion	
	absolute	absolute	In %	absolute	In %	absolute	In %
Revenues	2,439.9	2,435.7	99.8	4.2	0.2	0.0	0.0
CapEx	161.5	159.0	98.5	2.5	1.5	0.0	0.0
OpEx	28.0	22.8	81.7	5.1	18.3	0.0	0.0

Revenues KPI

The share of Taxonomy-eligible revenues was calculated as net revenues from taxonomy-eligible activities (numerator) in relation to consolidated revenues (denominator) for the financial year. Consolidated revenue corresponds to the net revenue reported in accordance with IAS 1.82 in the consolidated income statement; for details on revenue recognition, see note 2.1 to the consolidated financial statements.

The Taxonomy-eligible portion of revenues amounts to 0.2% (prior year: 0.4%) of total revenues of EUR 2,439.9 million (prior year: EUR 2,477.7 million). The numerator of the revenues KPI corresponds to net revenues from goods and services sold to external third parties (customers). Compared to the prior year, Taxonomy-eligible revenues fell by EUR 6.5 million to EUR 4.2 million (prior year: EUR 10.7 million), mainly due to the sale and deconsolidation of The Cloud Networks Germany GmbH and the associated decline in revenues from rental models for access points used to provide WiFi-networks to customers, as well as a decline in revenues from the sale of used mobile devices. The Taxonomy-aligned portion amounts to 0% (prior year: 0%).

CapEx KPI

The CapEx KPI is defined as the Taxonomy-eligible CapEx (numerator) in relation to total CapEx (denominator).

The denominator comprises additions to property, plant and equipment and intangible assets during the financial year, before depreciation, amortisation and revaluations, including those resulting from write-ups, amortisation and impairment, and excluding changes in fair value. Of the CapEx categories specified in the Delegated Act on Article 8 of the Taxonomy Regulation, the investment basis used here includes gross additions to property, plant and equipment (IAS 16), intangible assets (IAS 38) and additions to right-of-use assets (IFRS 16). Additions from business combinations (IFRS 3) – if any – are included; additions to goodwill are not included as they do not meet the definition of an intangible asset (IAS 38). Further details on the accounting policies can be found in notes 2.2 and 2.3 of the notes to the consolidated financial statements. Total investments correspond to the sum of additions to property, plant and equipment and intangible assets (note 39) and additions to lease assets (note 2.5.1).

The Taxonomy-eligible portion of CapEx amounts to 1.5% (prior year: 5.4%) of total CapEx of EUR 161.5 million (prior year: EUR 70.0 million). The CapEx KPI is broken down as follows:

- 15.1% (prior year: 77.1%) relate to gross additions to property, plant and equipment (IAS 16) and
- 84.9% (prior year: 22.9%) relate to additions to right-of-use assets (IFRS 16).

The proportion of gross additions to property, plant and equipment (IAS 16) decreased mainly due to the sale of the company's own data centre and the sale of The Cloud Networks GmbH, while at the same time there were higher additions to long-term usage rights (IFRS 16) due to an increase in the number of leased vehicles ordered. In 2025, the majority of taxonomy-eligible CapEx will be attributable to activity 6.5. The investments could be clearly allocated to the corresponding activities based on the asset classes and Actions.

OpEx KPI

The OpEx KPI is calculated from Taxonomy-eligible OpEx (numerator) in relation to total OpEx (denominator) in accordance with EU-Taxonomy. The denominator includes non-capitalised expenditure on research and development, building renovation measures, short-term leases, maintenance and repair, and other direct expenditure related to the daily maintenance of property, plant and equipment to ensure its continuous and effective functioning. The following items are included:

- Research and development expenses did not affect the consolidated income statement in either the current financial year or the prior year.
- Short-term leases refer to the expenses determined in accordance with IFRS 16 under note 2.5.1 of the consolidated notes.
- Maintenance and repair expenses, as well as all other direct expenses related to the daily maintenance of property, plant and equipment, were determined on the basis of an individual account analysis and can be allocated to various items (e.g. maintenance of administrative buildings, systems engineering or IT systems) under other operating expenses (see note 10 to the consolidated financial statements). Building renovation measures are also included.
- Personnel expenses related to the areas listed above are also included. The EU-Taxonomy does not explicitly state that these may not be included. In particular, personnel costs attributable to the maintenance and repair of technical infrastructure were included in accordance with the cost centre allocation of the employees.

The relevant Group accounts were used for the total operating costs.

In comparison to CapEx, the total OpEx according to the definition of the EU-Taxonomy is significantly lower than the Group's total operating expenses. Including the aforementioned personnel costs, this results in a taxonomy-eligible OpEx portion of 18.3% (prior year: 19.6%) of the total OpEx according to EU-Taxonomy amounting to EUR 28.0 million (prior year: EUR 31.0 million) – and is thus slightly below the prior year's level. Of which:

- 73.7% on maintenance and repair expenses (prior year: 79.3%) and
- 26.3% on other costs (prior year: 20.7%).

The majority of the Taxonomy-eligible OpEx (74.0%) is attributable to activity 8.1 in 2025. To ensure clear allocation of the OpEx, the underlying procurement transactions and measures were identified, and the relevant cost centers were analyzed.

Social disclosures

Own workforce (ESRS S1)

As part of the initial Double Materiality Assessment (DMA) and the update for the 2025 financial year, freenet took a detailed look at the company's own workforce stakeholder group and reflected on its interests.

The material, predominantly potential impacts in the areas of secure employment, working time, work-life balance, diversity, gender equality and equal pay for work of equal value, training and skills development, as well as measures against violence and harassment in the workplace remain unchanged for the 2025 financial year (see ESRS 2 sections IRO and SBM for a detailed overview of the material impacts on freenet's workforce). The impacts on freenet's workforce in the areas mentioned above may affect both employees and non-employees.

Policies (S1-1)

The employees of freenet AG are important to the company's success. freenet has therefore developed policies to effectively manage the material impacts relating to its employees. These policies include the policy statement on the protection of human rights, the learning culture and principles for continuous skills development, the commitment to changing life realities, the competence model and annual performance review, the principles of equal pay and the anti-discrimination policy.

freenet respects the protection of human rights in connection with its business activities. In its strategy for respect for human rights, freenet follows the following international standards, as set out in its policy statement on the protection of human rights: the United Nations Universal Declaration of Human Rights, the values of the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights (UNLP), the Declaration on Fundamental Principles and Rights at Work and its follow-up measures by the International Labour Organisation (ILO), and the requirements for combating human rights and environmental risks in accordance with the Supply Chain Due Diligence Act. Due to its commitment to the UNLP, freenet's policy statement is also based on the OECD Guidelines for Multinational Enterprises. The principles apply both to freenet AG employees and non-employees, as well as throughout the entire supply chain. With regard to the implementation of human rights-related due diligence obligations in connection with the workforce, the Human Resources department, which reports to the CEO, is responsible for implementing the legal requirements. freenet expressly condemns any kind of human rights violation and any form of discrimination, in particular child labour and forced labour, which are explicitly addressed in the policy statement. With the exception of work-life balance, the policy statement covers all material sustainability matters relating to the workforce and is publicly available on the freenet website.

freenet promotes dialogue with its employees to ensure that their concerns are taken into account and their rights are protected. Employees are encouraged to voice their concerns and suggestions in employee surveys, which are conducted at least twice a year, and through other communication channels (such as town halls). In addition, freenet offers a whistleblower system that enables employees to raise human rights concerns confidentially (for details see S1-2 and S1-3).

freenet's risk management system is designed to identify and reduce human rights-related incidents as far as possible. Reports submitted via the whistleblower system are investigated immediately. If specific risks or violations are identified, these must be reported to the Human Rights Officer, who will implement preventive or Remediation measures in consultation with the relevant department.

Learning culture and principles for continuous skills development

freenet AG has established the element "Shaping a learning culture" as one of four key elements in its human resources strategy. The target is to promote the continuous development of employees' skills and competencies in order to fully exploit their potential and cater to individual career paths. This is intended to create a learning culture within the company that promotes needs-based development and independent learning. All employees should have the same opportunities to access learning and training measures, regardless of their personal characteristics. freenet is continuously working to reduce existing differences between the Group companies and to gradually standardise access to learning content. The policy thus aims to reduce the potential impact in the area of training and skills development.

Various learning platforms are available to Group employees, depending on the company. These platforms, which can be accessed via the intranet or similar digital channels, are a central element of upgrading skills. They offer a cross-thematic selection of learning content tailored to different learning needs and styles. All employees have access to the Group-wide learning platform "Campus Portal" with the exception of the subsidiaries Exaring AG (hereinafter also "Exaring") and The Cloud Networks Germany GmbH (hereinafter also "The Cloud"). Shop employees have their own learning platform – the so-called TrainingClub.

Since the CHRO left the company, the CEO has been responsible for establishing and updating the principles and guidelines for the learning culture and continuous skills development. The respective line managers are responsible for the operational aspects of upgrading the technical and interdisciplinary skills of their employees. Each employee bears personal responsibility by actively using available learning opportunities and participating in programmes, courses and training sessions. The Human Resources and Organisational Development department is responsible for managing the process, while the Working Excellence & Training department is responsible for the specific development of the sales skills of employees who have contact with customers.

Commitment to changing life realities

freenet AG is committed to meeting the changing lifestyles and individual needs of its employees by creating flexible working structures that take personal, regional and age-specific requirements into account. The target is to offer employees a high degree of flexibility in terms of their working conditions, such as mobile or remote working, and working times, such as part-time or shift models. This should contribute to a better work-life balance, increase employee satisfaction and enhance freenet's employer attractiveness. The policy applies across the Group and can be viewed by all employees with access to the intranet. Responsibility for implementing the policy within the Group lies with the Executive Board or the management of the subsidiaries and the Human Resources department. The respective managers are responsible for the operational implementation in the individual departments and functions. The policy thus aims to reduce the potential impacts in the area of working time and work-life balance.

Competence model and annual performance review

freenet AG has established a company-wide competence model that focuses on four areas of expertise: "Cooperation and collaboration," "Personal impact," "Driving change," and "Entrepreneurial thinking and action". The policy addresses the potential impact in the area of training and skills development. Based on this model, managers implement mandatory annual performance reviews once a year. The target of these reviews is to identify employees' personal strengths and areas for development in order to promote these in a targeted manner in their everyday work. Managers and employees use a structured discussion guide to exchange views on cooperation, work behaviour and mutual expectations. Competencies are assessed, personal targets and areas for development are identified, and opportunities for upgrading skills are highlighted.

According to the policy, all employees are entitled to the dialogue format, with the exception of the three subsidiaries Media Broadcast, Exaring and The Cloud, which have implemented their own exchange models. To prepare for the annual performance review, discussion sheets, a guide revised in the reporting year and a video with information on preparing the content of the discussion are available on the intranet. In addition, employees can take part in a voluntary workshop to help them prepare. Since the CHRO left the company, the CEO and the Human Resources department have shared central responsibility for the competence model and the annual performance review. The development of the rate of annual performance reviews (see S1-13) is monitored by the personnel departments.

Principles of equal pay

freenet AG has implemented principles to promote equal opportunities and fair pay for all employees. The policy addresses the actual impact in the area of gender equality and equal pay for work of equal value. These principles aim to eliminate unjustified pay differences and ensure that employees with comparable jobs receive the same remuneration based on objective criteria such as experience and performance. The policy applies to all employees across the Group. The Executive Board or the management of the subsidiaries and the Human Resources department are responsible for adopting, establishing and updating these principles. Operational implementation is the responsibility of the respective managers, and the principles are accessible to all employees via the company's intranet. freenet employees with personnel responsibility are made aware of non-discriminatory remuneration practices in order to prevent discrimination in the determination of salaries and to avoid unconscious bias. An essential element of the process for monitoring the effectiveness of the policy is the regular – at least annual – review of salary structures in order to identify potential inequalities and take immediate countermeasures if discrepancies are found. In cases of suspected discrimination, employees can assert their right to remuneration information vis-à-vis freenet and discuss their concerns with their line managers or the Human Resources department.

Anti-discrimination

freenet is committed to equal opportunities and fairness in the workplace. A corporate culture that values and promotes diversity forms the basis for a non-discriminatory working environment. Protection against discrimination is enshrined in the Works Constitution Act and the General Equal Treatment Act (AGG). Apart from the principles of equal pay, freenet has no other specific policies aimed at eliminating discrimination or promoting Equal opportunities. In principle, freenet does not tolerate any form of Discrimination on the basis of race, ethnic origin, gender, religion or belief, disability, age, sexual identity or other factors that may not be listed, in accordance with applicable legal obligations such as the AGG. In addition, employees can use the whistleblower system to report concerns anonymously, which are then immediately investigated and, if necessary, addressed with specific actions.

Secure employment

With regard to reducing the potential impact in the area of secure employment, freenet does not refer to a company-specific policy, but rather to German social legislation, which characterises the labour market in Germany through various actions to secure employment, collective bargaining agreements and welfare state safeguards (e.g. protection against dismissal and continued payment of remuneration). All employees at freenet are covered by these state social security mechanisms. freenet strives to ensure that all legal requirements with regard to secure employment conditions are fully complied with. This is achieved through internal control mechanisms, information and training opportunities for managers, and cooperation with the relevant works council committees.

Engagement with own workforce and employee representatives (S1-2)

Understanding the needs and interests of employees is essential to the success of freenet. The company therefore promotes dialogue with its employees and their representatives in a variety of formats. These formats for employee involvement include:

- **Mood barometer:** The employee survey, which is conducted at least twice a year, includes questions on job satisfaction, working hours, cooperation, satisfaction with development opportunities and work-life balance. The survey results are used to determine the current situation, identify areas for change and derive measures.
- **Exchange formats with the Executive Board and works council committees:** Quarterly and ad hoc meetings with the economic committees provide a platform for hearing and discussing employee concerns through their representatives.
- **Town halls:** These events combine information and feedback opportunities and promote direct exchange between management and employees. Since Robin Harries took office as Chief Executive Officer, the town halls have been held monthly.
- **Employee appraisals:** Annual performance reviews and individually arranged meetings with managers provide an opportunity to discuss personal concerns and give feedback.

freenet integrates the findings from the exchange formats into its decision-making processes and derives actions to address actual and potential impacts on employees.

Operational responsibility for taking employee interests into account lies with the Executive Board or the management of the subsidiaries, while the human resources department monitors and controls their implementation and reports to the management tier.

The effectiveness of the formats is reviewed by evaluating employee surveys and feedback formats. Results such as satisfaction ratings and topic-specific feedback are directly incorporated into the development of new actions and the optimisation of existing processes. freenet employees are involved in decision-making through various formats. At collective events, such as town hall meetings, questions can be asked online and anonymously on the intranet. They are then answered during the event. During employee appraisals with managers, feedback is given on an individual basis in response to comments made by employees. In addition, employees are informed about the results of the employee survey on the intranet after each survey. The findings are to be taken into account when developing new formats and actions or adapting existing ones.

freenet provides both human and financial resources to effectively integrate employee interests. The Human Resources and Organisational Development department is responsible for organising and conducting surveys and Actions to promote cooperation and increase Employer attractiveness, with HR management generally meeting with the works councils at the various sites at least once a month. In addition, financial resources are provided for the travel expenses of Workers' representatives, the organisation of events and the provision of technical tools for data collection and analysis.

freenet identifies women as a vulnerable group that may be affected by specific challenges such as unconscious bias or career barriers. To specifically support women, freenet has implemented the following initiatives:

- **Development opportunities**: We offer a special e-learning format for women that focuses on personal development and strengthening leadership skills.
- **Exchange formats and network for women:** In 2025, we invested more heavily in the topic of networks for women. To this end, a series of events was initiated to promote exchange and enable the formation of small women's networks within the company.

Remediation of negative impacts and channels for own workforce to raise concerns (S1-3)

freenet has implemented various processes to raise concerns (e.g. whistleblower system) to effectively address identified, potentially negative impacts on employees' work-related rights.

In addition to speaking directly to their line managers, affected employees can contact the Human Resources department, internal representatives or the works council. Complaints are dealt with on a case-by-case basis, with relevant functions such as the anti-discrimination officer or compliance manager being consulted where necessary.

Through the whistleblower system set up by freenet, which is managed by the Chief Compliance Officer and Human Rights Officer of freenet AG, the company offers its employees a protected reporting channel through which they can report potential violations confidentially – even anonymously. If the identity of the whistleblower is disclosed, communication shall be ensured while maintaining privacy and data protection. The whistleblower system is available to employees in German and English. Reports received are reviewed so that, if necessary, individual and targeted remediation measures can be taken, such as adjustments to working conditions, awareness-raising training programmes or structural changes to the organisation. The compliance function and the Human Rights Officer, in cooperation with the human resources department, are responsible for regularly evaluating the effectiveness of the remediation measures taken.

The handling of reports received follows a structured process, which is outlined in the publicly available rules of procedure for the whistleblower system. Reports must be submitted to the Whistleblower Committee, consisting of the Chief Compliance Officer and the Head of Group Audit, Risk and Control and, if necessary, other designated representatives, which coordinates the investigation of the facts and, if necessary, implements follow-up and remediation measures. Findings must be taken into account in risk management and reported annually to the audit committee of freenet AG.

freenet provides information about the channels to raise concerns and processes set up within the company on its intranet and on its website at fn.de/whistleblower. Reports can be submitted via the reporting tool, by telephone, by email or by post.

freenet's communication about the Process to raise concerns is intended to ensure that all employees are aware of the existing channels to raise concerns and processes and feel confident that they can raise and have their concerns addressed through them. The information available also includes easily accessible public online resources that explain the purpose, function and confidentiality of the channels to raise concerns and processes. The compliance function or human rights officer, as well as representatives of other relevant functions, also conduct an assessment of the effectiveness of the channels to raise concerns (see section G1-3 for further information on the protection of whistleblowers or affected persons against retaliation).

Actions, effectiveness and management of material impacts (S1-4)

As part of the initial Double Materiality Assessment for the 2024 financial year and the update for the 2025 financial year, freenet identified material impacts in relation to the company's own workforce and subsequently further specified existing actions and summarised them in action plans. These plans include actions to promote work-life balance in order to enable a better work-life balance for all employees and non-employees. In addition, initiatives to promote diversity and appreciation are being implemented with the aim of creating an inclusive working environment in which all employees are valued regardless of their origin, gender or other characteristics. Another focus is on upgrading skills to support the continuous development of skills and knowledge, thereby enabling the long-term employability of the workforce. Finally, freenet is committed to gender equality and equal pay for work of equal value in order to eliminate discrimination and promote equal opportunities. These actions are set out below, in accordance with the requirements of ESRS 2, to ensure the sustainable development of freenet with regard to its workforce. For an overview of the material impacts on freenet's workforce, please refer to ESRS 2

sections IRO and SBM. The impacts in the topics mentioned on freenet's employees may affect both employees and non-employees.

Work-life balance and working time

freenet AG has implemented actions to promote work-life balance and reduce stress among employees. These include flexible working time models such as part-time work, flexible shift models in logistics, home office and mobile working. A hybrid working model with three office days per week is also offered. In addition, there are occupational health management actions such as annual health days, occupational health examinations and training courses on stress reduction. Statutory and collectively agreed working time regulations must be observed. freenet also offers special leave days for special occasions (e.g. weddings, deaths or births). The implementation of the actions described above in the areas of working time and work-life balance is intended to contribute to physical and mental relief and an improved quality of life for our own workforce. The actions apply to all employees, although some models require working time to be recorded. Working hours are not recorded at the Exaring, The Cloud, SuperNova GmbH (hereinafter also referred to as "SuperNova") and freenet companies at the site in Hamburg. Trust-based working hours apply there. These actions are being implemented on an ongoing basis. The actions were implemented throughout the reporting year and are planned to be continued in subsequent years. In order to avoid the negative consequences of overtime, freenet AG reviews employees' overtime accounts twice a year and manages working time in the shops using a personnel deployment planning tool. The Human Resources department supports this process by providing advice, working with the works council and monitoring the models. Quantifiable results are not currently being sought. Location-specific budgets for health and preventive measures are available to avoid stress and promote health and work-life balance. The funds provided are not considered significant in relation to the overall budget. freenet AG plans to continue providing budgets for preventive and health measures in the future.

Anti-discrimination and promotion of diversity and appreciation

freenet AG has committed itself to promoting diversity and appreciation by signing the "Diversity Charter" of the association of the same name in 2024. Targeted actions to combat discrimination and promote diversity are intended to contribute to maintaining and developing a positive corporate culture. In order to promote non-discriminatory behaviour, various awareness training courses on diversity, equality and inclusion are offered to employees and managers. In the first quarter of 2025, a training course for HR managers was held on the topic of diversity in recruiting. Managers are also prepared for their roles through structured onboarding. On German Diversity Day, the AllBright Foundation gave a keynote speech with the target of bringing to life the importance of Diversity and its added value for Corporate culture, and providing impetus for a working environment that offers equal opportunities. Women were identified as a vulnerable target group, which is why the company offers various formats and coaching programmes to promote women in the company. Targets for the proportion of women at the first and second management tiers were implemented (see S1-5). The actions implemented are evaluated appropriately on a case-by-case basis (e.g. feedback from coaching participants, response to job advertisements). The actions cover all of the company's own employees and are implemented on an ongoing basis. The actions were carried out throughout the reporting year and are planned to be continued in subsequent years. The proportion of women in the Group is surveyed at least four times a year by Group Human Resources Controlling. Diversity monitoring is also carried out on a quarterly basis based on the collection and analysis of diversity indicators (e.g. gender distribution, origin, age structure) to identify potential for improvement. Any anomalies in the figures are reported to the relevant HR department and taken into account by HR officers, who are consulted during the selection of prospective managers. The HR budget includes funds for training courses on specific topics or special coaching for women (e.g. a digital programme for personal development), and this is also planned for the future. The funds currently and in future are not significant in relation to the overall budget.

During the reporting year, there was one reported case of discrimination among the workforce, against which specific remediation measures were taken (see S1-17). Actions or initiatives to achieve positive impacts on the workforce of freenet were not implemented.

Skills development

freenet AG has identified "shaping a learning culture" as one of the four central themes in its HR strategy. In addition to its traditional training portfolio, freenet provides its employees with a learning management system (LMS). This provides access to a catalogue of development opportunities that caters to different learning types and scenarios. The LMS enables employees to learn independently at any time. New managers receive special onboarding training that covers the use of and expectations for their role in relation to personnel development measures. The annual development meetings with supervisors include employee development and specific plans as an integral part. These actions apply to all employees with the exception of the subsidiaries Exaring, The Cloud, SuperNova and the sales staff of freenet Shop GmbH. For employees of freenet Shop GmbH and freenet DLS GmbH in the sales department, there is a target group-specific LMS (TrainingsClub). Media Broadcast also has its own LMS (LMS decidalo). These actions are implemented on an ongoing basis. The actions were carried out throughout the reporting year and are planned to be continued in subsequent years. In order to be able to provide the right formats and strategic topics, Human Resources Development holds annual meetings with the division managers. Continuing education measures are continuously validated (e.g. through participant feedback), and completed learning hours are recorded on a quarterly basis and reported to the Executive Board (see S1-13). Human resources development has its own budget for central actions and an additional budget for individual actions in the specialist departments. The funds currently and in future available are not considered significant in relation to the overall budget. In the reporting year, no specific actions were taken to remedy any actual material impact in relation to upgrading skills, as there was no such impact. Furthermore, no relevant additional actions or initiatives were implemented to achieve positive impacts on the workforce of freenet.

Gender equality and equal pay for work of equal value

In accordance with the provisions of the EU Pay Transparency Directive, freenet has taken actions to ensure fair and transparent remuneration policies. To this end, freenet has conducted a pay analysis to identify gender-specific pay differences (also known as the gender pay gap) in the various companies within the Group. A roadmap was then drawn up to close existing unjustified pay gaps. This roadmap aims to close the gender pay gap by the end of 2026 at the latest. Progress will be reviewed annually. One action to close the gender pay gap involves the HR department advising the specialist departments at the various sites on wage development in order to avoid unjustified unequal pay and close existing gaps. Furthermore, since the CHRO left the company, annual reports on the progress made in closing the gender pay gap have been submitted to the CEO. The target of closing the gender pay gap includes all employees, with the exception of Media Broadcast, due to the collective bargaining agreements in place there. Closing the gap is intended to avoid or remedy any negative impacts on individuals and the workforce. A budget for closing the gender pay gap has been taken into account in personnel cost planning. The funds currently and in future made available are not considered significant in relation to the overall budget. Quantifiable results are sought in the course of the systematic process of closing the gender pay gap. No additional actions or initiatives have been implemented.

Necessary and appropriate actions should be considered as instruments that have been defined taking into account the material topics, including the actual or potential impact on the company's own workforce. Through the implementation of the sentiment barometer, meetings of the occupational health and safety committees and discussions with the works council, as well as in the HR strategy meeting, specific actions are identified and defined in response to certain actual or potential impacts on freenet employees.

freenet AG intends to ensure that its business practices do not have any material negative impacts on the company's employees. The implementation of the actions mentioned, including the complaints mechanism and other initiatives, such as a monitoring and reporting system, should help to ensure that no negative impact occurs.

freenet utilises various resources to implement these Actions. These include human resources such as employees in human resources and organisational development as well as local human resources officers and technological aids (such as tools for the mood barometer and established learning platforms). Financial resources are also made

available for preventive strategies, managing work-life balance and implementing further training measures. The company's material impacts are managed effectively at its own discretion.

Targets (S1-5)

In line with its HR strategy, freenet has identified the target of "women in leadership positions", which was set by the Executive Board at the beginning of 2022 based on the status as of 31 December 2021:

Target for 31 December 2026:

- **Management tier 1 (division heads)**: 25% or at least 2 persons (31 December 2021: 14.3%)
- **Management tier 2 (department heads)**: 30% or at least 6 people (31 December 2021: 35. 0%)

While an increase is planned for "management tier 1" by 2026, a decline is expected for "management tier 2" based on the base year 2021, as the known fluctuation at this management tier was taken into account in the target at the time of formulation. As of 31 December 2025, the status for management tier 1 (division managers) is 14.3% (prior year: 17.2%) and for management tier 2 (department managers) is 28.7% (prior year: 29.3%). Group Human Resources Controlling collects the quota for the aforementioned management tiers on a quarterly basis. The Human Resources department uses the findings to advise senior managers on the appointment of executives with regard to the quota of women and potential female candidates within the company.

Within the framework of the legal requirements for protection against Discrimination, which are laid down in the Works Constitution Act and the General Equal Treatment Act (AGG), freenet is actively committed to promoting women in management positions.

The target of freenet AG was set without direct stakeholder engagement. Similarly, the achievement of targets is monitored without direct stakeholder engagement. No changes were made to the target in the current reporting year.

In addition, freenet has defined increasing the rate of annual performance reviews as one of its targets (see S1-13). The target formed the basis for calculating the annual target bonus and the company target share of the variable remuneration components for employees and members of the Executive Board for the past financial year (see ESRS 2 GOV-3). It is considered to have been achieved 100% if 95.6% of all eligible employees (see S1-13) have held an annual performance review. The reviews take place annually from the beginning of September to mid-January of the following year. The implementation rate is determined by personnel controlling.

The element "Shaping a learning culture" is one of the four elements of freenet's human resources strategy and has as a target to promote the continuous development of employees' skills and competencies. Within this framework, freenet wants to enable the further development of its employees by implementing annual performance reviews. The target was set without the direct involvement of stakeholders. The achievement of the target is also tracked without their direct involvement.

Characteristics of the company's employees (S1-6)

Total number of employees

Number	Female 2025	Female 2024	Male 2025	Male 2024	Other[1] 2025	Other[1] 2024	Not specified 2025	Not specified 2024	Total 2025	Total 2024
Total employees	**915**	**1,019**	**2,170**	**2,431**	**0**	**0**	**1**	**0**	**3,085**	**3,450**
thereof vocational trainees	*34*	*37*	*122*	*152*	*0*	*0*	*0*	*0*	*156*	*189*
thereof dual students	*6*	*9*	*15*	*15*	*0*	*0*	*0*	*0*	*21*	*24*
thereof interns	*1*	*1*	*2*	*3*	*0*	*0*	*0*	*0*	*3*	*4*

[1] Gender according to the employees' own information

freenet reports the total number of employees as the average number of employees (number) for the reporting year. The average number is calculated by adding up the number of employees at the end of each month and dividing this by the number of months in the financial year. Employees include all (temporary or permanent) employees as well as temporary workers, interns and trainees. Interns and trainees are voluntarily included in the population because, under local labour law, they are not classified as Employees under ESRS or as non-employees, but are fundamentally integrated into the company and its processes on the basis of their contractual relationship. Non-employees are not included in the key figure. The survey is based on data from fully consolidated subsidiaries, which is mainly taken from the company's HR system. Data from individual companies that is not recorded in the HR system is requested by Group Personnel Controlling and consolidated manually. The data also includes information on gender provided by the employees themselves. There are no estimation uncertainties.

The number of employees is not broken down by country or region, as freenet does not employ 50 or more employees or at least 10% of its total workforce in countries other than Germany.

Wages and salaries, social security contributions and employee pension expenses are recognised in personnel expenses, which are reported in the consolidated income statement and explained in note 8 to the consolidated financial statements.

In 2025, the number of vocational trainees was 156 (prior year: 189), with 21 people enrolled in dual study programmes (prior year: 24). They are supported by targeted onboarding, trainee camps and internal training courses.

Employees by type of contract and gender

Number	Female 2025	Female 2024	Male 2025	Male 2024	Other[1] 2025	Other[1] 2024	Not specified 2025	Not specified 2024	Total 2025	Total 2024
Total employees	**915**	**1,019**	**2,170**	**2,431**	**0**	**0**	**1**	**0**	**3,085**	**3,450**
thereof with permanent employment contracts	*815*	*903*	*1,903*	*2,099*	*0*	*0*	*1*	*0*	*2,719*	*3,002*
thereof with fixed-term employment contracts	*98*	*115*	*265*	*330*	*0*	*0*	*0*	*0*	*363*	*445*
thereof on-call staff	*1*	*1*	*2*	*3*	*0*	*0*	*0*	*0*	*3*	*4*
Total number of employees	**915**	**1,019**	**2,170**	**2,431**	**0**	**0**	**1**	**0**	**3,085**	**3,450**
thereof full-time employees	*649*	*736*	*2,006*	*2,234*	*0*	*0*	*1*	*0*	*2,656*	*2,970*
thereof part-time employees	*266*	*283*	*164*	*197*	*0*	*0*	*0*	*0*	*430*	*480*

[1] Gender according to the employees' own information

The total number of employees is broken down by type of contract. In contrast to a permanent contract, a fixed-term employment relationship exists if the agreed end date of the contractual relationship is fixed to a specific calendar date. Newly hired employees who completed a probationary period during the reporting period are recorded as employees with permanent contracts. On-call workers are employees with a non-guaranteed number of hours. With the exception of Media Broadcast (32-hour working week), full-time employees are those who work a regular 40-hour week. A further breakdown is provided by gender, but not by country or region, as freenet does not employ 50 or more employees or at least 10% of its total number of employees in countries other than Germany.

Around 12% (prior year: 13%) of employees have a fixed-term contract, for which there is usually an objective reason (e.g. training, studies or substitution for other employees). Around 14% of employees (prior year: 14%) are employed part-time, more than half of whom are women.

Employee turnover

As indicated	2025	2024
Group total (number)	**369**	**809**
in %	**12.9**	**25.4**
Shops (number)	144	456
in %	20.0	51.2
Group excluding shops (number)	225	353
in %	10.5	15.4

Employee turnover is defined as the total number of employees (number of employees excluding trainees, temporary staff, interns and trainees) who left the company during the reporting period. The number includes voluntary resignations from the company as well as departures due to dismissal, retirement or death. The staff turnover rate describes the number of departures in relation to the average number of employees during the reporting period. Non-employees are not included in this key figure. The number of departures is based on data from fully-consolidated companies and is mainly taken from the company's HR system. Data from individual companies that is not recorded in the HR system is requested by Group HR Controlling and consolidated manually. There are no estimation uncertainties.

Due to differences in employee turnover inherent in the nature of the business, this is reported separately for the shop division and for the Group excluding the shops. In the 2025 financial year, the Group-wide employee turnover rate was 12.9%, which represents a decrease of 12.5 percentage points compared to the prior year (25.4%). The main reason for this was the significant decline in the employee turnover rate in the shops from 51.2% in the prior year to 20.0%. This development is mainly related to the winding up of the Gravis subsidiary in the 2024 financial year. Compared to the employee turnover rate in the Group excluding the shops (2025: 10.5%, prior year: 15.4%), the staff turnover rate in the shops is nevertheless regularly higher.

Characteristics of non-employees in the company's own workforce (S1-7)

Non-employees

Number	2025	2024
Non-employees	22	28

As non-employees, freenet generally records persons who have concluded a contract with the company for the provision of their labour (self-employed persons) as well as persons who are provided by companies that specialise in the placement and supply of workers. The average number is calculated by adding up the number of non-employees at the end of each month and dividing this by the number of months in the financial year. The number of non-employees is determined based on data from fully consolidated subsidiaries and is mainly taken from the company's HR system. Data from individual companies that is not recorded in the HR system is requested by Group HR Controlling and consolidated manually. In addition, data is requested from external companies regarding the placement and supply of workers. There are no estimation uncertainties.

freenet employed 22 non-employees in the past financial year (prior year: 28 non-employees). As in the prior year, these were all classified as temporary agency workers. The majority of these non-employees were employed in logistics and on-site IT support.

Diversity key figures (S1-9)

Gender distribution at the top two management tiers

As indicated	2025	2024
Total top management tier (number)	**119**	**131**
thereof female (number)	*31*	*36*
in %	*25.7*	*27.3*
thereof male (number)	*89*	*95*
in %	*74.3*	*72.7*
thereof other (number)	*0*	*0*
in %	*0.0*	*0.0*
thereof not specified (number)	*0*	*0*
in %	*0.0*	*0.0*

[1] Gender according to the employees' own information

As part of its diversity metrics, freenet determines the gender distribution at the highest management tier for the reporting year. The average number is calculated by adding the total number of employees in the first and second management tiers by gender category at the end of each month and dividing this by the number of months in the financial year. The top management tier is defined as the first and second management tiers below the level of the Executive Board. These are managing directors, division managers or comparable positions (first management tier) and department managers or comparable positions (second management tier). The various gender quotas describe the number of employees in each gender category in relation to the average number of employees in the first and second management tiers in the reporting year. The survey is based on data from fully consolidated subsidiaries, which is mainly taken from the company's HR system. Data from individual companies that is not

recorded in the HR system is requested by Group HR Controlling and consolidated manually. There are no estimation uncertainties.

Age distribution of employees

As indicated	2025	2024
Total employees	**3,085**	**3,450**
thereof under 30 years old (number)	*678*	*798*
in %	*22.0*	*23.1*
thereof between 30 and 50 years old (number)	*1,487*	*1,655*
in %	*48.2*	*48.0*
thereof over 50 years old (number)	*920*	*998*
in %	*29.8*	*28.9*

The age distribution of employees for the reporting year is recorded as part of the diversity key figures. The average number is calculated by adding up the number of employees at the end of each month and dividing this by the number of months in the financial year. The various proportions of the age groups describe the number of people in each age group in relation to the average number of employees in the reporting year. The age structure is derived from the recorded personnel master data. The number of employees in the various age groups is determined based on data from the fully consolidated subsidiaries. This data is primarily taken from the company's HR system. Data from individual companies that is not recorded in the HR system is requested by Group HR Controlling and consolidated manually. There are no estimation uncertainties.

Social protection (S1-11)

In the reporting year, all employees of freenet (prior year: 100% of employees) were covered against loss of earnings due to significant life events by the social security systems of the Federal Republic of Germany, which are based on the principle of solidarity. The regulatory framework of German social legislation covers illness (health and long-term care insurance), unemployment from the point at which the company's own workforce starts working (unemployment insurance), accidents at work and incapacity to work (accident insurance), parental leave (Federal Parental Allowance and Parental Leave Act) and retirement (pension insurance).

In the areas of retirement provision and incapacity to work, freenet grants its employees subsidies for occupational pension schemes that exceed the statutory minimum and, since 2016, has offered occupational disability insurance with a simplified health check.

Key figures for training and skills development (S1-13)

Training and skills development

As indicated	Female 2025	Female 2024	Male 2025	Male 2024	Other[1] 2025	Other[1] 2024	Not specified 2025	Not specified 2024	Total 2025	Total 2024
Participation in regular performance and career assessments (% of employees)	99.9	93.8	99.7	93.2	0.0	0.0	0.0	0.0	99.7	93.4
Participation in training courses (average in hours per employee)	14.6	14.9	15.1	15.0	0.0	0.0	0.0	0.0	15.0	15.0

[1] Gender according to the employees' own information

freenet records as a key figure the percentage of employees who have participated in regular performance and career appraisals (also: rate of annual performance reviews). The performance and career appraisals carried out by freenet correspond to the definition of the ESRS (see S1-1 "Competence model and annual performance review"). The percentage is calculated from the ratio of annual performance reviews conducted with employees who, in accordance with works agreements or other regulations, have a binding entitlement to an annual performance review once a year, to the average total number of eligible employees in the Group (2025: 83.3%; prior year: 71.5%). The key figure is calculated based on data from fully consolidated subsidiaries, which is primarily taken from the company's HR system. Data from individual companies that is not recorded in the HR system is requested by Group Personnel Controlling and consolidated manually. There are no estimation uncertainties.

For the area of training and skills development, freenet determines the average number of formal learning hours per employee, both in total and broken down by gender. For freenet, formal learning refers to the organised teaching of defined learning content and targets within a structured and institutional framework. The learning process and format are geared towards specific learning outcomes. The average number is calculated by adding up all formal learning hours documented by employees and dividing this by the average number of employees (total and by gender category) during the reporting year. The collection of learning hours per employee is based primarily on data from the company's learning management systems and manual reports from HR managers. This does not include formal learning hours at vocational schools and universities for employees who are in vocational training (e.g. apprenticeships or studies), compulsory training or paid training leave. Furthermore, only formats for which participation can be verified and for which an objectively verifiable measurement of duration can be used as a basis are recorded as learning hours. For learning formats or platforms that provide employees with permanent access and do not have precise time recording, the formal learning hours are taken into account based on information from external partners regarding the average useful life of the platform.

Key figures for work-life balance (S1-15)

All employees within the Group have a statutory right to take leave from work for family reasons in accordance with national law in the Federal Republic of Germany. This leave includes maternity leave, paternity leave, parental leave and leave to care for relatives.

Taking leave for family reasons by gender

In %	2025	2024
Total	**1.4**	**1.6**
Female	4.3	5.0
Male	0.2	0.2
Other[1]	0.0	0.0
Not specified	0.0	0.0

[1] Gender according to the employees' own information

As part of the key figures for work-life balance, the use of leave for family reasons by employees (total and by gender) is recorded for the reporting year. The percentage of employees who have taken family-related leave or holiday is calculated by comparing the number of such employees to the total number of employees (total and by gender category). The use of leave is governed by a standardised process. Data collection is based on data from fully consolidated subsidiaries and is mainly taken from the company's HR system. Data from individual companies that is not recorded in the HR system is requested by Group Personnel Controlling and consolidated manually. There are no estimation uncertainties.

In the 2025 financial year, a total of 1.4% of employees (prior year: 1.6%) took leave for family reasons. The main reasons were maternity leave and parental leave.

Remuneration key figures (S1-16)

Differences in earnings and total remuneration

As indicated	2025	2024
Gender pay gap (in %)	15.5	14.3
Annual total remuneration ratio of the highest paid individual to the median annual total remuneration	125.1	-

The key figures include the earnings gap between men and women for the reporting year. The key figure is calculated by subtracting the average standardised annual target salary of female employees from the average standardised annual target salary of male employees, divided by the average standardised annual target salary of male employees, and is expressed as a percentage. The standardised annual target salary comprises the contractually agreed fixed and variable remuneration components based on 100% target achievement for the year, with a projection to a full-time equivalent. The respective average is calculated from the total of the standardised annual target salaries per gender category divided by the average number of male and female employees in the reporting period. Due to the use of the standardised annual target salary, the key figure is identical to the result that would be obtained using gross hourly earnings. Data collection is based on data from fully consolidated subsidiaries and is mainly taken from the Group's HR system. Data from individual companies that is not recorded in the HR system is requested by Group Personnel Controlling and consolidated manually. There are no estimation uncertainties.

The gender pay gap at freenet amounted to 15.5% in the 2025 financial year (prior year: 14.3%). The earnings difference is primarily due to the fact that at freenet, more men than women hold managerial or specialist positions in the company, which are therefore higher paid.

The remuneration key figures also include the ratio of the total annual remuneration of the highest-paid person in the reporting year to the median total annual remuneration of all employees. This key figure is calculated by dividing the total annual remuneration of the highest-paid individual by the median total annual remuneration of all employees (excluding members of the Executive Board and managing directors).

The total remuneration of the highest-paid person is determined on the basis of the remuneration elements specified in the remuneration system for the Executive Board. Both remuneration elements earned and granted in the reporting year are taken into account. Pure payments from long-term variable remuneration components (LTIP tranches) are not taken into account in order to avoid high volatility of the key figure between reporting years. Instead, LTIP tranches are included in the total remuneration in the year of allocation on the basis of the recorded expense, as are changes in the value of current LTIP tranches from prior years.

The calculation of the median total remuneration for employees is based primarily on the annual gross amount subject to income tax and thus takes into account all income tax-relevant wage types of employees in the Group (excluding members of the Executive Board and managing directors). Approximations were used in the calculation, primarily based on the income subject to income tax. In the company's opinion, these do not lead to any material estimation uncertainties. The primary data on the remuneration components relevant to the annual total remuneration is based on data from the fully consolidated subsidiaries and is mainly extracted from the HR system of freenet. For SuperNova, Exaring and The Cloud, which are not managed in the freenet HR system, the average standardised annual target salary is used, which is requested by Group HR Controlling and consolidated manually. There are no estimation uncertainties.

The ratio of the total remuneration of the highest-paid person in the company to the median total remuneration of all employees included in the calculation was 125.1 in 2025. As in the prior year, the highest-paid person for the 2025 financial year is the Chief Executive Officer, Christoph Vilanek, who will remain in office until 31 May 2025.

Incidents, complaints and severe human rights impacts (S1-17)

Discrimination incidents and complaints

As indicated	2025	2024
Reported incidents of discrimination (including harassment) (number)	1	2
Complaints via channels through which own workforce can raise concerns (number)	0	0
Fines, penalties and compensation payments in connection with incidents (EUR)	0.0	0.0

Severe human rights impacts

As indicated	2025	2024
Severe human rights impacts (number)	0	0
Fines, penalties and compensation payments in connection with incidents (EUR)	0.0	0.0

The following key figures are reported in the area of incidents, complaints and serious human rights impacts: total number of reported incidents of discrimination (including harassment), complaints via channels through which the own workforce can raise concerns, number of severe human rights impacts and related fines. The incidents of discrimination recorded by freenet are based on the grounds specified in the AGG (see S1-1) and are consistent with the ESRS definition. Complaints are defined as issues that fall within the scope of ESRS S1 (e.g. working time). The key figures are collected manually by Group Human Resources Controlling. Data is collected through a Group-wide survey of the respective managers and evaluation of the specific reporting channels (see S1-3), through which employees can submit complaints. Information on fines, penalties and compensation payments is determined based on reports to the legal and human resources departments.

One incident of discrimination was reported in the reporting year (prior year: two incidents). In this specific case, the company launched an investigation as soon as it became aware of the incident, suspended the manager concerned and terminated their employment. A manager who failed to adequately fulfil their responsibilities was given a warning and required to attend prevention seminars. This meant that both preventive and remedial actions were implemented to protect the workforce and minimise future risks. In the reporting year, there were no confirmed serious human rights violations within freenet's own workforce (prior year: 0 cases).

Furthermore, no fines or compensation were paid in connection with serious human rights violations or due to violations of social and human rights factors (prior year: EUR 0.0).

Workers in the value chain (ESRS S2)

Policies (S2-1)

freenet is aware of its responsibility as a company with regard to labour and human rights and attaches great importance to fulfilling this responsibility within its business and procurement processes. Potential negative impacts that its own business activities may have on human rights within the Supply chain must be minimised on an ongoing basis. This is because poor working conditions and disregard for human rights can have a negative impact on the quality and continuity of the value chain and lead to considerable damage to reputation.

freenet AG and its affiliated companies therefore already committed themselves in 2023 to the protection of internationally recognised human rights in a joint policy statement on the protection of human rights published on the freenet AG website, and are striving to continuously improve working conditions along their own value chain.

The target of freenet is therefore to hold manufacturers and suppliers of mobile devices and network operators, in addition to all other business partners, accountable for using their influence and position in the value chain to ensure, in particular, compliance with human rights due diligence obligations and the exclusion of conflict minerals in the production of telecommunications hardware and accessories. However, freenet's ability to exert influence on its main suppliers with regard to human rights issues is limited in view of its share of these suppliers' total business volume and its position in the value chain.

In order to prevent inadequate working conditions and human rights violations for value chain workers at freenet, freenet has developed group-wide policies tailored to the specific requirements and complexity of its own value chain.

With regard to the value chain, we require our suppliers and business partners to comply with our Group-wide Code of Conduct for Suppliers (also known as the Supplier Code of Conduct). This defines minimum standards to be observed in the areas of human rights (e.g. zero tolerance of human trafficking, forced labour or child labour), social standards (e.g. payment of wages in accordance with legal requirements), environmental protection, safety, health and compliance, and is included in all new procurement contracts/processes. Alternatively, strategic suppliers are required to declare that their standards are at least equivalent to those of freenet. Suppliers' commitment to the Supplier Code of Conduct and to the fundamental principles expressed in the Global Compact, the United Nations (UN) Guiding Principles and the International Labour Organisation (ILO) Declaration on Fundamental Rights at Work is implemented as standard via the General Terms and Conditions of Purchase.

In the event of violations of the Supplier Code of Conduct, freenet reserves the right to take appropriate action and impose sanctions depending on the severity of the violation. These include, but are not limited to, demanding immediate rectification of the violation, claiming damages or, as a last resort, terminating the contract. If suppliers or their employees suspect a violation of applicable law or freenet standards, the Supplier Code of Conduct provides for direct contact with the freenet compliance department, which will initiate an investigation if necessary. Contact can also be made anonymously via the whistleblower system publicly available on the freenet AG website.

To further embed corporate responsibility, sustainability matters are integrated into the freenet purchasing guidelines as decision-making parameters. The target is to raise awareness among the relevant employees so that they take ethical, social and environmental considerations into account alongside economic criteria when making procurement decisions. In the context of tenders, information on sustainability issues is therefore regularly obtained, provided this appears reasonable or necessary in the specific case. All suppliers and service providers are always required to give their prior consent to the freenet Supplier Code of Conduct, with the target of ensuring that the defined minimum standards are adhered to throughout the entire value chain.

In order to fulfil its corporate responsibility, freenet has appointed its Chief Compliance Officer as Human Rights Officer. This further emphasises the protection of human rights and the pursuit of fair working conditions throughout the Supply chain. It enables effective monitoring of the implementation of its own Due diligence obligations and those of its suppliers. To support this process, internal and external persons have access to the group-wide whistleblower system, which has been designed in accordance with the provisions of the Whistleblower Protection Act and Section 8 of the Supply Chain Due Diligence Act (LkSG) and can be used to report potential violations of human rights or working conditions. In addition, freenet engages in dialogue with all relevant suppliers and sends them a questionnaire for self-evaluation on a case-by-case basis in order to identify possible risks and any violations in the supply chain and to be able to perform an assessment of them in a subsequent risk analysis.

In this context, the Chief Compliance Officer and Human Rights Officer reports directly to the Chief Financial Officer and also advises the Executive Board of freenet AG as the body responsible for legal compliance and monitoring compliance risks, as well as the management teams of the freenet companies.

The Group-wide Code of Conduct for Suppliers and Business Partners, compliance with which is mandatory under the General Terms and Conditions of Purchase, explicitly addresses key issues such as human trafficking, forced labour and child labour, which are also reflected in the company's Policy Statement.

To enable affected stakeholders to support freenet in their implementation, the relevant content has been published in appropriate places. The Supplier Code of Conduct and the General Terms and Conditions of Purchase are available on the company website. The purchasing policy has been published on the intranet.

As part of its strategy for respect for human rights and protection of natural resources, freenet adheres to recognised national and international standards. The policies implemented and the associated human rights strategy stipulate that the following principles apply both to its own employees and throughout its supply chains:

- United Nations Universal Declaration of Human Rights
- The values of the United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights
- Declaration on Fundamental Principles and Rights at Work and its follow-up by the International Labour Organisation (ILO)
- Combating human rights and environmental risks in accordance with the Supply Chain Due Diligence Act of the Federal Republic of Germany

freenet itself is not aware of any cases in the 2025 financial year (prior year: 0 cases) in which the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises were violated and in which value chain workers were involved.

Engagement with value chain workers (S2-2)

freenet strives to incorporate the perspectives of value chain workers more strongly into its own corporate decision-making processes. However, its ability to influence key suppliers is limited due to the comparatively small share of these suppliers' total business volume and its own positioning within the value chain. Nevertheless, the interests of value chain workers for direct suppliers (known as Tier 1 suppliers) are indirectly taken into account by surveying the respective purchasing manager in the purchasing organisation of freenet and by directly surveying these suppliers in the form of a questionnaire as part of the annual supplier risk analysis based on the German Supply Chain Due Diligence Act (LkSG). After freenet last surveyed all direct suppliers in the 2023 financial year, the company has decided to refrain from conducting an annual survey in order to reduce the bureaucratic burden on its business partners. Instead, direct suppliers who have already been surveyed are currently only surveyed if there is a specific reason to do so or if a contractual relationship with a new supplier is being sought.

With regard to its direct supplier structure, freenet considers its own risk exposure to be low. In terms of the indirect purchasing volume of the suppliers commissioned in 2025, almost all of them are based in Germany, other EU member states or the European Economic Area. These suppliers are therefore subject to comparable legal (transparency) regulations with regard to human rights aspects as freenet AG itself. With a few exceptions, the other suppliers operate from OECD countries or in industries with a low risk profile with regard to violations of internationally recognised human rights or working conditions.

Nevertheless, freenet provides several complaint and whistleblower channels for all violations along its own supply chain, which can be used by all employees throughout the entire supply chain to enter into dialogue with the company, provide information and/or report violations. freenet provides information about this in particular on its company website at fn.de/whistleblower, its Supplier Code of Conduct and the Policy statement on the protection of human rights from 2023.

Operational responsibility for ensuring the process of involving value chain workers and for incorporating the insights gained into the corporate concept lies in particular with the Chief Executive Officer of freenet AG responsible for human resources.

Remediation of negative impacts and channels for value chain workers to raise concerns (S2-3)

freenet is not aware of any human rights violations or breaches of statutory working conditions in its own Supply chain.

In order to identify and respond appropriately to any violations, freenet has implemented a risk management system in accordance with the requirements of the LkSG. In 2023, freenet set out its own commitment to combating human rights violations in its Supply chain in a policy statement that is publicly available on the internet.

The Group has also set up a complaints system, which is managed by freenet's Chief Compliance Officer and Human Rights Officer. This system is available to all stakeholders in German and English and is expressly referred to in freenet's Supplier Code of Conduct.

In addition, the company informs potential whistleblowers via its publicly accessible website fn.de/whistleblower about the possibility of reporting information or complaints to freenet anonymously or by disclosing one's identity. The associated process is documented in the rules of procedure published at the same location. The whistleblower system gives individuals the opportunity to contact the whistleblower committee of the freenet Group by email or telephone. Reports submitted via the system are sent directly to the Whistleblower Committee. This committee consists of the Chief Compliance Officer and the Head of Group Audit, Risk and Control, as well as designated representatives where applicable. The committee evaluates the reports and coordinates any necessary further steps and communication with the whistleblower. One of the key principles of the whistleblower system is to protect whistleblowers from retaliation. The company therefore communicates regularly with the whistleblower – as far as

possible and while safeguarding the right to privacy and data protection – in order to identify and prevent any negative impacts on them. The reports and the resulting findings are subsequently taken into account in the context of risk management and are reported annually to the audit committee of freenet AG. By analysing the nature and scope of use by whistleblowers, the company can determine the extent to which value chain workers are familiar with and trust the relevant structures and procedures. In addition, the Human Rights Officer monitors the implementation of the policy statement at the operational level to ensure that the targeted targets are achieved.

Should significant negative impacts on value chain workers be identified in a business unit in the future, this will be reported to the Human Rights Officer, who will then implement the necessary and appropriate preventive or remediation measures in consultation with the business unit.

Actions, effectiveness and management of material impacts (S2-4)

As part of its materiality analysis in accordance with ESRS 1, freenet has identified human rights violations and working conditions as material issues.

In order to prevent and mitigate any potential negative impacts on value chain workers, the company has taken several actions – as described in detail below – which are regularly monitored and evaluated by the Compliance, Internal Audit and Human Resources departments. The actions taken to date are based on the assumption that the majority of sales volume is generated with business partners who are based in EU member states, the European Economic Area or OECD countries and are therefore subject to comparable legal requirements regarding respect for internationally recognised human rights and working conditions. This assumption was also confirmed by the initial risk analysis for our own business area and suppliers, which had to be carried out in accordance with the requirements of the LkSG and did not reveal any specific material human rights risks within the meaning of the LkSG for employees in our own business area and at freenet suppliers.

The contents of the Supplier Code of Conduct are regularly adapted to social and legal expectations, taking market requirements into account. The Code of Conduct defines minimum standards to be observed in the areas of human rights, social standards, environmental protection, safety, health and compliance. In particular, the Code of Conduct stipulates that there is zero tolerance for forced labour, compulsory labour or human trafficking. With regard to social standards, there is an obligation to pay wages in accordance with legal requirements. In addition, equal opportunities and fair treatment of workers must be ensured.

The Supplier Code of Conduct is included in all new procurement contracts and processes. Alternatively, strategic suppliers are required to declare that their standards are at least equivalent to or exceed those of freenet. In the event of violations of the Supplier Code of Conduct, freenet reserves the right to take appropriate action and impose sanctions depending on the severity of the violation. These include, but are not limited to, demanding immediate rectification of the violation, claiming damages or, as a last resort, terminating the contract.

All direct suppliers of the company that fall within the scope of the purchasing policy were surveyed in 2023 as part of an initial LkSG-specific risk analysis using special questionnaires based on the requirements of the Supply Chain Due Diligence Act. New direct suppliers who have since entered into a business relationship with freenet are contacted by the purchasing department on a risk-based basis as part of the supplier setup process and questioned with regard to their individual risk profile in relation to protected legal positions. The LkSG questionnaires used for this purpose include, among other things, questions on working conditions, working time, minimum wage, Child labour and Forced labour. The answers received are reviewed and evaluated by Compliance. Based on the findings, freenet takes the necessary remediation measures in accordance with Section 7 LkSG, which, depending on the individual case, may extend to the termination of business relationships.

As a further action, freenet has created whistleblower channels throughout the Group through which both internal and external persons can report abuses or violations of legal rights. A whistleblower system is available around

the clock for this purpose. Contact details for reporting suspected compliance violations and further information on the reporting procedure can be found on the freenet AG intranet and on the company website at fn.de/whistle-blower. Reports can be made either anonymously or with disclosure of identity. All whistleblowers are protected from negative consequences as a result of their report in accordance with the EU whistleblower policy. The Whistleblower Committee reviews incoming reports and initiates further investigations if necessary.

freenet does not currently plan any additional actions or initiatives specifically aimed at promoting positive impacts on value chain workers. In the absence of concrete evidence of human rights and/or labour rights violations, the company assumes that the existing actions are effective and meet the requirements with regard to workers within the value chain.

freenet determines the necessity and appropriateness of actions in this context on the basis of a risk analysis for its own business area and supply chain in accordance with the LkSG. In its risk analysis, freenet incorporates the findings obtained from the whistleblower channels to identify and perform an assessment of negative impacts on human rights within its own supply chain. Based on this, preventive and remediation measures are taken where necessary. These include, in particular, but are not limited to, the creation of new policies, the request for immediate rectification of the violation or, as a last resort, the termination of the business relationship.

freenet bases its decision to take Actions and measure their effectiveness primarily on the findings of the risk analysis it has carried out. The supplier risk analysis involves all of freenet's procurement units, which are familiar with their suppliers' organisations and challenges due to their regular contact with them. The assessments of the procurement units are therefore of considerable importance for the implementation of further potential actions, particularly against the backdrop of market economy challenges.

Risk management, which has been aligned with the requirements of the LkSG, is part of the audit universe of freenet Group Internal Audit and is subject to a continuous review process. Findings from prior years regarding the risk areas of the LkSG are included in the audit of the respective area.

If violations are identified by suppliers, risk management for comparable suppliers is reviewed and, if necessary, actions are implemented to improve the detection of similar violations. If LkSG-relevant risks are identified at a supplier, a targeted review of the existing risk management system is carried out. If necessary, actions are implemented to enable the early detection of comparable risks at other suppliers. Information from the process to raise concerns is incorporated into the review and further development of the risk analysis procedure.

Any violations or risks identified at suppliers lead to a review of the policy statement to ensure that these risks are adequately addressed or that necessary adjustments are made. Information provided by the competent supervisory authority is included in the risk management review in order to identify and address any potential weaknesses.

As the parent company of Germany's largest network-independent telecommunications provider, freenet AG pursues the target of to hold not only all suppliers but also smartphone manufacturers and network operators accountable for using their influence and position in the value chain to ensure compliance with human rights due diligence obligations and the exclusion of conflict minerals in the production of telecommunications hardware and accessories. Although freenet has little opportunity to influence these business partners in this regard, the company has taken the actions described above to contribute to the achievement of this goal and to meet its own standards, including within its own business activities.

In order to prevent its own practices from potentially having a material negative impact on the workforce in its own value chain, freenet contacts all direct business partners as part of its risk management in accordance with the LkSG. This LkSG risk management is monitored by the Compliance department, which ensures that the company's own standards are met both within and outside the company.

In the 2025 financial year, no serious problems or incidents relating to human rights were reported within freenet's upstream or downstream value chain (prior year: 0 incidents).

ESG management and compliance play a key role in managing material impacts, working together to analyse and perform an assessment of the company's progress in this area.

Targets (S2-5)

freenet has not set any measurable, results-oriented targets for managing impacts on value chain workers and currently has no plans to do so. freenet's business model is essentially limited to the territory of the Federal Republic of Germany, and its business activities and the immediate upstream and downstream value chain are also concentrated in Germany. freenet assumes that its influence on the sustainability impacts for value chain workers is low. This assessment was confirmed in the risk analysis carried out in accordance with the LkSG, particularly with regard to human rights impacts.

Nevertheless, freenet monitors the effectiveness of its policies and actions in relation to the key sustainability-related impacts within the framework of LkSG risk management. Beyond this, the company has not defined sufficiently specific targets or agreed on qualitative or quantitative indicators.

IT/cyber security (entity-specific disclosures)

The threat posed by cyber attacks represents a significant challenge for the German economy. The impacts and risks identified in this regard in freenet's materiality analysis, particularly for employees and customers, result from the increasing number of cyber attacks to which companies in the information and communications industry are also exposed. The strategic importance of data security for freenet is reflected in the implementation of actions to protect data. This includes both technical and organisational actions aimed at ensuring the integrity, confidentiality and availability of data (see ESRS 2, SBM-2 and ESRS 2 SBM-3).

Policies

IT security guidelines, standards and IT security organisation

The information security guideline of freenet AG sets out the basic principles for handling information security within the company. In addition, an IT security organisation and IT security standards have been established to ensure compliance with the guideline. The targets of these guidelines are to protect the availability, integrity and confidentiality of data, IT applications and IT systems in order to prevent damage to customers, employees and the company and to ensure compliance with legal provisions on information security.

In 2025, the Group-wide policy for secure authentication was introduced. It regulates the processes for secure authentication and helps to prevent unauthorised access to company systems, data and resources. In this way, it supports the achievement of the information security objectives of confidentiality, integrity and availability. The contents of the policy take into account, among other things, one of the risk management measures from section 30 of EU Directive 2022/2555 (NIS 2 Directive).

In addition, the Information Security Policy has been in effect since 2025, setting out binding requirements and procedures for employees' use of the IT infrastructure in order to protect freenet's technical resources and sensitive information from unauthorised access, loss or misuse. This policy applies across the entire Group, with the exception of Media Broadcast GmbH. Similar to the Secure Authentication Policy, the contents of the Information Security Policy take into account the provisions of EU Policy 2022/2555 (NIS-2 Policy).

The three policies are accessible to all employees via the intranet. The policies for secure authentication and information security are communicated by the Executive Board and managers, who pass on the expected conduct within the company to the respective organisational areas; if changes are made, these must be communicated to

employees by the compliance department or freenet IT. In addition, new employees receive the information policy together with their employment contract. The IT security organisation at freenet AG comprises defined roles and responsibilities as well as a binding process for security incident management. Central functions are performed by the IT Security Board, the IT Security Coordinators and the decentralised IT Security Contacts. The IT Security Board consists of the Managing Director Telco - Technology Processes, the Head of IT Infrastructure and the IT Security Coordinators, and is supported in an advisory capacity by the Head of Group Audit, Risk and Control. The board specifies the security concept and security guidelines and decides on the actions necessary to comply with these requirements.

In the event of an IT security incident, the IT Security Board serves as an escalation level. Eight employees in the central teams of the IT security organisation are exclusively responsible for IT security issues. The Client Security and Internet Security teams support the decentralised security contacts by analysing and protecting the Group network and network traffic with AI-based security technology. The threat situation is continuously analysed and recommendations for action are developed based on this analysis. The Managing Director Telco - Technology Processes, who reports directly to the CFO, has central responsibility for the IT security organisation, and the policies are approved by the entire Executive Board.

The Information Security Guideline and IT Security Organisation applies to freenet AG and all companies currently and in future affiliated with freenet AG and their employees, including the members of the Executive Board and managing directors of the companies. Excluded from this are Media Broadcast GmbH and its subsidiaries and affiliated companies (Media Broadcast Group). Media Broadcast has its own information security management system with a specially established IT security organisation and is ISO 27001 certified in the area of cyber security. Media Broadcast pursues a preventive approach to ensuring information security. The ISMS of Media Broadcast is designed to ensure that regulatory and contractual requirements of customers are met. It has comparable elements with regard to IT security organisation and the handling of IT security incidents as freenet IT. The core element of the ISMS is risk management, with the aim of identifying potential threats to information security and taking appropriate actions to mitigate or eliminate these risks. The target is to reduce the likelihood of security incidents and minimise the impacts of security breaches.

Management of security incidents

freenet AG has established a series of processes that come into effect when security incidents become known. These processes aim to minimise the damage caused by security incidents such as cyber attacks or system failures and to restore business continuity.

The security incident management process encompasses IT security monitoring and the handling of IT security incidents with the help of the internal Service Operation Centre and an external incident response partner. An annually tested crisis and emergency plan as well as a recovery plan for the IT infrastructure and software applications are in place to minimise potential downtime or restrictions.

To ensure Information security, largely automated security patch management is also part of regular operations. In addition, the online portals are protected by intelligent threat detection and automatic defence.

Opportunities for optimisation in IT security processes are evaluated during lessons learned sessions and, where necessary, the appropriate technical or procedural adjustments are made.

The scope of application is limited to freenet IT (freenet AG excluding Media Broadcast and Exaring). Media Broadcast has established comparable processes within the framework of its information security management system. The Managing Director Technology & Processes has central responsibility for the management of security incidents.

Engagement with affected stakeholders

Customers are not directly or actively involved in IT and cyber security issues and processes. Nevertheless, in a representative survey of customers conducted in 2024 on the topic of "sustainability", data security was highlighted by customers as an important aspect.

Within freenet's IT security organisation, security-related teams receive regular training. They take part in various events to exchange ideas with other IT security experts and gain a deeper understanding of current IT security issues. The events they attend include workshops at the Federal Office for Information Security (BSI), industry trade fairs and conferences, and trade fairs and conferences on the tools used. In addition, there is a biannual and/or ad hoc exchange with representatives of relevant German authorities such as the Federal Commissioner for Data Protection and Freedom of Information (BFDI), the BSI and the Federal Network Agency (BNetzA). Stakeholder engagement by freenet AG is therefore rather indirect.

Remediation of negative impacts and channels for affected stakeholders to raise concerns

freenet AG has set up various channels to give affected stakeholders (especially customers and employees) the opportunity to express concerns and report incidents. These channels include the whistleblower system (see S2-2 and G1-3 for further information on the system and on the protection of whistleblowers and affected parties against retaliatory measures) the Group Data Protection Officer at freenet AG, the company data protection officers at freenet companies, or the complaints offices of the data protection and IT security supervisory authorities. The reported cases are followed up in accordance with the procedural rules of freenet AG.

In addition, an internal portal for reporting security incidents and an emergency hotline have been set up for employees, both of which are available 24/7. Reports made via the portal and the emergency hotline are processed as IT security incidents in the security incident management process. In order to remedy any negative impacts, freenet AG has taken steps (see section "Management of security incidents") to adapt internal processes and security policies.

Actions, effectiveness and management of material impacts

Internal and external IT security audits

freenet AG conducts an annual cyber risk assessment as part of its cyber risk insurance to evaluate its cyber risk exposure and maturity level with regard to IT/cyber security. The assessments are carried out using the ISO2700x framework, among other things. In addition, the IT crisis plan is tested annually and internal and external penetration tests are carried out. These actions are continued on an annual basis. Furthermore, the implementation of the IT security concept is reviewed by the Federal Network Agency at least every two years in accordance with Section 166 of the Telecommunications Act (TKG), most recently on 18 November 2024. Any weaknesses in IT security are to be identified and remedied through process improvements or technical actions. freenet IT and Media Broadcast are included in the scope of the actions.

Regular awareness-training for employees

freenet AG has implemented actions to regularly raise employee awareness of IT security issues. These actions include providing needs-based information on IT security topics and security incidents, as well as producing internal awareness videos that are shown to employees. Required information on security incidents is communicated to all employees via the collaboration tools Teams and Viva Engage, and in cases of direct involvement, via the internal ticketing system. Depending on the priority of the information, visibility is to be ensured through the chosen means of communication. In addition, phishing campaigns are simulated internally and learning content based on these is currently being tested. Furthermore, mandatory annual training in information security is planned for all employees (except Exaring) from 2025 onwards. These actions contribute to raising employee awareness of data security and will be continued on an ongoing basis.

Targets

freenet AG has not set itself an ESRS-compliant quantitative target, as it is not possible to prevent cyber attacks per se. freenet AG's ambition is to prevent cyber attacks from succeeding or, if they do succeed, to minimise the extent of the damage. This ambition is laid down in the objectives of the information security guideline, which is intended to ensure the confidentiality, integrity and availability of data and systems. This is to be achieved through the use of preventive and reactive processes and technologies to minimise the risk of successful cyber attacks and maximise the protection of sensitive information, in particular customer data. Quantitative key figures used for assessment include the number of attacks repelled and the response time to security incidents, which should be minimised as much as possible. The reference period for measuring progress begins with the implementation of the respective security measures and is reviewed on an ongoing basis.

These approaches are designed to ensure that the effectiveness of cyber security actions is continuously assessed and optimised in order to minimise the likelihood of cyber attacks in the long term. This ambition applies to the entire freenet Group and is ongoing.

Key figures related to IT/cyber security

freenet AG monitors the effectiveness of policies and actions in the area of IT/cyber security and measures their performance in terms of material impacts and risks using various metrics:

Key figures on IT/cyber security

as indicated	2025	2024
Security breaches or incidents related to IT/cyber security (BNetzA/BSI notifications)	0	0
Percentage of incidents resulting in BSI/BNetzA notifications pursuant to Section 168 TKG in which the protection of personal data was breached	0.0	0.0
Fines paid in connection with security breaches or other IT/cyber security incidents	0.0	0.0

Mandatory notifications of security breaches or incidents related to IT/cyber security (BNetzA/BSI notifications)

The key figure "Security breaches or incidents related to IT/cyber security (BNetzA/BSI notifications)" refers to the number of incidents in the reporting year that must be reported to the BNetzA and the BSI in accordance with Section 168 of the German Telecommunications Act (TKG). The material assumption and limitation with regard to this key figure is the assessment of the reporting obligation (pursuant to Section 168 TKG), which must be made by the responsible persons (IT security officers/chief compliance officers).

Percentage of incidents resulting in BSI/BNetzA notifications pursuant to Section 168 KG) in which the protection of personal data was breached

The proportion of incidents leading to BSI/BNetzA reports in accordance with Section 168 of the German Telecommunications Act (TKG) in which the protection of personal data was breached is a percentage figure based on the aforementioned key figure "Security breaches or incidents related to IT/cyber security (BNetzA/BSI notifications)". It is subject to the same limitations and assumptions as the key figure "Security breaches or incidents related to IT/cyber security (BNetzA/BSI notifications)".

Sanctions in the form of fines paid in connection with security breaches or other IT/cyber security incidents

The key figure "Fines paid in connection with security breaches or other IT/cyber security incidents" is the total amount of fines paid in the reporting year for security breaches or other incidents relating to IT/cyber security for events in the reporting year or prior years. The key figure has no limits or significant assumptions. The currency "EUR" used in the financial statements of freenet is used as the unit of measurement.

Governance disclosures

Business conduct: corruption and bribery (ESRS G1)

Business conduct policies and corporate culture (G1-1)

From the perspective of those responsible, the corporate culture at freenet is characterised by a high degree of integrity, cooperation and continuous learning. From freenet's perspective, teamwork and open communication are integral components of creating an inclusive and supportive working environment. Sincerity and professional conduct are therefore essential to the Corporate culture in order to ensure trust and respect among colleagues. Any signs of unethical behaviour must be resolutely opposed. The anti-corruption and bribery matters, which were identified as material in the materiality analysis with regard to corporate policy, are resolutely pursued by freenet. This is because corruption and bribery distort markets and hinder fair competition.

freenet firmly believes that working with integrity forms the basis for sustainable success and trusting Business relationships. To embed this self-image in its corporate culture, freenet relies on comprehensive and clearly defined policies, work instructions and training courses for managing compliance risks and Anti-corruption efforts. These support employees and managers in complying with legal requirements and enable them to behave ethically at all times. These guidelines not only clarify the legal requirements, but also the specific behaviours that are expected within the company. The Executive Board and downstream managers communicate the associated strict basic attitude ("tone from the top") to all areas of the organisation. The works councils also support the compliance policies. This adherence to the law is a fundamental part of the corporate culture and is to be supported by active measures on the part of all parts of the company. The company therefore also pursues a zero-tolerance policy towards corruption offences.

The guidelines on gifts, purchasing and signatures are of crucial importance in this endeavour, as they serve, among other things, to support Anti-corruption efforts, which are assessed as material, and to ensure the integrity of all persons belonging to the Group. For this reason, all policies within the freenet Group are regularly reviewed for compliance with legal requirements and ethical developments and, if necessary, adapted to reflect these developments.

The gift policy aims to prevent the unfair influencing of business transactions, both internally and externally, and regulates when the granting of gifts to business partners, competitors and/or government agencies, as well as the acceptance of gifts by employees, members of the Executive Board, managing directors, executives or other employees, is (un)permissible. Under the gift policy, all employees must report all gifts received and given in excess of EUR 20 to the compliance department via their line managers on a quarterly basis so that gifts, invitations and benefits can be checked for their factual and legal compliance. The acceptance and granting of gifts is only permitted if it can be unequivocally ruled out that a business decision will be influenced.

In contrast, the Signatures Policy is intended to ensure that only appropriately authorised persons conclude contracts and business transactions and that important declarations of intent are not decided solely by one department. To this end, the Policy clearly sets out who is authorised to sign certain contracts, notices of termination or other legally binding declarations with external effect. The Signature Directive is based on the dual control principle, which ensures that legally relevant decisions in particular are always reviewed and supported by several responsible persons.

In addition, the purchasing policy is intended to ensure that purchases are made from the objectively best Supplier for acquisitions of materiality by means of clear procedural guidelines and the mandatory involvement of the purchasing department – as a neutral body alongside the procuring department.

All of the above policies are an integral part of the Compliance Management System (CMS). In addition, the CMS implemented within the Group relies on low-threshold advisory services. The Compliance department provides employees with legal and substantive advice to quickly resolve any uncertainties that may arise in their daily work. Departments and divisions are always notified of new legal developments at an early stage and, if necessary, receive support with implementation.

The investigation and review of any legal violations is also carried out in a multi-pronged manner. Possible violations of rules are pursued in particular by Internal Audit and Anti-Fraud Management. If employees observe misconduct or suspect a violation of laws or internal policies, they are required to report this immediately to the Compliance department.

This policy is designed to minimise the risk of compliance violations, particularly with regard to corruption and bribery. Clear policies raise employee awareness of compliance issues and enable them to easily adapt their behaviour to legal requirements and the communicated corporate stance. Due to the multi-eye principle implemented for legally relevant declarations, there are high hurdles for corruption and bribery, as it is not possible to influence larger cash flows with small amounts of money. This greatly benefits the company's business activities, as it ensures that the objectively best decision for the company is made. At the same time, serious damage to reputation can be avoided, which can have far-reaching negative consequences for the company.

The CMS covers all activities of freenet along the entire value chain and is not limited to the German or European market, even though freenet AG primarily operates in the German market. This is because some of freenet's business partners are based outside Germany and outside the EU. Nevertheless, an effective CMS requires that these business partners are also covered by the scope of application, as there is also a risk of relevant compliance violations there, particularly with regard to corruption and bribery. freenet is aware of its responsibility and has therefore implemented a code of conduct for business partners for many years and made it part of its contractual relationships in the B2B environment.

The policy outlined for business conduct and the promotion of corporate culture with regard to anti-corruption is the responsibility of the Chief Compliance Officer as part of the compliance management system and is implemented in cooperation with the Internal Audit, Human Resources and Legal departments. The Chief Compliance Officer reports directly to the Chief Financial Officer and also advises the Executive Board of freenet AG, as the body responsible for legal compliance and monitoring compliance risks, as well as the management of the freenet companies.

With regard to the economic crime of corruption and bribery, the company believes that the areas most at risk are those in which the briber can influence large cash flows in their favour with relatively little money. This risk exists at freenet z.B. in the context of high-revenue contractual partners, both on the customer and supplier side. The departments or areas most affected are those that deal with mobile network operators, manufacturers or suppliers of mobile devices and electronics retailers operating in Germany. Specifically, these are the purchasing, network operator management and sales organisational units due to their proximity to the commissioning of financial transactions.

Prevention and detection of corruption and bribery (G1-3)

Compliance with legal requirements and underlying ethical principles, including Anti-corruption and bribery matters, is the responsibility of the Internal Audit and Compliance departments at freenet. These departments are organisationally independent from the operating business, have extensive powers and must be granted access to all information necessary for their work. As a listed and highly regulated public limited company and parent company of the largest network-independent telecommunications provider in Germany, freenet AG is subject to special legal regulations that serve, among other things, the prevention and combating of criminal offences such as money laundering, terrorist financing, fraud, corruption, insider trading and market manipulation.

Regular review and assessment of the associated legal regulations and requirements enables the identification of potential compliance risks and the taking of early actions. The departments or divisions are always made aware of new legal developments and, if necessary, supported in their implementation. The compliance department advises employees, members of the Executive Board, managing directors, executives and other employees and supports them in avoiding compliance violations by providing comprehensive and clearly understandable policies.

The company's employees also receive regular training on key compliance issues. In the 2025 financial year, freenet trained around 75% of its employees and members of the Executive Board (prior year: 44.8%) who held positions involving a risk of corruption and bribery, as part of an annual mandatory anti-corruption training course. In addition, more advanced anti-corruption training was introduced for those areas of the company that are particularly vulnerable to corruption and bribery. The majority (more than 70% of employees) have already completed this training. freenet cooperates with an established provider in the market for these training courses and implements selected components of its computer-based training courses in the company's internal training system. The training courses provide employees and members of the Executive Board with theoretical knowledge on anti-corruption using realistic examples and show them in a comprehensible manner how legal requirements can be met.

The compliance department relies on the cooperation of employees and managers in the early detection of violations of legal requirements. It therefore provides a low-threshold whistleblower system through which possible compliance violations or suspected cases can also be reported anonymously if necessary. In addition, the compliance department relies on company-wide networking to be able to counter compliance violations before they occur.

If compliance violations come to light, they are investigated by Compliance and/or Internal Audit, depending on the individual case, e.g. through interviews, data analysis or inspection of documents. The confidentiality of the investigations is ensured at all times and any whistleblowers are protected from reprisals.

The persons entrusted with investigations are fundamentally separate from the management chain involved in the matter. Both the internal audit department and the compliance department are organisationally independent of the operational business. The same applies to the audit committee, which monitors the effectiveness of this system.

The Chief Compliance Officer reports regularly, at least once per financial year, on the implemented processes, developments and special events to the audit committee of the Supervisory Board so that the latter can satisfy itself as to the effectiveness of the CMS. The Supervisory Board is informed immediately if serious risks arise that could jeopardise the existence of freenet AG.

In addition, the Chief Compliance Officer reports directly to the Chief Financial Officer, who forwards the information to the entire Executive Board and Supervisory Board as necessary. The entire Executive Board is regularly informed by the Chief Compliance Officer about any incidents and actions taken in connection with combating, preventing or detecting incidents or allegations relating to corruption or bribery.

All policies are made available to employees on the intranet. As part of its company-wide networking, the compliance department communicates any adjustments and changes to the policies to employees. In addition, the Executive Board and managers communicate the expected conduct within the company to the respective organisational areas.

Incidents of corruption or bribery (G1-4)

Incidents of corruption or bribery

As indicated	2025	2024
Convictions for violations of anti-corruption and anti-bribery laws (number)	0	0
Fines for violations of anti-corruption and anti-bribery laws (EUR)	0.0	0.0

As in the prior years, freenet is not aware of any convictions or fines for violations of corruption and bribery regulations for the 2025 financial year. The company is not aware of any violations of procedures and standards related to anti-corruption and bribery matters.

Convictions for violations of anti-corruption and anti-bribery laws

The key figure "Number of convictions for violations of anti-corruption and bribery laws" includes all confirmed suspected cases during the reporting year that led to criminal sanctions against employees and/or members of the executive bodies of freenet. The key figure does not have any limitations or significant assumptions.

Fines for violations of anti-corruption and anti-bribery laws

The key figure "Fines for violations of anti-corruption and anti-bribery laws" is the total of the amounts paid in the reporting year by employees and/or members of executive bodies as fines for violations of anti-corruption and bribery regulations in the reporting year or prior years. The key figure does not have any limits or significant assumptions. The currency used as the unit of measurement is the euro, as presented in freenet's financial statements. The key figures have not been validated by an external body.

Appendix to the non-financial group statement

List of disclosure requirements in ESRS covered by the sustainability report

General information

ESRS 2 General information	Disclosure requirement/ Reference	Name of disclosure requirement
ESRS 2	BP-1	General basis for preparation
ESRS 2	BP-2	Disclosures in relation to specific circumstances
ESRS 2	GOV-1	Role of the administrative, management and supervisory bodies
G1	GOV-1	Role of the administrative, management and supervisory bodies
ESRS 2	GOV-2	Information provided to and sustainability matters addressed by the Executive and Supervisory Board
ESRS 2	GOV-3	Integration of sustainability-related performance in incentive schemes
E1	GOV-3	Integration of sustainability-related performance in incentive schemes
ESRS 2	GOV-4	Statement on due diligence
ESRS 2	GOV-5	Risk management and internal controls over sustainability reporting
ESRS 2	SBM-1	Strategy, business model and value chain
ESRS 2	SBM-2	Interests and views of stakeholders
S1	SBM-2	Interests and views of stakeholders
S2	SBM-2	Interests and views of stakeholders
Entity-specific disclosures	SBM-2	Interests and views of stakeholders
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
E1	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
S1	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
S2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
Entity-specific disclosures	SBM-3	Entity-specific disclosures: material impacts, risks and opportunities and their interaction with strategy and business model
ESRS 2	IRO-1	Double materiality assessment
E1	IRO-1	Identification and assessment of material climate-related impacts, risks and opportunities
E2	IRO-1	Identification and assessment of material impacts, risks and opportunities related to pollution
E3	IRO-1	Identification and assessment of material impacts, risks and opportunities related to water and marine resources
E4	IRO-1	Identification and assessment of material impacts, risks, dependencies and opportunities related to biodiversity and ecosystems
E5	IRO-1	Identification and assessment of material impacts, risks, dependencies and opportunities related to resource use and circular economy
G1	IRO-1	Identification and assessment of material impacts, risks and opportunities related to business conduct
ESRS 2	IRO-2	ESRS disclosure requirements covered by the sustainability statement

Environmental disclosures

ESRS E1 Climate change	Disclosure requirement/ Reference	Name of disclosure requirement
E1	E1-1	Transition plan for climate change mitigation
E1	E1-2	Policies
ESRS 2	E1-2 (MDR-P)	Minimum disclosure requirements for policies
E1	E1-3	Actions and resources
ESRS 2	E1-3 (MDR-A)	Minimum disclosure requirements for actions and resources
E1	E1-4	Targets
ESRS 2	E1-4 (MDR-T)	Minimum disclosure requirements for targets
E1	E1-5	Energy consumption and mix
E1	E1-6	Gross Scopes 1, 2, 3 and total GHG emissions
E1	E1-7	GHG removals and GHG mitigation projects financed through carbon credit
E1	E1-8	Internal carbon pricing

ESRS E5 Resource use and circular economy	Disclosure requirement/ Reference	Name of disclosure requirement
E5	E5-1	Policies
ESRS 2	E5-1 (MDR-P)	Minimum disclosure requirements for policies
E5	E5-2	Actions and resources
ESRS 2	E5-2 (MDR-A)	Minimum disclosure requirements for actions and resources
E5	E5-3	Targets
ESRS 2	E5-3 (MDR-T)	Minimum disclosure requirements for targets
E5	E5-5	Entity-specific key figure “Return rate of devices”
ESRS 2	E5-5 (MDR-M)	Minimum disclosure requirement for key figures
N/A	N/A	EU-Taxonomy

Social disclosures

ESRS S1 Own workforce	Disclosure requirement/ Reference	Name of disclosure requirement
S1	S1-1	Policies
ESRS 2	S1-1 (MDR-P)	Minimum disclosure requirements for policies
S1	S1-2	Engagement with own workforce and employee representatives
S1	S1-3	Remediation of negative impacts and channels for own workforce to raise concerns
S1	S1-4	Actions, effectiveness and management of material impacts
ESRS 2	S1-4 (MDR-A)	Minimum disclosure requirement for actions and resources
S1	S1-5	Targets
ESRS 2	S1-5 (MDR-T)	Minimum disclosure requirements for targets
S1	S1-6	Characteristics of the undertaking's employees
ESRS 2	S1-6 (MDR-M)	Minimum disclosure requirement for key figures
S1	S1-7	Characteristics of the undertaking's non-employees
ESRS 2	S1-7 (MDR-M)	Minimum disclosure requirement for key figures
S1	S1-9	Diversity key figures
ESRS 2	S1-9 (MDR-M)	Minimum disclosure Rrequirements for key figures
S1	S1-11	Social protection
ESRS 2	S1-11 (MDR-M)	Minimum disclosure Rrequirements for key figures
S1	S1-13	Training and skills development key figures
ESRS 2	S1-13 (MDR-M)	Minimum disclosure Rrequirements for key figures
S1	S1-15	Work-life balance key figures
ESRS 2	S1-15 (MDR-M)	Minimum disclosure requirement for key figures
S1	S1-16	Remuneration key figures
ESRS 2	S1-16 (MDR-M)	Minimum disclosure requirement for key figures
S1	S1-17	Incidents, complaints and severe human rights impacts
ESRS 2	S1-17 (MDR-M)	Minimum disclosure requirement for key figures

ESRS S2 Value chain worker	Disclosure requirement/ Reference	Name of disclosure requirement
S2	S2-1	Policies
ESRS 2	S2-1 (MDR-P)	Minimum disclosure requirements for policies
S2	S2-2	Engagement with value chain workers
S2	S2-3	Remediation of negative impacts and channels for value chain workers to raise concerns
S2	S2-4	Actions, effectiveness and management of material impacts
ESRS 2	S2-4 (MDR-A)	Minimum disclosure requirement for actions and resources
S2	S2-5	Targets
ESRS 2	S2-5 (MDR-T)	Minimum disclosure requirement for targets

Entity-specific disclosures IT/cyber security	Disclosure requirement/ Reference	Name of disclosure requirement
entity-specific disclosures	IT/cyber security	Policies
ESRS 2	IT/Cyber Security (MDR-P)	Minimum disclosure requirements for policies
entity-specific disclosures	IT/cyber security	Engagement of affected stakeholders
entity-specific disclosures	IT/cyber security	Remediation of negative impacts and channels for affected stakeholders to raise concerns
entity-specific disclosures	IT/cyber security	Actions, effectiveness and management of material impacts
ESRS 2	IT/cyber security (MDR-A)	Minimum disclosure requirement for actions and resources
entity-specific disclosures	IT/cyber security	Targets
ESRS 2	IT/cyber security (MDR-T)	Minimum disclosure requirements for targets
entity-specific disclosures	IT/cyber security	Key figures related to IT/cyber security
ESRS 2	IT/cyber security (MDR-M)	Minimum disclosure requirement for key figures

Governance discloures

ESRS G1 Business conduct	Disclosure requirement/ Reference	Name of disclosure requirement
G1	G1-1	Business conduct policies and corporate culture
ESRS 2	G1-1 (MDR-P)	Minimum disclosure requirements for policies
G1	G1-3	Prevention and detection of corruption and bribery
G1	G1-4	Incidents of corruption or bribery
ESRS 2	G1-4 (MDR-M)	Minimum disclosure requirement for key figures

List of data points in cross-cutting and topical standards deriving from other EU legislation

Disclosure requirement	Data point	Name/reference	SFRD Reference	Pillar 3 Reference	Benchmark regulation reference	EU Climate Law Reference	Materiality
ESRS 2							
GOV-1	21 d	Board's gender diversity	X		X		mandatory
GOV-1	21 e	Percentage of board members who are independent			X		mandatory
GOV-4	30	Statement on due diligence	X				mandatory
SBM-1	40 d (i)	Involvement in activities related to fossil fuel activities	X	X	X		mandatory (not applicable)
SBM-1	40 d (ii)	Involvement in activities related to chemical production	X		X		mandatory (not applicable)
SBM-1	40 d (iii)	Involvement in activities related to controversial weapons	X		X		mandatory (not applicable)
SBM-1	40 d (iv)	Involvement in activities related to cultivation and production of tobacco			X		mandatory (not applicable)
ESRS E1							
E1-1	14	Transition plan for climate change mitigation				X	material
E1-1	16 g	Undertakings excluded from Paris-aligned Benchmarks		X	X		material (not applicable)
E1-4	34	GHG emission reduction targets	X	X	X		material
E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	X				material (not applicable)
E1-5	37	Energy consumption and mix	X				material
E1-5	40 - 43	Energy intensity associated with activities in high climate impact sectors	X				material (not applicable)
E1-6	44	Gross Scope 1, 2, 3 and Total GHG	X	X	X		material
E1-6	53 - 55	Gross GHG emissions intensity	X	X	X		material
E1-7	56	GHG removals and carbon credits				X	material (not applicable)
E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			X		material (transitional provision)
E1-9	66 a	Disaggregation of monetary amounts by acute and chronic physical risk		X			material (transitional provision)
E1-9	66 c	Location of significant assets at material physical risk		X			material (transitional provision)
E1-9	67 c	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		X			material (transitional provision)
E1-9	69	Degree of exposure of the portfolio to climate- related opportunities			X		material (transitional provision)
ESRS E2							
E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	X				not material

Disclosure requirement	Data point	Name/reference	SFRD Reference	Pillar 3 Reference	Benchmark regulation reference	EU Climate Law Reference	Materiality
ESRS E3							
E3-1	9	Water and marine resources	X				not material
E3-1	13	Dedicated policy	X				not material
E3-1	14	Sustainable oceans and seas	X				not material
E3-4	28 c	Total water recycled and reused	X				not material
E3-4	29	Total water consumption in m^3 per net revenue on own operations	X				not material
ESRS E4							
SBM-3 – E4	16 a (i)		X				not material
SBM-3 – E4	E4.16 b		X				not material
SBM-3 – E4	16 c		X				not material
E4-2	24 b	Sustainable land / agriculture practices or policies	X				not material
E4-2	24 c	Sustainable oceans / seas practices or policies	X				not material
E4-2	24 d	Policies to address deforestation	X				not material
ESRS E5							
E5-5	37 d	Non-recycled waste	X				not material
E5-5	39	Hazardous waste and radioactive waste	X				not material
ESRS S1							
SBM3 – S1	14 f	Risk of incidents of forced labour	X				material
SBM3 – S1	14 g	Risk of incidents of child labour	X				material
S1-1	20	Human rights policy commitments	X				material
S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			X		material
S1-1	22	Processes and measures for preventing trafficking in human beings	X				material
S1-1	23	Workplace accident prevention policy or management system	X				not material
S1-3	32 c	grievance/complaints handling mechanisms	X				material
S1-14	88 b, c	Number of fatalities and number and rate of work-related accidents	X		X		not material
S1-14	88 e	Number of days lost to injuries, accidents, fatalities or illness	X				not material
S1-16	97a	Unadjusted gender pay gap	X		X		material
S1-16	97 b	Excessive CEO pay ratio	X				material
S1-17	103 a	Incidents of discrimination	X				material
S1-17	104 a	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	X		X		material
ESRS S2							

Disclosure requirement	Data point	Name/reference	SFRD Reference	Pillar 3 Reference	Benchmark regulation reference	EU Climate Law Reference	Materiality
SBM3 – S2	11 b	Significant risk of child labour or forced labour in the value chain	X				material
S2-1	17	Human rights policy commitments	X				material
S2-1	18	Policies related to value chain workers	X				material
S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	X		X		material
S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			X		material
S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	X				material
ESRS S3							
S3-1	16	Human rights policy commitments	X				not material
S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	X	X			not material
S3-4	36	Human rights issues and incidents	X				not material
ESRS S4							
S4-1	16	Policies related to consumers and end-users	X				not material
S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	X		X		not material
S4-4	35	Human rights issues and incidents	X				not material
ESRS G1							
G1-1	10 b	United Nations Convention against Corruption	X				material
G1-1	10 d	Protection of whistle- blowers	X				not material
G1-4	24 a	Fines for violation of anti-corruption and anti-bribery laws	X		X		material
G1-4	24 b	Standards of anti- corruption and anti- bribery	X				material

Proportion of revenues from products or services associated with taxonomy-aligned economic activities – disclosure for the year 2025

Financial Year 2025			2025	Substantial Contribution Criteria							DNSH criteria ('Does Not Significantly Harm')								
Economic Activities (1)	Code(s) (2) [1]	Turnover (3)	Proportion of turnover (4)	Climate Change Mitigation (5)[2]	Climate Change Adaptation (6)[2]	Water and marine resources (7)[2]	Circular economy (8)[2]	Pollution (9)[2]	Biodiversity and ecosystems (10)[2]	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water and marine resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) turnover, 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
		TEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-Eligible Activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
---	---	0	0%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
A.1 Environmentally sustainable activities (Taxonomy-aligned)		**0**	**0%**	---	---	---	---	---	---	---	---	---	---	---	---	---	---		
Of which "Enabling"		*0*	*0%*	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Of which "Transitional"		*0*	*0%*	---						---	---	---	---	---	---	---	---		---
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Data processing, hosting and related activities	CCM 8.1	1,510.4	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Sale of second-hand goods	CE 5.4	1,920.0	0.1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.2%		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	723.6	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.2%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**4,154.1**	**0.2%**	**0.1%**	**---**	**---**	**0.1%**	**---**	**---**								**0.4%**	**---**	**---**
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**4,154.1**	**0.2%**	**0.1%**	**---**	**---**	**0.1%**	**---**	**---**								**0.4%**	**---**	**---**
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities (B)		**2,435,718.9**	**99.8%**																
Total (A + B)		**2,439,873.0**	**100.0%**																

Proportion of turnover/total turnover

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	0.1%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.1%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

[1] This column shows the number and environmental target of the Economic activities. If an activity is assigned to several possible environmental objectives, the target to which the activity is assigned is highlighted. The abbreviations are specified by the Taxonomy Regulation: Climate change mitigation = CCM, Climate change adaptation = CA, Sustainable use and protection of water and marine resources = WTR, Circular economy = CE, Environmental Pollution Prevention and Control = PPC, Biodiversity and ecosystems = BIO (Protection and Restoration of Biodiversity and Ecosystems).
[2] EL = eligible N/EL = non-eligible

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities – disclosure for the year 2025

Financial Year 2025			2025							Substantial Contribution Criteria					DNSH criteria ('Does Not Significantly Harm')				
Economic Activities (1)	Code(s) (2) [1]	CapEx (3)	Proportion of CapEx (4)	Climate Change Mitigation (5)[2]	Climate Change Adaptation (6)[2]	Water and marine resources (7)[2]	Circular economy (8)[2]	Pollution (9)[2]	Biodiversity and ecosystems (10)[2]	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water and marine resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) CapEx, 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
		TEUR	%	%	%	%	%	%	%	J/N	J/N	J/N	J/N	J/N	J/N	J/N	%	E	T
A. Taxonomy-Eligible Activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
---	---	0	0%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
A.1 Environmentally sustainable activities (Taxonomy-aligned)		**0**	**0%**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**		
Of which "Enabling"		*0*	*0%*	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Of which "Transitional"		*0*	*0%*	---						---	---	---	---	---	---	---	---		---
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1,488.9	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.9%		
Data processing, hosting and related activities	CCM 8.1	833.5	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.5%		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	153.7	0.1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								2.3%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**2,476.1**	**1.5%**	**1.4%**	**---**	**---**	**0.1%**	**---**	**---**								**4.6%**	**---**	**---**
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**2,476.1**	**1.5%**	**1.4%**	**---**	**---**	**0.1%**	**---**	**---**								**4.6%**	**---**	**---**
B. Taxonomy-non-eligible activities																			
CapEx of Taxonomy-non-eligible activities		**159,044.9**	**98.5%**																
Total (A + B)		**161,521.0**	**100.0%**																

CapEx share/Total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	1.4%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.1%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

[1] This column shows the number and environmental target of the Economic activities. If an activity is assigned to several possible environmental targets, the target to which the activity is assigned is highlighted. The abbreviations are specified by the Taxonomy Regulation: Climate change mitigation = CCM, Climate change adaptation = CA, Sustainable use and protection of water and marine resources = WTR, Transition to a circular economy = CE, Pollution Prevention and Control = PPC, Biodiversity and ecosystems = BIO (Protection and Restoration of Biodiversity and Ecosystems).
[2] EL = eligible N/EL = non-eligible

Proportion of OpEx from goods or services associated with taxonomy-aligned Economic activities – disclosure for the year 2025

Financial Year 2025			2025	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code(s) (2) 1	OpEx (3)	Proportion of CapEx (4)	Climate Change Mitigation (5)[2]	Climate Change Adaptation (6)[2]	Water and marine resources (7)[2]	Circular economy (8)[2]	Pollution (9)[2]	Biodiversity and ecosystems (10)[2]	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water and marine resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) OpEx, 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
		EUR thousand	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-Eligible Activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
---	---	0	0%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
A.1 Environmentally sustainable activities (Taxonomy-aligned)		**0**	**0%**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**		
Of which "Enabling"		*0*	*0%*	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Of which "Transitional"		*0*	*0%*	---						---	---	---	---	---	---	---	---		---
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	676.4	2.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.5%		
Acquisition and ownership of buildings	CCM 7.7	653.3	2.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.0%		
Data processing, hosting and related activities	CCM 8.1	3,794.3	13.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								15.0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**5,124.0**	**18.3%**	**18.3%**	**---**	**---**	**---**	**---**	**---**								**19.5%**	**---**	**---**
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**5,124.0**	**18.3%**	**18.3%**	**---**	**---**	**---**	**---**	**---**								**19.5%**	**---**	**---**
B. Taxonomy-non-eligible activities																			
OpEx of Taxonomy-non-eligible activities		**22,836.8**	**81.7%**																
Total (A + B)		**27,960.9**	**100.0%**																

OpEx share/Total OpEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	18.3%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

[1] This column shows the number and environmental target of the Economic activities. If an activity is assigned to several possible environmental objectives, the target to which the activity is assigned is highlighted. The abbreviations are specified by the Taxonomy Regulation: Climate change mitigation = CCM, Climate change adaptation = CA, Sustainable use and protection of water and marine resources = WTR, Transition to a circular economy = CE, Environmental Pollution Prevention and Control = PPC, Biodiversity and ecosystems = BIO (Protection and Restoration of Biodiversity and Ecosystems).
[2] EL = eligible N/EL = non-eligible

Activities in the fields of nuclear energy and fossil gas

Description	Answer
Activities in the field of nuclear energy	
The company is active in the research, development, demonstration and deployment of innovative power generation facilities that generate energy from nuclear processes with minimal waste from the fuel cycle, finances such activities or holds risk positions related to these activities.	No
The company is involved in the construction and safe operation of new nuclear installations for the generation of electricity or process heat – including for district heating or industrial processes such as hydrogen production – as well as in improving their safety using the best available technologies. It also finances such activities or holds risk positions in connection with these activities.	No
The company is involved in the safe operation of existing nuclear installations for the generation of electricity or process heat – including for district heating or industrial processes such as hydrogen production – as well as in improving their safety, financing such activities or holding risk positions in connection with these activities.	No
Activities in the field of fossil gas	
The company is involved in the construction or operation of installations for generating electricity from fossil gaseous fuels, finances such activities, or holds risk positions in connection with these activities.	No
The company is involved in the construction, modernisation and operation of installations for combined heat and power/cooling using fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	No
The company is active in the construction, modernisation and operation of heat generation installations that produce heat/cooling from fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	No

Corporate governance and other disclosures

Corporate Governance Statement in accordance with sections 289f, 315d HGB (including DCGK / diversity concept)*

The Corporate Governance Statement contains material aspects of freenet AG's corporate governance reporting. Specifically, it includes:

- the current Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) by the Executive Board and Supervisory Board,
- information on how to access the current remuneration report, the auditor's report and the most recent remuneration resolution of the Annual General Meeting,
- relevant disclosures on corporate governance practices that go beyond the legal requirements,
- the working practices of the Executive Board and Supervisory Board and the composition and working practices of committees,
- the specifications for the proportion of women on the Executive Board and in the two management tiers below the Executive Board,
- whether the minimum proportion of women and men on the supervisory board was complied with during the financial year or, if necessary, an explanation for any deviation,
- as well as a description of the diversity concept for the Supervisory Board and the Executive Board and its targets, its implementation and the results achieved in the financial year or, if necessary, an explanation of why no diversity concept is being pursued.

The Corporate Governance Statement in accordance with sections 289f, 315d HGB and the Declaration of Conformity in accordance with section 161 of the German Stock Corporation Act (AktG) are available at fn.de/cgstatement.

Control and monitoring systems

Design and assessment at freenet

Structure of internal control and monitoring systems*

As part of the establishment of internal control and monitoring systems, freenet analysed key processes with regard to weaknesses and risks and created key controls and codes of conduct to ensure the identification of risks along processes and the definition of controls and codes of conduct to prevent adverse impacts on financial and non-financial success. To this end, the Executive Board defined organisational structures, roles and responsibilities based on the three-line model of the Institute of Internal Auditors (IIA), which are illustrated below.

* Identifies verifiable and non-verifiable disclosures that are not part of the management report, as well as disclosures typical of management reports that are not required by law to be included in the substantive audit of the management report as part of the audit of the annual/consolidated financial statements and therefore remain unaudited as part of the audit of the annual/consolidated financial statements.

Three-line model of freenet AG

The Executive Board is responsible for the appropriate establishment and regular monitoring of internal control and monitoring systems, the adequacy and effectiveness of which is also monitored by the Supervisory Board and audit committee of freenet AG. The individual design may vary depending on the scope of business activities and the risk situation of the business units and companies.

The operational management of the divisions and companies of freenet AG (first line) manages and directs activities and the use of resources in order to achieve the set targets (e.g. guidance or "freenet Ambition 2028"). It ensures compliance with internal company and legal requirements in operational business. This is done in accordance with Group-wide guidelines (e.g. on risk management, internal control systems, Data protection, information security, signing authority) and is implemented in the structural and procedural organisation as far as possible through defined, standardised and automated processes and certifications of selected core processes (e.g. ISO 9001, ISO 14001 or ISO 27001). Furthermore, process-integrated security measures are implemented (e.g. transaction and quality controls, separation of duties and dual control principles, as well as approval mechanisms and access authorisations) to ensure the regularity of processes. Indirect controls in the form of coordination across all management tiers are a central component of freenet's corporate culture. Operational management is also in regular dialogue with the Executive Board and reports on planned, actual and expected results as well as the achievement of targets.

Second-line management oversees and coordinates the design of process-integrated control and monitoring systems across the board. The target is to ensure compliance with internal company guidelines and laws, to guarantee information, technology and corporate security, and to set internal controls, quality and sustainability standards. The central units of the second line perform Group-wide analysis, monitoring and reporting tasks and support the operating units in achieving their targets with expertise and advice.

The material second-tier systems of freenet are:

- risk management system
- Internal control system
- Compliance-Management-System
- IT-Security-Management-System
- Internal control and reporting system

The design of the systems is based on the specifications of the Executive Board and is generally governed by Group-wide policies. Legal requirements, common ISO standards and frameworks from standard-setting bodies (e.g. Committee of Sponsoring Organisations of the Treadway Commission (COSO), the German Federal Office for Information Security (BSI) and the Institute of Public Auditors in Germany (IDW).

Internal control and monitoring systems at freenet are fundamentally interlinked. Regular management exchanges (e.g. in business reviews, in the Governance and IT Security Board or in the ESG Committee) ensure a cross-system orientation and a transparent flow of information. In addition, second-line management is in regular dialogue with the Executive Board and the Supervisory Board or audit committee of freenet AG and reports on the results, adequacy and effectiveness of the higher-level control and monitoring systems.

Group Internal Audit supports the Executive Board in monitoring the respective business areas and companies of freenet AG (first line and second line). Through process-independent monitoring activities in the form of risk-oriented planned and ad hoc special audits, it provides independent and objective audit assurance for the structural and procedural organisation in the business divisions and companies as well as at the process and system level. Group Internal Audit is also in regular dialogue with the Executive Board and the Supervisory Board or audit committee of freenet AG and reports on the audit results, which regularly include statements on the adequacy and effectiveness of internal control and monitoring systems.

In addition, as part of the annual audit of the consolidated financial statements, the auditor of freenet AG reviews accounting-related processes and systems and provides an independent assessment of these.

The design of the process-integrated control and monitoring systems and the process-independent internal audit system at freenet enables management and the Executive Board to take any remaining risks into account appropriately in business management and decision-making.

Summary assessment of adequacy and effectivenes*

As of 31 December 2025, the Executive Board of freenet AG has no information to suggest that the internal control system (including the compliance management system) and risk management system are inadequate or ineffective overall.

When making statements about the adequacy and effectiveness of internal control and monitoring systems, it must always be borne in mind that no system – even if it has been assessed as adequate and effective – can guarantee that all risks will be identified in advance, managed or that any (process) violations will be prevented with certainty.

The summary assessment of the adequacy and effectiveness of internal control and monitoring systems at freenet is based on the exchange of information between the Executive Board and first- and second-line management, as well as on Executive Board and Governance Board meetings, at which the responsible managers report on their activities and findings. The results of the Group audit, which relate directly or indirectly to the above-mentioned systems, do not give rise to any other assessment. Nor is there any indication from the audit committee of the Supervisory Board of freenet AG that internal control and monitoring systems have been inadequate or ineffective.

* Indicates auditable and non-auditable information that is not normally part of the management report as well as information typically included in the management report, the statutory inclusion of which in the substantive audit of the management report as part of the audit of the annual/consolidated financial statements is not required and which therefore is not audited as part of the audit of the annual/consolidated financial statements.

Description of the material characteristics of the internal control and risk management system relevant for the consolidated financial reporting process (section 315 (4) HGB)

freenet's accounting-related internal control and risk management system is conceptually based on the internationally recognised COSO framework. It encompasses all principles, procedures and actions designed to ensure the effectiveness, efficiency and regularity of accounting as well as compliance with the relevant legal provisions.

The core elements of the internal control and monitoring system are process-integrated and process-independent monitoring measures. In the accounting process, these include automated IT process controls, standardised and manual control procedures in business processes (e.g. in the form of the dual control principle) and automatic security measures integrated into workflows (separation of duties, access restrictions).

The departments involved in the accounting process constantly analyse these controls and Actions in relation to new legal requirements and other standards that must be observed, and use them to develop adapted internal guidelines and training courses for the responsible employees.

The accounting for the separate financial statements of freenet AG subsidiaries is largely centralised in SAP accounting systems (SAP FI). In order to minimise the scope for discretion in the recognition, assessment and presentation of items in the consolidated financial statements, uniform accounting policies in accordance with IFRS are set out in a Group accounting manual. The SAP Group Reporting module is used at the highest Group level to consolidate the individual financial statements into consolidated financial statements. The individual management report and notes disclosures are obtained from standardised reporting packages and established reconciliation processes within the internal control and reporting system. Consolidation is the responsibility of the Group Consolidation department. In principle, the processes established in accounting are aimed at the largely automated determination and control of all material accounting-related data.

The target of the controls implemented in the internal control system for the accounting process is to ensure that the financial statements comply with standards and that the accounting process is conducted in accordance with regulations. Approval procedures in connection with the granting of access rights protect the IT systems used in the accounting process against unauthorised access. Internal controls ensure the proper functioning of the interface between SAP FI and the SAP Group Reporting consolidation module, as well as the reconciliation of the standardised reporting packages of the subsidiaries with the consolidated financial statements of freenet AG. Process-integrated, automated monitoring measures are supplemented by manual plausibility checks of relevant interim results and random checks by management or controlling.

The adequacy and effectiveness of the accounting-related control system is ensured by, among other things, process-independent monitoring measures. The Group Audit department is responsible for process-independent internal monitoring. It checks the adequacy and effectiveness of the internal control system in the form of random sample checks in order-related, risk-oriented planned and ad hoc special audits and, if necessary, initiates optimisations in cooperation with management.

In addition, as part of the annual audit of the consolidated financial statements, the auditor of freenet AG assesses the effectiveness of the accounting-related internal control system using a risk-based audit approach, insofar as this is necessary and appropriate for assessing the regularity of the accounting.

The risk management system is partially linked to the internal control system and, in addition to operational risk management, also encompasses systematic risk identification, control and monitoring across the Group. Further details on the risk management system can be found in the section entitled "Risk management system".

Legal Group structure and takeoverrelevant disclosures in accordance with sections 289a (1), 315a (1) HGB

Composition of subscribed capital

The subscribed capital (share capital) of freenet AG amounts to EUR 118,900,598. It is divided into the same number of registered shares. Each share entitles the holder to one vote at the Annual General Meeting.

Share transfer or voting restrictions

The Executive Board is not aware of any restrictions affecting voting rights or the transfer of shares.

Equity investments exceeding 10% of voting rights

According to the voting rights notifications available in accordance with Sections 21 et seq. of the German Securities Trading Act (WpHG), there were no direct or indirect holdings in the capital as of 31 December 2025 that exceeded 10% of the voting rights in freenet AG.

Shares with special rights and control powers

There are no shares with special rights that confer control powers.

Type of voting rights control when employees hold shares in the capital

Insofar as employees hold shares in the capital, they cannot derive any special rights from this.

Appointment and dismissal of members of the Executive Board, amendments to the Articles of Association

The appointment and dismissal of members of the Executive Board of freenet AG are governed by Sections 84 and 85 of the German Stock Corporation Act (AktG) and Section 31 of the German Co-Determination Act (MitbestG) in conjunction with Section 5 (1) of the Articles of Association. The relevant provisions governing amendments to the Articles of Association are Sections 133 and 179 of the German Stock Corporation Act (AktG) and Section 16 of the Articles of Association of freenet AG.

Powers of the Executive Board to issue shares

The Executive Board is authorised by resolution of the Annual General Meeting of 13 May 2025 until 21 May 2030, with the approval of the Supervisory Board, to increase the share capital by issuing new shares against cash and/or non-cash contributions by a total of up to EUR 23,780,000.00 (Authorised capital 2025).

In addition, the Annual General Meeting on 13 May 2025 resolved to increase the share capital by up to a total of EUR 11,980,000.00, divided into 11,980,000 new registered ordinary shares with no par value, on a conditional basis (Conditional capital 2025). The conditional capital increase serves to grant registered no-par value shares to the holders or creditors of convertible and/or option bonds issued on the basis of the authorisation resolved by the Annual General Meeting on 13 May 2025 under agenda item 9.1 and to grant a conversion or option right to registered no-par value shares of the company or to issue a convertible or option bond with a conversion or option right to registered no-par value shares of the company. May 2025 under agenda item 9.1 and which grant a conversion or option right to registered no-par value shares of the company or determine a conversion or option obligation. The Executive Board was authorised to determine the further details of the implementation of a conditional capital increase.

Powers of the Executive Board to repurchase shares

By resolution of the Annual General Meeting on 5 May 2022, the Executive Board was authorised until 4 May 2027 to acquire treasury shares amounting to up to 10% of the current share capital or, if the amount is lower, of the share capital at the time of the respective exercise. This authorisation may be exercised by the company, its subsidiaries or by third parties on behalf of the company or on behalf of its subsidiaries for the acquisition of treasury shares in the amount of up to 10% of the current share capital or, if the amount is lower, of the share capital as it existed at the time of exercise of the authorisation. This authorisation may be exercised by the Company, its subsidiaries or by third parties on behalf of the Company or on behalf of its subsidiaries. The acquisition shall be made at the discretion of the Executive Board via the stock exchange, by means of a public purchase offer, by means of a public invitation to submit offers for sale, by issuing tender rights to shareholders or by using equity derivatives (put or call options or a combination of both). In all other respects, the powers for the Acquisition of own shares exist in accordance with Sections 71 et seq. of the German Stock Corporation Act (AktG).

Detailed information on the share buy-back programmes is available at fn.de/sharebuyback.

Change of control

A change of control could have impacts on the repayment claims arising from the syndicated loan agreements between the freenet Group and the respective banking syndicate, as well as from the promissory note loans issued by freenet AG. In such a case, these loans could be called in part or in full without freenet having any influence on this. Such a change of control may occur, regardless of whether it precedes the takeover bid, if more than 50% of the voting rights in freenet AG are acquired or if one or more persons acting in concert have the right to appoint the majority of the members of the supervisory board of freenet AG. In such a case, freenet would bear the risk that follow-up financing to redeem the repayment claims would not be available or would only be available on less favourable terms.

Company compensation agreement

There are no compensation agreements between the company and the members of the Executive Board or employees in the event of a takeover bid.

Business performance of freenet AG

freenet AG: Business activities, opportunities and risks, management and guidance

freenet AG acts as a holding company within the Group. It performs important central functions for the companies in the Group, including central liquidity management.

Due to corresponding profit and loss transfer agreements, freenet AG's annual results are predominantly driven by the consolidated profit.

The Executive Board of freenet AG has established a comprehensive opportunity and risk management system within the Group, in which all Group companies are integrated.

The opportunities and risks of the individual company freenet AG are therefore essentially identical to the opportunities and risks of the Group as described above in this report.

The net income for the year in freenet AG's separate financial statements, determined in accordance with the provisions of the German Commercial Code (HGB), represents the key financial performance indicator for freenet AG.

freenet AG expects a stable net income for 2026 in accordance with the HGB.

Economic situation

In November 2024, freenet AG replaced the syndicated bank loan from 2016 with a new revolving credit facility. This has a term until 12 November 2029, but includes an option to extend it for a further year. The revolving credit facility amounts to a maximum of EUR 250.0 million and was drawn down at the end of 2025 in the amount of EUR 80.0 million by freenet DLS GmbH and EUR 20.0 million by freenet AG. The interest rates and contractual covenants underlying the loan agreement are essentially in line with standard market conditions for unsecured corporate loans. The maximum margin over the term of the loan agreement is 1.7% p.a. In addition, freenet AG took out bridge financing in the amount of EUR 250.0 million in the 2025 financial year. This has a remaining term until 23 December 2026 and includes two extension options, each with a term of six months. The maximum margin over the term of the loan agreement is 1.5% p.a.

In 2025, EUR 192.0 million from the existing promissory note loans (hereinafter: SSD) were due for repayment as scheduled; the tranches were repaid on time. As of the balance sheet date, there are SSDs with a nominal volume of EUR 223.5 million, with remaining terms extending into 2028. The SSDs are based on interest rates ranging from 1.95% to 4.05% p.a.

Furthermore, freenet AG has granted freenet DLS GmbH a bullet loan of EUR 240.0 million with a term until 30 June 2028 and an interest rate of 5.5% p.a. freenet DLS GmbH may make voluntary repayments at any time and also apply for further loans. In addition, freenet AG has granted EXARING AG a bullet loan with a term until 30 September 2026 and an interest rate of 7.0% p.a. This loan was not drawn down at the end of 2025. EXARING AG may apply for new loans at any time and also make voluntary repayments.

Earnings situation

Revenues in the 2025 financial year amounted to EUR 5.2 million (prior year: EUR 5.3 million) and were mainly attributable to holding activities. This also includes income from subletting office buildings to affiliated companies amounting to EUR 3.4 million (prior year: EUR 3.4 million).

Other operating income rose by EUR 44.1 million to EUR 62.2 million. The increase is mainly due to the write-up of the equity investment in CECONOMY AG in the amount of EUR 59.9 million (prior year: EUR 14.7 million). The decisive factor here was the positive fair value development (stock market price) of the shareholding in CECONOMY AG.

Costs of purchased services for 2025 mainly include rental expenses from sublease agreements amounting to EUR 1.4 million (prior year: EUR 1.4 million).

Personnel expenses amounted to EUR 39.0 million (prior year: EUR 38.1 million). The company employed an average of 237 employees in the 2025 financial year (prior year: 226 employees).

Amortisation of intangible assets and depreciation of Property, plant and equipment amounted to EUR 0.5 million (prior year: EUR 0.6 million).

Other operating expenses amounting to EUR 13.7 million (prior year: EUR 12.4 million) mainly comprise legal and consulting fees of EUR 3.6 million (prior year: EUR 2.5 million), expenses for leased properties including ancillary costs of EUR 1.9 million (prior year: EUR 1.8 million), expenses for services and cost allocations with affiliated companies amounting to EUR 1.4 million (prior year: EUR 1.0 million), expenses for motor vehicles amounting to EUR 1.2 million (prior year: EUR 1.2 million), Supervisory Board remuneration amounting to EUR 1.0 million (prior year: EUR 1.0 million) and expenses for ancillary personnel costs amounting to EUR 0.7 million (prior year: EUR 0.7 million).

Net gain/loss from investments, i.e. income from profit transfers under profit and loss transfer agreements, expenses from loss transfers under profit and loss transfer agreements and income from investments, rose by EUR 55.6 million to EUR 387.4 million in the reporting year (prior year: EUR 329.7 million). The increase is mainly attributable to higher income from profit transfers.

Income from other securities and loans classified as financial assets exclusively comprises income from loans to affiliated companies. This income amounted to EUR 11.4 million (prior year: EUR 13.3 million) and is mainly attributable to freenet DLS GmbH.

Net interest income, as the balance of other interest and similar income and interest and similar expenses, amounted to EUR -10.3 million in the reporting period (prior year: EUR -13.9 million).

Income taxes amounted to EUR 34.7 million in 2025 (prior year: EUR 32.2 million). It should be noted that freenet AG is directly or indirectly affiliated with the material Group companies through profit transfer agreements and therefore bears the tax burden of the entire income tax group.

As a result of the effects described above, freenet AG reports a net profit of EUR 358.2 million for 2025 (prior year: EUR 267.6 million).

Net assets and financial position

The balance sheet total as of 31 December 2025 amounts to EUR 2,411.4 million, an increase of EUR 105.0 million compared to the prior year (EUR 2,306.4 million).

Shares in affiliated companies amounted to EUR 1,592.0 million at the end of the year (prior year: EUR 1,600.6 million).

Loans to affiliated companies decreased to EUR 240.0 million at the end of 2025 as a result of disbursements of EUR 3.7 million and receipts of EUR 8.0 million. Loans to affiliated companies relate to a loan agreement for EUR 1.4 billion concluded with freenet DLS GmbH on 1 July 2011 and increased on 15 March 2016. As of the reporting date, EUR 240.0 million (prior year: EUR 236.3 million) of this amount had been utilised. The remaining term of the loan ends on 30 June 2028. Furthermore, EXARING AG was granted a loan of EUR 30.0 million in 2023, of which EUR 0.0 million (prior year: EUR 8.0 million) had been utilised as of the reporting date. The remaining term ends on 30 September 2026.

Investments increased by EUR 59.9 million in 2025 due to a write-up on the equity investment in CECONOMY AG and amounted to EUR 146.1 million as of 31 December 2025 (prior year: EUR 86.2 million).

Receivables from affiliated companies rose by EUR 51.0 million to EUR 407.2 million and mainly comprise receivables from profit transfer agreements.

On the liabilities side, equity increased by EUR 64.1 million to EUR 1,731.5 million. EUR 358.2 million of this change resulted from the net income for the year and EUR -234.1 million from the dividend distribution made in 2025 for the 2024 financial year. The equity ratio fell to 71.8% as of 31 December 2025, compared with 72.3% as of the prior year's reporting date. In 2025, the calculated value of treasury shares amounting to EUR 2.2 million (prior year: EUR 0.0 million) was deducted from the share capital as a result of the share buyback programme. The excess portion of the acquisition costs, amounting to EUR 57.8 million (prior year: EUR 0.0 million), was offset against the capital reserve.

As the largest item within non-current and current liabilities, liabilities to banks increased by EUR 77.6 million to EUR 496.8 million as of 31 December 2025 (prior year: EUR 419.1 million). The increase is mainly attributable to scheduled Repayments of EUR 192.0 million and payments from loans taken out in the amount of EUR 269.3 million.

As of the prior year's reporting date, liabilities to affiliated companies as of 31 December 2025 amounting to EUR 108.1 million (31 December 2024: EUR 125.9 million) primarily result from internal cash pooling.

Other liabilities amounted to EUR 32.1 million at the end of the year (31 December 2024: EUR 32.6 million) and mainly comprise Liabilities from value added tax.

Büdelsdorf, den 9. März 2026

freenet AG

Der Vorstand

Robin Harries
(CEO)

Ingo Arnold
(CFO)

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Consolidated income statement

In EUR million/as indicated	Note	2025	2024 (restated)[1]
Revenues	**4**	**2,439.9**	**2,477.5**
Other operating income	5	58.9	46.1
Other own work capitalized	6	26.1	24.6
Cost of materials	7	-1,463.2	-1,500.3
Personnel expenses	8	-231.2	-235.5
Other operating expenses	10	-306.3	-287.6
Thereof loss allowances on financial assets and contract assets		-26.2	-14.8
Thereof without loss allowances on financial assets and contract assets		-280.1	-272.8
EBITDA[2]		**524.2**	**524.9**
Depreciation, amortisation and impairment	9	-138.9	-146.0
EBIT[3]		**385.4**	**378.9**
Result of equity-accounted investments	17	-1.0	-5.1
Interest and similar income	11	5.0	6.8
Interest and similar expenses	12	-27.1	-32.5
Other financial result	12	0.3	0.5
Financial result		**-22.8**	**-30.3**
Earnings before income taxes		**362.5**	**348.6**
Income taxes	13	-88.0	-48.8
Consolidated profit from continuing operations		**274.5**	**299.8**
Consolidated profit from discontinuing operations		2.3	-50.8
Consolidated profit		**276.9**	**249.0**
Consolidated profit attributable to shareholders of freenet AG	24	271.3	250.2
Consolidated profit attributable to non-controlling interests	24	5.6	-1.2
Earnings per share (EPS) from continuing operations, basic and diluted (in EUR)		**2.28**	**2.53**
Earnings per share (EPS) from discontinuing operations, basic and diluted (in EUR)		0.02	-0.43
Earnings per share (EPS) basic and diluted (in EUR)	**14.1, 14.2**	**2.30**	**2.10**
Weighted average number of shares outstanding in units, basic and diluted (in millions)	24.1	118.0	118.9

[1] With regard to the adjustments for the 2024 financial year, please refer to the explanations in section 2.17 of the notes to the consolidated financial statements.
[2] EBITDA is defined as earnings from continuing operations before the financial result and income taxes, plus depreciation, amortisation and impairment losses.
[3] EBIT is defined as earnings from continuing operations before the financial result and income taxes.

Consolidated statement of comprehensive income

In EUR million	Note	2025	2024 (restated)[1]
Consolidated profit		**276.9**	**249.0**
Currency conversion differences		-0.1	0.0
Reclassification amounts currency conversion differences		0.0	0.0
Other income / to be reclassified to profit or loss in future periods		**-0.1**	**0.0**
Change in fair value of investments in equity instruments		58.0	8.8
Recognition of actuarial gains and losses from the accounting of pension plans acc. to IAS 19 (2011)	29	3.6	-4.0
Income taxes recognised in other comprehensive income		-2.2	1.1
Other income / to be reclassified to profit or loss in future periods		**59.3**	**5.9**
Other result		**59.2**	**6.0**
Consolidated profit		**336.1**	**255.0**
Consolidated profit attributable to shareholders of freenet AG		330.5	256.2
Consolidated profit attributable to non-controlling interests		5.6	-1.2

[1] With regard to the adjustments for the 2024 financial year, please refer to the explanations in section 2.17 of the notes to the consolidated financial statements.

Consolidated balance sheet

Assets

In EUR million	Note	31.12.2025	31.12.2024 (restated)[1]
Intangible assets	15,16,38	297.7	159.3
Lease assets	2.5	200.6	223.5
Goodwill	15,16,38	1,459.1	1,384.8
Property, plant and equipment	15,16,38	100.6	111.6
Equity-accounted investments	17	0.5	0.4
Deferred income tax assets	18	44.4	97.2
Trade accounts receivable	21	49.3	43.9
Other receivables and other assets	21	129.1	88.7
Other financial assets	21	180.4	115.4
Contract acquistion costs	19	314.2	308.4
Non-current assets		**2,776.1**	**2,533.3**
Inventories	20	67.3	46.7
Current income tax assets	23	9.9	0.2
Trade accounts receivable	21	398.1	337.4
Other receivables and other assets	21	188.1	189.2
Other financial assets	21	68.4	63.0
Liquid assets	22	168.2	181.6
Current assets		**900.1**	**818.1**
Total assets		**3,676.1**	**3,351.4**

[1] With regard to the adjustments as of 31 December 2024, reference is made to the explanations in section 2.17 of the notes to the consolidated financial statements.

Equity and liabilities

In EUR million	Note	31.12.2025	31.12.2024 (restated)[1]
Share capital	24.1	118.9	118.9
Capital reserve	24.2	737.5	737.5
Treasury shares		-60.0	0.0
Accumulated other comprehensive income	24.3	-96.3	-155.5
Consolidated balance sheet result	24.4	831.7	794.5
Equity attributable to shareholders of freenet AG		**1,531.8**	**1,495.4**
Equity attributable to non-controlling interests	24.5	0.6	-5.0
Equity		**1,532.4**	**1,490.4**
Lease liabilities	2.5,28	177.8	201.0
Other liabilities and accruals	26	123.5	119.7
Other financial liabilities	26	67.0	21.8
Financial liabilities	28	199.7	223.0
Deferred income tax liabilities	18	26.4	0.0
Pension provisions	29	65.2	70.2
Other provisions	30	73.5	73.4
Non-current liabilities		**733.0**	**709.0**
Lease liabilities	2.5,28	75.5	77.5
Trade accounts payable	26	382.2	316.9
Other liabilities and accruals	26	451.5	451.0
Other financial liabilities	26	49.5	40.7
Current income tax liabilities	27	40.2	23.4
Financial liabilities	28	376.2	195.6
Other provisions	30	35.5	46.9
Current liabilities		**1,410.7**	**1,152.0**
Total equity and liabilities		**3,676.1**	**3,351.4**

[1] With regard to the adjustments as of 31 December 2024, reference is made to the explanations in section 2.17 of the notes to the consolidated financial statements. With regard to adjustments to capital reserves and the consolidated balance sheet result, please also refer to the statement of changes in equity.

Consolidated statement of changes in equity

1 January to 31 December 2025

In EUR million	Share capital	Capital reserve	Treasury shares	Accumulated other comprehensive income: Currency conversion differences	Accumulated other comprehensive income: Change in fair value of investments in equity instruments	Accumulated other comprehensive income: Revaluation reserve in accordance with IAS 19	Consolidated balance sheet result	Equity attributable to shareholders of freenet AG	Equity attributable to non-controlling interests	Equity
As of 1 January 2025 (restated)	**118.9**	**737.5**	**0.0**	**0.8**	**-141.3**	**-15.0**	**794.5**	**1,495.4**	**-5.0**	**1,490.4**
Dividend payment	0.0	0.0	0.0	0.0	0.0	0.0	-234.1	-234.1	0.0	-234.1
Acquisition of treasury shares	0.0	0.0	-60.0	0.0	0.0	0.0	0.0	-60.0	0.0	-60.0
Consolidated profit	0.0	0.0	0.0	0.0	0.0	0.0	271.3	271.3	5.6	276.9
Change in fair value of investments in equity instruments[1]	0.0	0.0	0.0	0.0	57.1	0.0	0.0	57.1	0.0	57.1
Recognition of actuarial gains and losses acc. to IAS 19 (2011)[1]	0.0	0.0	0.0	0.0	0.0	2.2	0.0	2.2	0.0	2.2
Foreign currency conversion[1]	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1	0.0	-0.1
Subtotal: Consolidated total comprehensive income	0.0	0.0	0.0	-0.1	57.1	2.2	271.3	330.5	5.6	336.1
As of 31 December 2025	**118.9**	**737.5**	**-60.0**	**0.7**	**-84.2**	**-12.8**	**831.7**	**1,531.8**	**0.6**	**1,532.4**

[1] The amounts are netted with the income taxes recognised in other comprehensive income.

1 January to 31 December 2024

In EUR million	Share capital	Capital reserve	Treasury shares	Accumulated other comprehensive income: Currency conversion differences	Accumulated other comprehensive income: Change in fair value of investments in equity instruments	Accumulated other comprehensive income: Revaluation reserve in accordance with IAS 19	Consolidated balance sheet result	Equity attributable to shareholders of freenet AG	Equity attributable to non-controlling interests	Equity
As of 1 January 2024	**118.9**	**567.5**	**0.0**	**0.8**	**-150.0**	**-12.3**	**921.9**	**1,446.7**	**-3.8**	**1,442.9**
Effect from the capitalization and amortization of contract acquisition costs from mobile phone contracts with no fixed term	0.0	0.0	0.0	0.0	0.0	0.0	2.9	2.9	0.0	2.9
Correction of the disclosure of the redemption of treasury shares[1]	0.0	170.1	0.0	0.0	0.0	0.0	-170.1	0.0	0.0	0.0
As of 1 January 2024 (restated)	**118.9**	**737.5**	**0.0**	**0.8**	**-150.0**	**-12.3**	**754.7**	**1,449.6**	**-3.8**	**1,445.9**
Dividend payment	0.0	0.0	0.0	0.0	0.0	0.0	-210.4	-210.4	0.0	-210.4
Consolidated profit	0.0	0.0	0.0	0.0	0.0	0.0	250.2	250.2	-1.2	249.0
Change in fair value of investments in equity instruments[2]	0.0	0.0	0.0	0.0	8.7	0.0	0.0	8.7	0.0	8.7
Recognition of actuarial gains and losses acc. to IAS 19 (2011)[2]	0.0	0.0	0.0	0.0	0.0	-2.7	0.0	-2.7	0.0	-2.7
Foreign currency conversion[2]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal: Consolidated total comprehensive income	0.0	0.0	0.0	0.0	8.7	-2.7	250.2	256.2	-1.2	255.0
As of 31 December 2024	**118.9**	**737.5**	**0.0**	**0.8**	**-141.3**	**-15.0**	**794.5**	**1,495.4**	**-5.0**	**1,490.4**

[1] With regard to adjustments to capital reserves and the consolidated balance sheet result, please also refer to the statement of changes in equity.
[2] The amounts are netted with the income taxes recognised in other comprehensive income.

Consolidated statement of cash flows

In EUR million	Note	2025	2024 (restated)[1]
Earnings from continuing operations before income taxes and financial result (EBIT)		**385.4**	**378.9**
Depreciation, amortisation and impairment of non-current assets	9	138.9	146.0
Dividends received from equity investments		0.0	0.1
Profits from the sale of subsidiaries		-12.0	0.0
Profits/losses from the disposal of non-current assets		0.0	-0.2
Increase in networking capital, unless attributable to investing or financing activities	20, 21, 26, 29, 30	-42.6	-55.5
Cash inflows from the redemption of financial assets from leases		15.0	15.1
Capitalization of contract acquisition costs	19	-318.3	-334.4
Amortization of contract acquisition costs	19	319.3	314.8
Income tax payments	13, 23, 27	-34.7	-38.5
Sales tax back payments		-21.4	0.0
Income from interest and other financial result	11, 12	3.1	5.0
Interest paid	11, 12	-25.5	-25.0
Cash flow from operating activities from continuing operations		**407.2**	**406.3**
Cash flow from operating activities from discontinuing operations		-1.4	-35.6
Cash flow from operating activities	**32.1**	**405.8**	**370.7**
Cash outflows for investments in property and intangible assets		-41.9	-43.7
Cash inflows from the disposal of property and intangible assets		2.1	5.4
Cash outflows for the acquisition of subsidiaries less acquired liquid assets		-201.0	-6.5
Cash inflows from the sale of subsidiaries		37.6	0.0
Cash inflows from the sale of equity-accounted companies		0.0	0.1
Cash outflows into equity of equity-accounted investments		-1.1	-5.3
Cash outflows to acquire other equity investments		0.0	-0.2
Cash inflows from the sale of other investments		0.0	8.2
Cash flow from investing activities from continuing operations		**-204.2**	**-42.0**
Cash flow from investing activities from discontinuing operations		0.0	-0.4
Cash flow from investing activities	**32.2**	**-204.2**	**-42.3**
Cash outflows to company owners and minority shareholders		-234.1	-210.4
Cash outflows for the acquisition of treasury shares		-60.0	0.0
Cash inflows from the assumption of financial liabilities	28	249.3	164.5
Cash outflows from the repayment of financial liabilities	28	-192.0	-178.5
Cash outflows for the repayment of lease liabilities	28	-75.3	-75.7
Cash flow from financing activities from continuing operations		**-312.3**	**-300.0**
Cash flow from financing activities from discontinuing operations		-2.7	-6.6
Cash flow from financing activities	**32.3**	**-315.0**	**-306.6**
Net change in cash funds		**-113.4**	**21.8**
Cash funds at the beginning of the period		181.6	159.8
Cash funds at the end of the period		68.2	181.6

Composition of cash funds

In EUR million	31.12.2025	31.12.2024 (restated)[1]
Liquid assets	168.2	181.6
liabilities to banks for short-term cash management	-100.0	0.0
Cash funds	**68.2**	**181.6**

[1] With regard to the adjustments as of 31 December 2024, reference is made to the explanations in section 2.17 of the notes to the consolidated financial statements.

Composition of free cash flow[1]

In EUR million	2025	2024 (restated)[2]
Cash flow from operating activities from continuing operations	407.2	406.3
Cash outflows for investments in property and intangible assets from continuing operations	-41.9	-43.7
Cash inflows from the disposal of property and intangible assets from continuing operations	2.1	5.4
Cash outflows for the repayment of lease liabilities from continuing operations	-75.3	-75.7
Free cash flow from continuing operations	**292.1**	**292.3**

[1] Free cash flow is a measure used by the Executive Board to manage the Group's financial position and is therefore relevant for understanding the financial position.
[2] With regard to the adjustments for the 2024 financial year, please refer to the explanations in section 2.17 of the notes to the consolidated financial statements.

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1 General information

1.1 Business activity and accounting standards

freenet AG ("Company"), the parent company of the Group (freenet), has its registered office at Hollerstraße 126, 24782 Büdelsdorf, Germany. The Company was founded in 2005 and is registered with the Kiel Local Court under HRB 7306. The Group provides telecommunications, broadcasting and multimedia services in Germany, focusing on Mobile Communications/mobile Internet and DigitalLifestyle.

The consolidated financial statements for the 2025 financial year were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as applicable in the European Union as of 31 December 2025. In addition, the commercial law provisions applicable under Section 315e of the German Commercial Code (HGB) were observed.

The consolidated financial statements were prepared in euros, the functional currency of the company. All amounts are presented in thousands of euros (EUR thousand) or millions of euros (EUR million), as indicated.

The consolidated financial statements were prepared on the basis of the historical cost principle, limited by the fair value assessment of certain financial assets. The annual financial statements of the companies included in the consolidated financial statements are based on uniform accounting and valuation principles. They are prepared as of the reporting date of the consolidated financial statements.

The consolidated financial statements are submitted to the company register.

The following table shows the new or amended standards (IAS/IFRS) and interpretations (IFRIC) that will be mandatory from 1 January 2025 and their impacts on the Group:

Standard/Interpretation		Effective date	Adopted by the EU Commission	Impacts
IAS 21	Amendments to IAS 21: Lack of Exchangeability	01.01.2025	12.11.2024	No impacts

The following table shows the new or amended Standards (IAS/IFRS) and Interpretations (IFRIC) that are not yet mandatory for the 2025 financial year and their impacts on the Group:

Standard/Interpretation		Effective date	Adopted by the EU Commission	Impacts
IFRS 7, IFRS 9	Changes to the classification and measurement of financial instruments	01.01.2026	27.05.2025	No material impact
IFRS 7, IFRS 9	Changes to contracts relating to nature-dependent electricity	01.01.2026	30.06.2025	None
IAS 7, IFRS 1, IFRS 7, IFRS 9, IFRS 10	Annual Improvements to IFRS - Volume 11	01.01.2026	09.07.2025	No material impact
IFRS 18	Presentation and disclosures in financial statements	01.01.2027	Open	Material impacts
IAS 21	Impacts of exchange rate changes on the conversion of financial information in hyperinflationary currencies	01.01.2027	Open	None
IFRS 19	Subsidiaries not subject to public accountability: disclosures	01.01.2027	Open	None

1.2 Basis of consolidation

All companies controlled by the Group are included in the consolidated financial statements as subsidiaries. For a complete list of all companies included in the consolidated financial statements of freenet AG, please refer to our disclosures pursuant to Section 315e of the German Commercial Code (HGB) in note 37. According to IFRS 11, there are two forms of joint arrangements, depending on the nature of the rights and obligations arising from the joint arrangement: joint operations and Joint ventures.

Associated companies are companies over which the Group exercises significant influence but does not control, typically accompanied by a share of voting rights between 20% and 50%.

The companies 01019 Telefondienste Ltd., 01024 Telefondienste Ltd., freenet.de Ltd., freenet Cityline Ltd., freenet DLS Ltd., 01050.com GmbH, vitrado GmbH, freenet Direkt GmbH, MobilCom Multimedia GmbH, klarmobil GmbH, freenet Shop GmbH, SuperNova GmbH, Gravis Computervertriebsgesellschaft mbH ("GRAVIS"), freenet Energy GmbH, freenet Shopping GmbH, freenet Logistik GmbH, Taunus Beteiligungs GmbH, Field Service Deutschland FSD GmbH, Media Broadcast GmbH, Media Broadcast TV Services GmbH and audio.digital NRW GmbH will make use of the exemption provisions of Section 264 (3) of the German Commercial Code (HGB) for the annual financial statements as of 31 December 2025.

In the 2025 financial year, mobilezone Deutschland GmbH, Cologne, mobilezone GmbH, Cologne, and mobilezone exchange GmbH, Bochum (hereinafter collectively referred to as "mobilezone") were added to the basis of consolidation. On the other hand, The Cloud Networks Germany GmbH, Munich, The Cloud Networks Nordic AB, Stockholm (Sweden) and freenet Datenkommunikations GmbH, Hamburg, left the basis of consolidation. At this point, we refer to notes 35 (Acquisitions) and 36 (Sale of subsidiaries).

1.3 Consolidation principles

Companies are included in the consolidated financial statements for the first time (full consolidation) with effect from the date on which control of the subsidiary is transferred to the Group. They are deconsolidated when control ceases. The company controls a company if it can exercise control over the investee, is exposed to fluctuating returns from the investment and can influence the amount of the returns due to its control. Control is usually associated with a voting share of more than 50%. However, when assessing whether control exists, the existence and effect of potential voting rights, rights arising from other contractual agreements and, where applicable, other facts and circumstances that indicate the possibility of control are also taken into account. The Group therefore also examines whether control exists if the parent company holds less than 50% of the voting rights but has the ability to control the company's significant activities. Control may also exist, for example, on the basis of voting agreements.freenet AGreassesses the situation if there are indications that one or more of the control criteria have changed. Amounts due to other shareholders are reported separately.

Capital consolidation is based on the purchase method.

The acquisition cost of a business combination is the total of the fair values of the assets given, the liabilities incurred or assumed, and any equity instruments issued for the purpose of the acquisition. In addition, the acquisition cost includes the fair values of any recognised assets and liabilities resulting from a contingent consideration arrangement.

All identifiable assets, liabilities and contingent liabilities of the acquired company that meet the recognition criteria of IFRS 3.37 are recognised separately at their fair values, regardless of the amount of any non-controlling interest. For each business combination, the Group decides on an individual basis whether the non-controlling interests in the acquired company are recognised at fair value or based on the proportional share of the net assets of the acquired company.

Acquisition-related costs are recognised as expenses when incurred.

When options to tender further shares are granted to non-controlling shareholders in Group companies, accounting is based on the allocation of opportunities and risks arising from these shares. If the opportunities and risks are transferred to the freenet Group, the equity attributable to non-controlling shareholders in the Group is reduced accordingly. Only a financial liability relating to the option obligation is then recognised. If the opportunities and risks remain with the non-controlling shareholders, the equity attributable to non-controlling shareholders remains unchanged. In this case, the financial liability relating to the option obligation is recognised as a charge against the equity attributable to the shareholders of freenet AG. The financial liability is initially assessed at the present value of the estimated repurchase amount at the expected exercise date and subsequently assessed at amortised cost using the effective interest method, taking into account any changes in the repurchase amount.

Transactions with non-controlling interests that do not result in a loss of control are treated as transactions with the Group's equity investors. Any difference between the consideration paid and the relevant share of the carrying amount of the net assets of the subsidiary arising from the acquisition of a non-controlling interest is recognised in equity. Gains and losses arising on the disposal of non-controlling interests are also recognised in equity.

Goodwill is recognised at the acquisition date as the excess of the cost of the business combination over the acquirer's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Any excess of the share in the fair value of the proportionate net assets of the acquired company over the acquisition cost is recognised immediately in profit or loss.

Investments in associated companies and joint ventures are included in the consolidated financial statements using the equity method, meaning that the measurement of the investments is increased or decreased annually by the changes in equity attributable to the freenet Group in the respective company. The Group's share of profits and losses of associated companies and Joint ventures is recognised in the consolidated income statement and in other comprehensive income from the date of acquisition. Dividend payments received reduce the carrying amount of the investment in the associated company. Goodwill arising from the acquisition of associated companies and joint ventures is not reported separately. If the Group's share of the losses of an associated company or joint venture equals or exceeds the value of its investment in these companies, the Group does not recognise any further share of losses. Once the carrying amount of the investment has been reduced to zero, additional losses are only recognised and recorded as a liability with a scope that corresponds to the Group's legal or constructive obligations incurred or payments made on behalf of the associated companies or joint ventures.

If the Group loses control of an entity, the remaining interest is assessed at fair value and the resulting difference is recognised as profit or loss. In addition, all amounts recognised in other comprehensive income relating to that entity are accounted for as would be required if the parent company had sold the related assets and liabilities directly. This means that any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

Intragroup profits and losses, revenues, expenses and income, as well as receivables and liabilities between consolidated companies, are eliminated. The same applies to joint ventures and associated companies in the case of intercompany profit elimination.

1.4 Climate-related impacts

The impact of climate change on freenet's business model is continuously analysed, particularly with regard to the transition to a low-carbon economy. Based on this analysis, the Executive Board does not see any material physical climate risk that would affect the measurement of property, plant and equipment and intangible assets recognised in the balance sheet. However, a material transitional risk has been identified which, in the long term, could lead to higher costs for purchased products and services if the pricing of CO_2 emissions increases. This risk can be mitigated by appropriate actions, such as switching to renewable energy or using an electrified vehicle fleet. As a result of the analysis, the Executive Board assumes that freenet's business model will be only slightly affected by ongoing climate change or by actions to limit it.

2 Accounting policies

The following accounting policies were applied in preparing these consolidated financial statements. The accounting policies have been applied consistently with the prior year.

2.1 Recognition of revenues

The methodology for revenue recognition in accordance with IFRS 15 is based on a multi-stage approach. First, the customer contract and the performance obligations contained therein must be identified. Then, the agreed consideration (the transaction price) must be determined in its entirety and allocated to the separate performance obligations on the basis of the relative stand-alone selling prices. Finally, revenues must be recognised for each identified performance obligation as soon as the performance obligation has been fulfilled by transferring a promised good or service (asset) to the customer. An asset is considered to have been transferred when the customer has obtained control over it. A distinction is made between point-in-time fulfilment of performance obligations (e.g. delivery of mobile phone hardware) and period-based fulfilment of performance obligations (e.g. provision of Mobile communications services over 24 months).

The Group primarily provides services over a short period of time. Revenue is recognised upon completion of the service, provided that the amount can be reliably determined and there is a reasonable likelihood that future economic benefits will flow to the company. Services rendered but not yet invoiced are deferred accordingly in the consolidated financial statements. Revenues are reported excluding value added tax and after deduction of discounts and other price reductions granted. Revenues comprise the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of business.

The majority of the Group's revenues are generated from a large number of end customers, with the remainder coming from business customers.

In addition, we would like to point out the following regarding revenue recognition (for the breakdown by business segment, see note 3, Segment reporting):

Revenues in the Mobile Communications segment are generated primarily from the provision of Mobile Communications services, one-off activation fees and the sale of mobile devices and accessories. Revenues from Mobile Communications services (voice communication and data transmission) include monthly service fees, fees for special features, and connection and roaming charges. Revenues from Mobile Communications services are recognised over the period of service provision using the output method, as this reflects the direct provision of services. Activation fees are recognised at the time the service is provided or over the term of the contract, depending on the nature of the service. Revenues from the sale of mobile devices and accessories are recognised at the time the goods are delivered to the customer or distributor. In addition, revenues in this segment are generated from the planning, construction, installation and maintenance of WiFi networks in schools, which are recognised at the time the service is provided.

With regard to certain brokerage services provided by dealers, where the amount of dealer commissions depends on the future retention of new customers acquired in the Group's customer base and on the amount of future revenues generated by the Group with the new customers acquired, the services received in connection with customer acquisition are deferred at their most likely value and recognised as an expense on a straight-line basis over the average term of the associated end customer contract.

Revenues in the TV and Media segment are generated by providing services to end customers in the areas of IPTV and DVB-T2, as well as by operating and servicing broadcast-related solutions for business customers in the broadcasting and media industry. Revenues are generally recognised on a period-based basis when services are provided to customers using the output method, as this reflects the direct provision of services through the period-based provision of services. In the TV and Media segment, revenues are also generated on a point-in-time basis from the delivery of hardware to end customers, although this is not of materiality.

As part of the business models in the Mobile Communications and TV and Media segments, in addition to the freenet infrastructure, preliminary products from partners such as network operators, hardware and application manufacturers, and TV and radio programme producers are also used, which are distributed via direct and indirect sales channels of freenet after appropriate packaging. In accordance with IFRS 15, it must be assessed whether freenet provides the services or products delivered to the customer as a principal or merely acts as an agent for the partner. Under IFRS 15, a principal position can only be assumed if freenet has control over the specific good or service before it is transferred to the customer.

In the case of services and products sold via the direct sales channel in the Mobile Communications segment, as well as for services and products offered in the TV and Media segment, freenet generally acts as the principal, as the contractual relationship between freenet and the customer, the power of disposal over the products and services lies with freenet prior to transfer to the customer, and the price for the services and products is set by freenet. Freenet therefore reports the full transaction price as revenues.

In the indirect sales channel in the Mobile Communications segment, there are often contractual arrangements in which third-party retailers sell mobile phone contracts on behalf of and for the account of freenet together with subsidised mobile phones, which are sold by these third-party retailers in their own name and on their own account. While freenet acts as the principal for the mobile phone contracts due to its power of disposal and pricing authority, the third-party retailers are to be regarded as the principals for the mobile phones sold. Freenet has no power of disposal over these devices prior to their transfer to the customer, bears no sales risk and has no influence on the price set. In this respect, freenet recognises the full transaction price for the mobile phone service as revenues, but does not recognise any revenues from the sale of mobile phones in these contract arrangements.

For an explanation of "Consideration Paid"/"Consideration Payable", please refer to note 21.

2.2 Intangible assets

Goodwill is tested for impairments at least once a year and whenever there are indications of impairments, and is assessed at its original cost less accumulated impairment losses.

To this end, goodwill is allocated to cash-generating units. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the combination in which the goodwill arose. For details of the allocation, see note 15, Intangible assets, lease assets, property, plant and equipment and goodwill, and note 16, Impairment testing of non-monetary assets in accordance with IAS 36.

The other trademarks are recognised at cost and amortised on a straight-line basis over their estimated useful lives of 72 to 180 months. As of the balance sheet date of 31 December 2025, the remaining useful lives of these trademarks range from 62 to 120 months.

Licences, software and other intangible assets are recognised at cost and amortised on a straight-line basis over their estimated useful lives, which are generally three to four years for software and three to ten years for licences.

Costs incurred in connection with the development or maintenance of software programmes are generally recognised as expenses in the year in which they are incurred. If the costs are clearly attributable to a definable software product that can be utilised by the company and if the expected economic benefits exceed the costs incurred, they are capitalised as intangible assets in the category "Internally generated software". Development costs are capitalised only when technical and economic feasibility can be demonstrated. These costs include, for example, the personnel costs of the software development team or expenses for services and fees incurred in the creation of the asset. They also include an appropriate portion of the corresponding overheads. Capitalised software development costs are amortised using the straight-line method over their expected useful life of three to seven years.

Customer relationships are amortised on a straight-line basis over a period of 36 to 262 months. As of the balance sheet date of 31 December 2025, the remaining useful life of the recognised customer relationships is between 18 and 144 months.

Distribution rights are amortised on a straight-line basis over the expected term of the underlying contracts of 36 to 80 months. As of the balance sheet date of 31 December 2025, the remaining useful life of the recognised distribution rights is between 33 and 80 months.

2.3 Property, plant and equipment

The assessment of property, plant and equipment is generally performed at the cost of purchased / manufactured goods, less scheduled straight-line depreciation and any impairment. The useful lives used for this purpose correspond to the expected useful life of the assets in the company. Residual values have been disregarded in the calculation of depreciation, as they are immaterial.

Residual book values and economic useful lives are reviewed at each balance sheet date and adjusted if necessary.

The scheduled depreciation of property, plant and equipment is generally based on the following useful lives:

Asset	Useful life
Buildings	10 to 50 years
Technical equipment and machinery	3 to 15 years
Motor vehicles	6 to 10 years
IT equipment	3 to 8 years
Telecommunications equipment and hardware	2 to 8 years
Leasehold improvements	3 to 10 years

2.4 Impairment of non-monetary assets

The impairment of non-monetary assets occurs whenever their carrying amounts exceed their recoverable amounts. The recoverable amount is the higher of the fair value of the asset less costs to sell and its value in use.

An impairment test must be performed if events or changed circumstances (triggering events) indicate that the asset may be impaired. In accordance with IAS 36, the recoverable amount of goodwill must be tested at least once a year.

If the reason for impairment no longer applies, the asset is written up to a maximum of the amortised cost. This does not apply to goodwill, as no write-ups are possible in this case.

2.5 Leases

2.5.1 freenet as lessee

The Group generally decides on a case-by-case basis whether to lease or buy items. Agreements that transfer the right to use assets for a specified period of time in return for a payment or series of payments are classified as leases.

For leases relating to the rental of sites, co-location leases, shop/store space, network infrastructure in the TV and Media sector, motor vehicles and other assets, the Group recognises a lease liability as a lessee in the amount of the present value of the lease payments to be made over the term of the contract. The present value is determined taking into account fixed lease payments, variable index-based payments, reasonably certain renewal options, exercise prices of purchase options and payments from early termination of the lease, less any rental incentives received. The lease payments determined are calculated at the start of the lease (commitment date) using the corresponding term-specific marginal borrowing rate. The lease liability is reduced until the end of the lease term by the repayment portion of the lease payment – corresponding interest expenses are reported in the financial result.

At the same time, the Group, as the lessee, capitalises a right of use in the amount of the acquisition costs at the start of the lease. Based on the lease liability, the acquisition costs may be increased by initial direct costs, dismantling costs and lease payments made by the lessee before or at the start of the transfer of use and therefore not included in the lease liability. The rights of use are depreciated over the term of the lease agreements or, if shorter, over the normal useful life of the leased asset in question.

When extension options are exercised and the term of the lease is changed as a result, the right-of-use asset and the lease liability are adjusted by the same amount at the time of the change and an interest rate is recalculated at the time of the term adjustment. Lease modifications resulting from a change in an index-based rate are also reflected by adjusting the right-of-use asset and the lease liabilities, but using the interest rate originally applied.

We provide the following breakdown of lease assets:

In EUR million	31.12.2025	31.12.2024
Right-of-use assets, site leases	99.4	114.4
Right of use shops/stores[1]	65.9	63.7
Right-of-use assets, co-location leases	26.6	35.6
Right-of-use assets, network infrastructure	6.0	8.1
Right-of-use assets, motor vehicles	1.9	1.1
Right-of-use assets, other	0.8	0.6
Total	**200.6**	**223.5**

[1] As of 31 December 2025, this includes operating leases from the subleasing of shop space to franchise partners amounting to EUR 24.7 million (31 December 2024: EUR 25.2 million).

A reconciliation of the rights of use from 31 December 2024 to 31 December 2025 is only possible if the disposals of lease assets due to a reduction in the scope of the lease in terms of time and quantity are taken into account.

Additions to lease assets are reported at EUR 46.5 million for the 2025 financial year (31 December 2024: EUR 25.5 million). This also includes lease additions in connection with the initial consolidation of mobilezone in the amount of EUR 3.9 million. In the reporting year, the amount of depreciation on rights of use is broken down as follows:

In EUR million	2025	2024
Site leases	29.6	29.2
Shops/stores	14.2	14.9
Co-location leases	10.9	10.7
Network infrastructure	3.6	6.4
Motor vehicles	0.9	0.9
Other	0.3	0.3
Total	**59.5**	**62.4**

Other operating expenses include expenses for short-term leases (31 December 2025: EUR 0.3 million, 31 December 2024: EUR 0.3 million) and expenses for leases of low-value assets (31 December 2025: EUR 0.1 million, 31 December 2024: EUR 0.1 million). The variable lease payments also included in other operating expenses, which are not recognised in lease liabilities, are of minor significance.

Interest expenses from lease liabilities amounted to EUR 8.8 million in the reporting year (31 December 2024: EUR 9.9 million). We provide the following breakdown of the maturities of lease liabilities as of 31 December 2025 and 31 December 2024:

In EUR million	31.12.2025	31.12.2024
Maturity ≤ 1 year	75.3	77.5
1 year < maturity ≤ 5 years	153.6	175.7
Maturity > 5 years	24.4	25.3
Total	**253.3**	**278.5**

In the 2025 financial year, total cash outflows from leases will amount to EUR 87.2 million (31 December 2024: EUR 93.9 million).

If extension options that are currently not recognised in the balance sheet (because their likelihood of being exercised is considered low) are exercised, cash outflows in excess of the currently recognised lease liabilities would amount to EUR 431.9 million, as in the prior year. This mainly relates to the extension of the framework sublease agreement with Deutsche Funkturm GmbH in connection with the leasing of space for the Media Broadcast Group's infrastructure.

2.5.2 freenet as lessor

As a lessor, the freenet Group is active in the subletting of sites in the TV and Media sector, shop space, motor vehicles and other assets.

If all material opportunities and risks are transferred, this constitutes a finance lease. In this case, a receivable in the amount of the net investment (31 December 2025: EUR 30.5 million, 31 December 2024: EUR 26.1 million) is recognised in the lease in other financial assets. The receivables included therein relate primarily to the subletting of Sites in the TV and Media sector. The corresponding interest income is reported in the financial result and amounts to EUR 1.0 million in the 2025 financial year (prior year: EUR 1.0 million). Income from variable lease payments that are not included in the assessment of the net investment is immaterial.

Future (undiscounted) cash inflows from finance leases are due as follows as of 31 December 2025 and 31 December 2024:

In EUR million	31.12.2025
2026	14.7
2027	8.6
2028	3.9
2029 et seq.	4.3
Future (undiscounted) cash inflows	**31.5**
Unearned interest income	-1.0
Receivables from finance leases	**30.5**

In EUR million	31.12.2024
2025	16.7
2026	9.2
2027	0.7
2028 et seq.	0.0
Future (undiscounted) cash inflows	**26.6**
Unearned interest income	-0.5
Receivables from finance leases	**26.1**

Lease income from operating leases in which the Group is the lessor is recognised on a straight-line basis over the term of the lease and results primarily from the subleasing of shop space to franchise partners. Lease income from operating leases is reported in other operating income in the amount of EUR 5.8 million (prior year: EUR 6.0 million) in the 2025 financial year.

The future (undiscounted) cash inflows from non-cancellable operating leases are due as follows as of 31 December 2025 and 31 December 2024:

In EUR million	31.12.2025
2026	5.7
2027	3.6
2028	2.3
2029	1.4
2030 et seq.	1.1
Future (undiscounted) cash inflows	**14.1**

In EUR million	31.12.2024
2025	6.0
2026	4.3
2027	2.3
2028	1.3
2029 et seq.	1.2
Future (undiscounted) cash inflows	**15.1**

2.6 Interests in associates and joint ventures

The equity method of accounting for investments in associated companies and joint ventures is applied on the basis of the separate financial statements or consolidated financial statements in accordance with IFRS of the associated company or joint venture concerned, which have been prepared in accordance with the Group's accounting policies. For more information on the equity method, see note 1.3, Consolidation principles.

2.7 Financial instruments

2.7.1 Definition and classification

A financial instrument is a contract that simultaneously results in the creation of a financial asset for one company and a financial liability or equity instrument for another company. For assessment purposes, financial assets and financial liabilities are generally classified as follows:

- Financial assets measured at amortised cost
- Financial assets/liabilities measured at fair value through profit or loss
- Financial assets measured at fair value through other comprehensive income (OCI)
- Liabilities measured at amortised cost

The classification of a financial asset is based on the characteristics of the contractual cash flows of the financial asset and the business model used by management to manage the financial asset. Management determines the categorisation of financial assets and financial liabilities upon initial recognition.

2.7.2 Financial assets measured at amortised cost

The Group assigns the following three categories to this classification:

Liquid assets

Liquid assets consist of cash and cash equivalents, which include cash, demand deposits and other short-term highly liquid financial assets with a remaining maturity of three months or less.

Trade accounts receivable

Trade accounts receivable are amounts owed by customers for goods and services provided in the ordinary course of business. They are classified as current assets, except for those that are due more than twelve months after the balance sheet date. The latter are reported as non-current trade accounts receivable. The Group holds trade accounts receivable in order to collect the contractual cash flows and subsequently performs an assessment of them at amortised cost using the effective interest method.

Non-derivative financial assets

The Group assesses its non-derivative financial assets at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows. In addition, the contractual terms result in cash flows that represent solely repayment and interest payments on the outstanding principal amount. This category includes receivables from trustees and collateral, which are reported under other financial assets.

2.7.3 Financial assets measured at fair value through profit or loss

The Group assigns the following two categories to this classification:

Trade accounts receivable

The freenet Group recognises trade accounts receivable held for trading at fair value through profit or loss. This includes trade accounts receivable from multi-component contracts (mobile phone options) that are sold to a credit institution.

Other equity instruments

The company measures financial investments in equity instruments at fair value through profit or loss where the Group has decided not to recognise changes in fair value in other comprehensive income. As of the balance sheet date, this category includes other investments that are reported under other financial assets.

2.7.4 Financial assets measured at fair value through other comprehensive income

The Group assigns the following category to this classification:

Other equity instruments

Other equity instruments, at fair value through other comprehensive income This category includes investments and securities used to hedge long-term pension obligations, which are reported under other financial assets.

2.7.5 Liabilities measured at amortised cost

Financial liabilities are based on contractual agreements to pay cash or other financial assets to a third party. A financial liability is recognised when freenet becomes a party to the contract. Financial liabilities existing on the balance sheet date are reported under trade accounts payable, financial liabilities and other financial liabilities.

2.7.6 Measurement of financial instruments

Regular purchases and sales of financial assets are recognised on the trade date, i.e. the date on which the Group commits to buy or sell the asset. Financial assets classified as debt instruments are assessed at fair value upon recognition. Transaction costs increase or decrease the acquisition value if the financial asset is not assessed at fair value with changes in value recognised in profit or loss for the period.

Financial assets are divided into two classification categories – those measured at amortised cost and those measured at fair value. If financial assets are assessed at fair value, expenses and income may be recognised either in profit or loss for the period (at fair value through profit or loss, FVTPL) or in other comprehensive income (at fair value through other comprehensive income, FVTOCI). Classification is determined upon initial recognition of the financial asset and is based on the business model for managing financial assets and the characteristics of the contractual cash flows of the financial asset.

A financial asset is assessed at amortised cost if the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows, and
- the contractual terms of the financial asset give rise to cash flows at specified dates that are solely payments of repayment and interest on the outstanding nominal amount.

A financial asset shall be assessed at fair value through other comprehensive income if the following conditions are met:

- the financial asset is held within a business model whose objective is both to collect contractual cash flows and to sell financial assets, and
- the contractual terms of the financial asset give rise to cash flows at specified dates that are solely payments of repayment and interest on the outstanding nominal amount.

Financial assets that are not measured at amortised cost or at fair value through other comprehensive income shall be measured at fair value through profit or loss.

Financial liabilities measured at amortised cost are initially assessed at the fair value of the consideration received, less any transaction costs associated with the borrowing. In subsequent periods, financial liabilities are assessed at amortised cost using the effective interest method. The measurement of derivative financial instruments is performed on the basis of future cash flows, taking into account recognised measurement methods. There are currently no derivatives in the portfolio.

2.7.7 Impairment of financial assets

The Group applies the simplified approach to impairment regulations to measure expected credit losses. Accordingly, the expected credit losses over the term are used for all trade accounts receivable, lease receivables and contractual assets when they are initially recognised. Impairments for financial assets are based on assumptions about default risk and expected loss rates, based on the Group's historical defaults and experience, as well as forward-looking estimates at the end of the financial year.

There have been no defaults on lease receivables in the past. The expected loss rates therefore do not take historical default rates into account, but are based on current and forward-looking information (e.g. remaining term of lease receivables, benchmark information). However, the identified impairment loss was immaterial and was not recognised.

The carrying amount of the receivables is reduced by using an allowance account. As soon as, based on a reasonable assessment, it is no longer possible to realise the receivable, it is derecognised against the allowance account. End customer receivables in the Mobile Communications segment are derecognised at the latest when they are transferred to debt collection. Subsequent payments received on amounts previously derecognised are recognised in profit or loss against the impairments on Trade accounts receivable reported in the income statement.

The Group generally applies the general approach to non-derivative assets, with the exception of trade accounts receivable, receivables from leases and contractual assets, for which the simplified impairment model is applied. The expected credit loss approach uses a three-stage process to allocate loss allowances. In stage 1, all instruments are classified upon recognition. For these instruments, the present value of expected credit losses resulting from possible default events within the next twelve months after the balance sheet date is recognised as an expense. Interest is recognised on the basis of the gross carrying amount, i.e. the effective interest method is applied on the basis of the carrying amount before risk provisioning. Stage 2 includes all instruments that show a significant increase in default risk on the reporting date compared to the date of acquisition. Risk provisions must reflect the present value of all expected losses over the remaining term of the instrument. Interest is recognised on a gross basis, i.e. the effective interest method must be applied on the basis of the carrying amounts before risk provisions are taken into account. Indications of a significant increase in default risk include:

- Significant deterioration in the expected performance and behaviour of the debtor

- Significant deterioration in the credit quality of other instruments of the same debtor
- Actual or expected deterioration in the economic, financial, regulatory or technological circumstances relevant to the debtor's creditworthiness

If, in addition to a significant increase in the risk of default on the reporting date, there is also objective evidence of impairments (stage 3), the risk provision is also measured on the basis of the present value of the expected losses over the remaining term. However, interest recognition must be adjusted in subsequent periods so that interest in-come is calculated in future on the basis of the net carrying amount, i.e. the carrying amount after deduction of risk provisions. Objective indications of impairments include:

- Significant financial difficulties of the issuer or debtor
- A breach of contract, such as a default or delay in interest and principal payments
- An increased likelihood that the borrower will enter into insolvency or other restructuring proceedings

Cash and cash equivalents are also subject to the impairment requirements of IFRS 9. The default risk is significantly reduced by spreading cash and cash equivalents across various major banks and by the short remaining maturities.

2.7.8 Derecognition of financial assets

The freenet Group derecognises a financial asset when the contractual rights to cash flows from a financial asset expire or when it transfers the financial asset and substantially all risks and opportunities associated with ownership of the asset to a third party.

2.7.9 Derecognition of financial liabilities

The freenet Group derecognises a financial liability only when it has been extinguished, i.e. when the obligation specified in the contract has been discharged, cancelled or has expired. In the event of an exchange of debt instruments with substantially different contractual terms or in the event of substantial changes in the contractual terms of an existing liability, the transaction is treated as a repayment of the original financial liability and the recognition of a new financial liability. Any gain or loss arising from the repayment of the original financial liability is recognised in profit or loss.

2.7.10 Netting of financial instruments

Financial assets and liabilities are only offset and reported as a net amount in the balance sheet if there is a legal right to do so and it is intended to settle the transaction on a net basis or to settle the related liability at the same time as the related asset is used.

2.8 Inventories

The assessment of inventories is performed at the lower of the cost of purchased / manufactured goods and the net realisable value on the balance sheet date. Net realisable value is the estimated net selling price less any costs still to be incurred.

2.9 Foreign currency transactions

The items included in the financial statements of each Group company are assessed on the basis of the currency that corresponds to the currency of the primary economic environment in which the company operates (functional currency). The consolidated financial statements are prepared in euros, which is the reporting currency of freenet AG.

Foreign currency transactions are converted into the functional currency at the exchange rates prevailing on the transaction date. Gains and losses resulting from the settlement of such transactions and from the conversion at the closing rate of monetary assets and liabilities denominated in foreign currency are recognised in the income statement. Foreign currency transactions of minor significance took place in the 2025 financial year.

The results and balance sheet items of all Group companies that have a functional currency other than the euro are converted into euros using the modified closing rate method. The resulting currency conversion differences are recognised in other comprehensive income until the disposal of the subsidiary occurs and are reported cumulatively in equity.

2.10 Equity

Ordinary shares, capital reserves, revaluation reserves, treasury shares, the consolidated balance sheet result and minority interests are reported as equity. The costs of capital increases are recognised in equity in the capital reserve after deduction of the current taxes attributable to them.

The Executive Board is authorised by the Annual General Meeting for the acquisition of treasury shares, subject to the approval of the Supervisory Board (Section 71 (1) No. 8 of the German Stock Corporation Act (AktG)). Threshold values are defined for a buyback programme, such as number, total amount and duration. Acquired treasury shares are assessed at cost plus fees per individual transaction.

2.11 Pension provisions

Pension provisions are accounted for and assessed in accordance with IAS 19. The net obligation recognised in the balance sheet, reported in pension provisions and in other receivables and other assets, corresponds to the actuarial present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets plus the influence from the asset ceiling. The present value of the defined benefit obligation is calculated annually by an independent actuarial expert using the single premium method. This present value method takes into account not only the pensions and acquired entitlements known on the balance sheet date, but also expected future increases in pensions and salaries.

Actuarial gains and losses based on experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise. In the event of plans being overfunded, the revaluation component also includes the difference between the interest on the impact of the asset ceiling and the total change in net assets resulting from the impact of the asset ceiling.

Differences between the calculated and actual return on plan assets are recognised in other comprehensive income in the period in which they arise.

Pension commitments are subject to the provisions of the Occupational Pensions Act. Insofar as the pension plans provide for pension benefits, there is a biometric risk of longevity. Further risks arise in relation to pension adjustment obligations from inflation trends and, in the case of salary-dependent commitments, from salary trends.

Past service costs are recognised immediately in profit or loss. Service costs are reported under personnel expenses, while the interest portion of the provision is reported in the financial result.

Contributions to defined contribution pension plans are recognised in profit or loss in the year in which they are incurred.

2.12 Provisions

Provisions are recognised for present legal or constructive obligations to third parties that originated in the past and are uncertain in terms of their timing and/or amount, if the likelihood is that the fulfilment of the obligation will result in an outflow of resources and a reliable estimate of the amount of the obligation can be made. The assessment is based on the best possible estimate of the current obligation as of the balance sheet date, taking into account the discounting of long-term obligations.

If there are a number of similar obligations, the likelihood of an outflow of economic benefits is determined on the basis of the group of obligations. A provision is also recognised if the likelihood of an outflow of economic benefits in relation to individual obligations included in this group is low.

The expected costs for asset retirement obligations for transmission equipment and leasehold improvements are included in the acquisition costs of these installations in accordance with IAS 16. Therefore, if the likelihood of an outflow of resources is high, a provision is recognised for these obligations at the time they arise in accordance with IAS 37 at the present value. Changes in the measurement of the existing provision, i.e. changes in the settlement amount and/or the discount rate, are recognised by adjusting the carrying amount of the transmission facilities and leasehold improvements (upper limit: recoverable amount; lower limit: zero).

Restructuring provisions are primarily focused on severance payments to employees. Provisions for contingent losses primarily relate to vacancy costs.

Provisions for obligations arising from long-term work accounts are assessed on the basis of certain accounting assumptions. Long-term work accounts are set up for longer-term time compensation. They are reduced through leave of absence with continued payment of the current monthly salary. The obligations were offset against the fair values of the corresponding plan assets. To the extent that the fair value of the plan assets exceeds the obligations, the excess assets are reported under other receivables and other assets.

2.13 Employee incentive programmes

In the 2025 financial year, the Group had three material long-term incentive programmes (LTIP programmes) as Employee incentive programmes.

In the LTIP programmes, an LTIP account is maintained for each beneficiary, to which a credit or debit in the form of virtual shares is made for each financial year, depending on the degree to which certain targets defined for that financial year have been achieved. Payments (exclusively in the form of cash payments) less taxes and duties are then possible per financial year within a specified period, depending on the balance of the LTIP account. The amount of these payments depends, among other things, on the share price applicable at the time of payment. The assessment of the provision is performed at the fair value of the virtual shares that are expected to vest. The expense recognised in the financial year from the LTIP programmes is determined on a pro rata basis from the fair value of the virtual shares up to the date on which the virtual shares vest, and subsequently in the amount of the changes in the fair value of the virtual shares that have already vested. The corresponding expense is recognised in personnel expenses. For details, please refer to our explanations under note 25. In addition, there are two other employee incentive programmes in the freenet Group (hereinafter referred to as “other employee incentive programmes”).

2.14 Deferred and current income taxes

Deferred taxes are recognised using the liability method on all temporary differences between the tax values and the carrying amounts of assets and liabilities, as well as on tax loss carryforwards. Deferred taxes are assessed using the tax rates and tax regulations that apply on the balance sheet date or have been substantially enacted and are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets on deductible temporary differences are recognised to the extent that deferred tax liabilities exist. If the amount of deferred tax assets on deductible temporary differences exceeds this value, they are only recognised to the extent that the likelihood is high that these deferred tax assets will be utilised through future profits. Deferred tax assets on existing tax loss carryforwards are also only capitalised to the extent that their utilisation is likely through future profits. The expected future profits are based on the company's planning of pre-tax earnings valid on the balance sheet date.

Deferred tax liabilities arising from temporary differences in connection with investments in subsidiaries and associated companies are recognised unless the timing of the reversal of the temporary differences can be determined by the Group and there is a likelihood that the temporary differences will not reverse in the foreseeable future due to this influence.

Current tax expense is calculated using the tax regulations that are in force or will be in force shortly on the balance sheet date. Management regularly reviews tax returns, particularly with regard to matters that are subject to interpretation, and limits tax liabilities based on the amounts expected to be payable to the tax authorities.

2.15 Judgements, forward-looking assumptions and estimation uncertainties

The presentation of the net assets, financial position and results of operations in the consolidated financial statements is subject to judgements, accounting policies and estimates, as well as forward-looking assumptions and estimates. Actual results may differ from these estimates. The judgements, significant estimates and related assumptions listed below, as well as the uncertainties associated with the selected accounting policies, are crucial for understanding the underlying risks of financial reporting and the impacts that these estimates, assumptions and uncertainties could have on the consolidated financial statements.

Judgements

When determining the measurement-relevant term of a lease in the shops/stores category, it was always assumed that all extension options would be exercised with sufficient certainty (based on operational considerations). Based on forward-looking assumptions, a flat-rate extension of the lease may also occur after a certain term.

For the purpose of assessing subleases relating exclusively to FM in the TV and Media sector, the end of the term is determined separately for each site (investor sites until 31 July 2027 or 31 October 2027, sites of Bayerische Medien Technik GmbH, Munich, until 30 June 2030, sites of other third parties until 31 December 2026).

In the case of multi-component contracts, we draw attention to the following significant judgements, forward-looking assumptions and estimation uncertainties that have a material impact on the consolidated financial statements due to the underlying business model in the Mobile Communications segment and its significance for the Group's net assets, financial position and consolidated financial statements.

To measure the contractual performance obligations, the individual customer contracts are identified and grouped into portfolios based on certain criteria. Aggregated contracts with homogeneous characteristics form a portfolio. There is room for discretion in selecting these criteria (assessing whether homogeneity exists and deciding on the number of portfolios).

Within the customer contracts (or after their aggregation within the portfolios), the relative individual selling prices of the performance obligations are determined in a first step. This involves estimates based on past transactions (such as hardware sales and the provision of mobile phone services over 24 months). In a further step, the net contract position is calculated taking into account other contract components: if the relative individual selling price of a contract component exceeds the transaction price, the transaction prices are reallocated. The resulting net contract position of a contract (or, after aggregation, of a portfolio) is reversed over the underlying contract term in proportion to the respective performance dates or performance periods. The assessment of the respective net contract position is subject to certain assumptions. Future uncertain contractual events that are beyond the control of the freenet Group are anticipated according to their weighted probability of occurrence. Such contractual events include, for example, early contract terminations, cancellations, bad debts, contract modifications and the redemption of contractual rights (material rights) such as vouchers.

Material judgements, estimates and forward-looking assumptions in the accounting for multi-component contracts also arise in the following areas:

- Forward-looking assumptions in determining the expected future customer contract term for the amortisation period of contract acquisition costs and period-related bonuses and commissions from network operators
- Judgements and forward-looking assumptions in determining whether certain cost items are incremental contract acquisition costs that are expected to be reimbursed in the future
- Judgements regarding the assessment of commissions and bonuses received from network operators, namely
- which parts thereof are to be recognised immediately as revenues upon provision of the service as separable services
  - which parts of these thereof represent a reduction in the cost of materials over the promotional period agreed with the network operators due to their discount nature, and
  - which parts have the character of a discount granted over the underlying customer contract term and therefore reduce the cost of materials on a pro rata temporis basis
- Judgements and estimates in deriving the consideration for agency services in indirect sales in order to arrive at the so-called "consideration paid"/"consideration payable" approach

Materiality of estimation uncertainties

With regard to the estimates used in the assumptions for the accounting and assessment of multi-element contracts, reference is made to the above comments on judgements.

Material judgements and estimates relate in particular to the business combination described in note 35. The accounting for business combinations requires estimates, particularly with regard to the parameters used to determine fair value, such as licence fees, projected revenues and margins, the remaining useful lives of contractual relationships and the cost of capital, as well as the useful lives of the acquired intangible assets.

With regard to the forward-looking assumptions made in the context of testing for possible Impairments of goodwill, we refer to note 16.

Impairments for financial assets are based on assumptions about default risk and expected loss rates. The Group exercises judgement in making these assumptions and selecting the input factors for calculating Impairments, based on the Group's past experience and forward-looking estimates at the end of the financial year. Please refer to note 21.

With regard to the accrual for services received from sales commissions for the Group's various products, estimates based on past experience are used to determine the likelihood that the final and non-cancellable commission will be paid. Reference is made to note 7.

The recognition and calculation of provisions and accruals (e.g. for dealer commissions) are dependent on estimates. For obligations in connection with the dismantling of transmission facilities and leasehold improvements, a provision in the amount of the present value of obligations is recognised by the specialist departments (e.g. Real Estate Management) at the time they arise, provided that the likelihood of an outflow of assets is high. The material assumptions here relate to the amount of the expected dismantling costs and the timing of their occurrence. Reference is made to note 30.

For the assumptions and estimates used in the valuation model to determine the provision for the LTIP programme as of 31 December 2025, please refer to note 25.

With regard to pension provisions and similar obligations, note 29 describes the forward-looking assumptions made in the assessment of provisions for pensions and similar obligations. These assumptions relate to the discount rate, the pension trend, the estimated future development of the pensionable income of beneficiaries and the estimated life expectancy. A sensitivity analysis shows that if the discount rate increases by 1.0 percentage point, the present value of funded and unfunded obligations would be EUR 8.8 million lower, while a decrease in the actuarial interest rate of 1.0 percentage point would increase the present value of the funded and unfunded obligations by EUR 10.8 million. For further sensitivity analyses regarding pension obligations, please refer to note 29.

There are business transactions for which the final taxation cannot be conclusively determined in the ordinary course of business. The Group measures the amount of income tax liabilities for expected tax audits on the basis of estimates of whether and to what extent additional income taxes will be due. If the final taxation of these business transactions differs from the initial assumption, this will have impacts on current and deferred income taxes in the period in which the taxation is finally determined. Reference is made to notes 13, 18 and 30.

Deferred tax assets on loss carryforwards are based on corporate planning that incorporates forward-looking assumptions, e.g. regarding overall economic development and the development of the telecommunications market. For the amount of deferred tax assets on loss carryforwards, please refer to note 18.

2.16 Discontinuing operations

Assets and liabilities of a business unit that is sold or discontinued are classified as discontinuing operations in accordance with IFRS 5 if the business activities of this unit can be clearly distinguished from the other business activities within the Group and if it is a material business activity of the Group. Classification as a discontinuing operation occurs at the point in time at which a disposal or discontinuation of this material business activity is considered highly likely.

In accordance with IFRS 5, assets are measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount is most likely to be realised through a sale. At the time of reclassification to discontinuing operations and non-current assets held for sale, the scheduled depreciation of the corresponding assets is discontinued.

In the case of discontinuing operations, a separate amount is reported in the profit and loss account, consisting of the after-tax result from the continuing operations of the discontinuing operation and the after-tax result from changes in fair value less costs to sell and disposals.

2.17 Comparison figures

In the 2025 financial year, a retroactive change was made to the treatment of contract acquistion costs and connection fees for mobile phone contracts with no fixed term. The contract acquistion costs for these contracts are no longer recognised immediately as an expense, as was previously the case, but are now capitalised on the basis of reliable amortisation periods and the expansion of the business, and amortised over the expected duration of the mobile phone contract based on experience. Furthermore, the related connection fees charged to customers are no longer recognised immediately as revenues, but are now recognised on a straight-line basis over the expected term of the mobile phone contract. This led to a retrospective increase in equity (consolidated balance sheet result) as of 1 January 2024 of EUR 2.9 million due to an increase in contract acquisition costs of EUR 5.9 million and an increase in other liabilities and accruals of EUR 2.9 million (thereof EUR 0.6 million in the non-current segment and EUR 2.4 million in the current segment). Compared to the consolidated financial statements as of 31 December 2024, the comparative figures for the prior year 2024 in the present consolidated financial statements show a decrease in revenues of EUR 0.2 million and a decrease in the cost of materials of EUR 3.5 million. EBITDA for the 2024 financial year has therefore increased by EUR 3.3 million. In the consolidated balance sheet as of 31 December 2024 contained in these consolidated financial statements, this change resulted in a total increase in contract acquisition costs of EUR 9.4 million, an increase in other liabilities and accruals of EUR 3.1 million (thereof EUR 0.7 million is non-current and EUR 2.5 million is current) and a corresponding increase in consolidated equity of EUR 6.3 million.

freenet AG repurchased a total of 9,160,418 of its treasury shares in the financial years 2020 to 2022 as part of three share buyback programmes for a purchase price of EUR 179.2 million. The treasury shares were cancelled on 8 June 2022, reducing the share capital by EUR 9.1 million. Contrary to the provisions of stock corporation and commercial law, the excess amount was deducted from the capital reserve. In these financial statements, a correction was therefore made whereby the consolidated net income was reduced retroactively to 1 January 2024 by EUR 170.1 million and the capital reserve was increased by EUR 170.1 million.

3 Segment reporting

In accordance with IFRS 8, operating segments are to be defined on the basis of the internal management of Group divisions whose operating results are regularly reviewed by the company's chief operating decision maker with regard to decisions on the allocation of resources to this segment and the assessment of its profitability.

The Executive Board organises and manages the company as the chief operating decision maker on the basis of the differences between the individual products and services offered. As the Group conducts its business activities almost exclusively in Germany, there is no organisation or management by geographical area. In the 2025 financial year, the Group was active in the following business segments:

Mobile Communications

- Activities as a Mobile Communications service provider – Marketing of Mobile Communications services (voice and data services) of the mobile network operators Deutsche Telekom, Vodafone and Telefónica Deutschland in Germany
- On the basis of network operator agreements concluded with these network operators, offering both its own network-independent services and tariffs and the tariffs of the network operators
- Distribution/sale of mobile devices and additional services in the areas of mobile data communication and digital lifestyle
- "freenet Internet": offering of a proprietary app-based Internet product
- Provision of sales services
- Planning, setup, configuration and maintenance of WiFi networks

TV and Media

- Provision of DVB-T2 services to end customers
- Planning, project management, construction, operation, service and marketing of broadcast-related solutions for business customers in the broadcasting and media industry
- Provision of services, primarily to end customers, in the field of IPTV

Other/holding

- Provision of portal services such as e-commerce/advertising services (these mainly include online shopping and the marketing of advertising space on websites), payment services for end customers and the provision of various digital products and entertainment formats for download or display and use on mobile devices
- Development of communications solutions, IT services and other services for business customers
- Provision of narrowband voice services (call-by-call, preselection) and data services
- Provision of sales services

The two segments "Mobile Communications" and "TV and Media" are the Group's reportable segments within the meaning of IFRS 8. The "Other/holding" segment is an operating segment.

The "Other/holding" segment comprises operating activities as well as other business activities. These are materially important, as they include the holding activities of freenet AG (providing intra-group services in central areas such as legal, human resources and finance), but also areas that cannot be clearly assigned to the operating segments.

With regard to the change in the segment structure from 1 January 2026, please refer to the explanations in note 38.

The segments also provide or provided services to the other business segment. If comparable external market prices exist for internally offered services, these market prices are used as internal transfer prices. Transfer prices for non-marketable services are generally based on the costs incurred (plus overhead surcharge).

Expenses and income are allocated to the segments on the basis of selected criteria in accordance with their economic affiliation. For the purposes of segment reporting, the recognition and assessment of allocated expenses and income do not differ from the recognition and assessment in the consolidated balance sheet and the consolidated income statement, as in the prior year.

A breakdown of third-party revenues by individual products or services is presented in note 4. A further breakdown by individual products or services is not available.

The freenet Group conducts mass business, which is primarily focused on residential customers. In this respect, there are no dependencies on individual customers.

Segment report for the period from 1 January to 31 December 2025

	Reportable segments			Transition		Group
In EUR million	**Mobile Communications**	**TV and Media**	**Total**	**Other/holding**	**Elimination of intersegment revenues and expenses**	**Total**
Third-party revenues	1,993.1	406.4	2,399.5	40.4	0.0	2,439.9
Intersegment revenue	9.6	17.3	26.9	16.4	-43.4	0.0
Total revenues	**2,002.7**	**423.7**	**2,426.4**	**56.8**	**-43.4**	**2,439.9**
Cost of materials to third parties	-1,277.9	-164.8	-1,442.7	-20.4	0.0	-1,463.2
Intersegment cost of materials	-36.3	-1.3	-37.6	-0.9	38.5	0.0
Total cost of materials	**-1,314.2**	**-166.1**	**-1,480.3**	**-21.4**	**38.5**	**-1,463.2**
Gross profit	**688.5**	**257.6**	**946.1**	**35.4**	**-4.8**	**976.7**
Other operating income	59.6	0.8	60.4	3.6	-5.2	58.9
Other own work capitalized	17.6	6.8	24.4	1.7	0.0	26.1
Personnel expenses	-122.3	-64.5	-186.8	-44.4	0.0	-231.2
Other operating expenses	-228.1	-70.4	-298.5	-17.8	10.0	-306.3
Thereof loss allowances on financial assets and contract assets	-24.5	-1.5	-26.0	-0.2	0.0	-26.2
Thereof without loss allowances on financial assets and contract assets	-203.5	-68.9	-272.4	-17.7	10.0	-280.1
Other expenses / income (total)*	**-273.1**	**-127.3**	**-400.4**	**-56.9**	**4.8**	**-452.5**
Thereof intersegment allocation	-4.8	-2.0	-6.9	2.0	4.8	
EBITDA	**415.4**	**130.3**	**545.7**	**-21.5**	**0.0**	**524.2**
Depreciation, amortisation and impairment						-138.9
EBIT						**385.4**
Financial result						-22.8
EBT						**362.5**
Income taxes						-88.0
Consolidated profit from continuing operations						**274.5**
Consolidated profit from discontinuing operations attributable to freenet AG shareholders						2.3
Consolidated profit						**276.9**
Consolidated profit attributable to shareholders of freenet AG						271.3
Consolidated profit attributable to non-controlling interests						5.6
Net cash investments	**19.6**	**18.0**	**37.6**	**2.2**		**39.8**
Thereof from continuing operations	19.6	18.0	37.6	2.2		39.8
Thereof from discontinuing operations	0.0	0.0	0.0	0.0		0.0

* Other expenses/income, as the difference between gross profit and EBITDA, include other operating income, other own work capitalized, personnel expenses and other operating expenses.

Segment report for the period from 1 January to 31 December 2024 (restated)

	Reportable segments			Transition		Group
In EUR million	Mobile Communications	TV and Media	Total	Other/holding	Elimination of intersegment revenues and expenses	Total
Third-party revenues	2,042.8	387.1	2,430.0	47.5	0.0	2,477.5
Intersegment revenue	14.2	12.7	26.9	17.9	-44.8	0.0
Total revenues	**2,057.0**	**399.9**	**2,456.9**	**65.4**	**-44.8**	**2,477.5**
Cost of materials to third parties	-1,315.0	-166.7	-1,481.7	-18.6	0.0	-1,500.3
Intersegment cost of materials	-35.3	-1.6	-36.9	-0.6	37.5	0.0
Total cost of materials	**-1,350.3**	**-168.3**	**-1,518.6**	**-19.2**	**37.5**	**-1,500.3**
Gross profit	**706.7**	**231.6**	**938.3**	**46.2**	**-7.3**	**977.2**
Other operating income	46.9	0.8	47.7	3.9	-5.4	46.1
Other own work capitalized	16.7	6.2	22.9	1.6	0.0	24.6
Personnel expenses	-120.0	-71.8	-191.8	-43.7	0.0	-235.5
Other operating expenses	-219.8	-63.9	-283.7	-16.6	12.7	-287.6
Thereof loss allowances on financial assets and contract assets	-18.5	3.8	-14.7	-0.1	0.0	-14.8
Thereof without loss allowances on financial assets and contract assets	-201.3	-67.6	-269.0	-16.5	12.7	-272.8
Other expenses / income (total)*	**-276.1**	**-128.7**	**-404.8**	**-54.8**	**7.3**	**-452.3**
Thereof intersegment allocation	-6.6	-2.7	-9.3	2.0	7.3	
EBITDA	**430.6**	**102.9**	**533.5**	**-8.7**	**0.0**	**524.9**
Depreciation, amortisation and impairment						-146.0
EBIT						**378.9**
Financial result						-30.3
EBT						**348.6**
Income taxes						-48.8
Consolidated profit from continuing operations						**299.8**
Consolidated profit from discontinuing operations attributable to freenet AG shareholders						-50.8
Consolidated profit						**249.0**
Consolidated profit attributable to shareholders of freenet AG						250.2
Consolidated profit attributable to non-controlling interests						-1.2
Net cash investments	**22.2**	**13.6**	**35.8**	**2.9**		**38.7**
Thereof from continuing operations	21.9	13.6	35.5	2.9		38.3
Thereof from discontinuing operations	0.4	0.0	0.4	0.0		0.4

* Other expenses/income, as the difference between gross profit and EBITDA, include other operating income, other own work capitalized, personnel expenses and other operating expenses.

4 Revenues

A breakdown of revenues of EUR 2,439.9 million (prior year adjusted: EUR 2,477.5 million) by segment can be found in note 3, Segment reporting.

Revenues of EUR 2,079.5 million (prior year: EUR 2,095.0 million) are period-related and EUR 360.4 million (prior year: EUR 382.5 million) are transaction-related.

Of the external revenues of the Mobile Communications segment for the 2025 financial year amounting to EUR 1,993.1 million (previous year adjusted: EUR 2,042.8 million), EUR 1,701.3 million (prior year: EUR 1,718.2 million) was attributable to service revenues (thereof EUR 1,584.7 million (prior year: EUR 1,592.4 million) was attributable to postpaid and EUR 116.6 million (prior year: EUR 125.8 million) to no-frills/prepaid), EUR 213.1 million (prior year: EUR 219.1 million) on hardware revenues and EUR 78.7 million (prior year adjusted: EUR 105.5 million) on other revenues.

Of the external revenues of the TV and Media segment for the 2025 financial year amounting to EUR 406 million (prior year: EUR 387 million), EUR 202 million (prior year: EUR 214 million) is attributable to the Media Broadcast Group and EUR 204 million (prior year: EUR 173 million) to Exaring.

We provide the following disclosures pursuant to IFRS 15.116(b) and IFRS 15.116(c):

In the 2025 financial year, revenues of EUR 42.4 million (prior year: EUR 39.3 million) were recognised, which were recorded on 1 January 2025 in the balance of contractual liabilities to customers from contracts with customers. In the 2025 financial year, revenues of EUR 0.0 million (prior year: EUR 0.0 million) were recognised from performance obligations that were fulfilled or partially fulfilled in prior periods.

The total transaction price attributable to performance obligations that were not fulfilled or only partially fulfilled at the end of the reporting period (IFRS 15.120) amounts to EUR 1,303.7 million (prior year: EUR 1,376.3 million). Of the outstanding performance obligations, EUR 941.4 million relate to 2026, EUR 349.5 million to 2027, EUR 12.8 million to 2028 and EUR 0.0 million to 2029. The relief provisions under IFRS 15.121 were not used for these disclosures.

The disclosures pursuant to IFRS 15.116(a) can be found in note 26, Trade accounts payable, other liabilities and deferrals and other financial liabilities, see sub-item "Deferred income from bonuses and commissions received from network operators". The sub-item "Deferred income from bonuses and commissions received from network operators" corresponds to the contractual liabilities within the meaning of IFRS 15.105.

5 Other operating income

Other operating income includes the gain on the deconsolidation of The Cloud Group (see note 36.1) as well as income from reminder and return debit fees, income from the recharging of expenses, advertising subsidies (unless dependent on the activation of new customers) and income from subleases (operating leases).

Please refer to our comments on note 2.5, Leases.

6 Other own work capitalized

Other own work capitalized mainly relates to the development of software in the mobile communications sector, which is almost exclusively attributable to strategic projects and the Company's own installation services in connection with the construction of broadcasting infrastructure.

Capitalised costs comprise directly attributable direct costs, which are mainly related to consulting and personnel costs, as well as directly attributable overheads.

7 Cost of materials

The cost of materials is composed as follows:

In EUR million	2025	2024 (restated)
Costs of purchased goods	265.3	283.7
Costs of purchased services	1,197.8	1,216.6
Total	**1,463.2**	**1,500.3**

The costs of purchased goods are mainly composed of the cost of mobile phones, computers/IT products and bundles from the prepaid business sold.

Costs of purchased services mainly comprise fees for mobile telephony and mobile data as well as commissions and bonuses paid to sales partners.

We make the following disclosure pursuant to IFRS 15.127 and 15.128: In the 2025 financial year, contract acquistion costs of EUR 319.3 million (prior year adjusted: EUR 314.8 million) were amortised. Under IFRS 15, the amortization of contract acquisition costs occurs on a straight-line basis over the term of the underlying contractual relationship, predominantly over a period of 24 months. As in the prior year, the contract acquisition costs amortised in 2025 relate almost exclusively to sales partner commissions.

8 Personnel expenses

Personnel expenses are composed as follows:

In EUR million	2025	2024
Wages and salaries	194.2	199.3
Social security contributions and pension expenses	37.0	36.2
Total	**231.2**	**235.5**

The Group employed an average of 3,085 employees in the 2025 financial year (prior year: 3,419), of whom 0 were employed in the discontinuing operations (prior year: 266). At the end of the financial year, the Group employed 2,985 employees (prior year: 3,196), of whom 0 were employed in the discontinuing operations (prior year: 29). As of 31 December 2025, this included 33 (prior year: 37) employees and 180 (prior year: 214) vocational trainees and vocational academy students.

The Group's employee incentive programmes resulted in personnel expenses of EUR 12.2 million in accordance with IFRS 2 (prior year: EUR 12.1 million).

For an explanation of the employee incentive programmes, please refer to our comments on notes 2.13 and 25 Employee incentive programmes.

Personnel expenses also include expenses for defined benefit plans amounting to EUR 0.8 million (prior year: EUR 0.8 million); see also note 29.

Personnel expenses include employer contributions to social security of EUR 16.2 million (prior year: EUR 15.6 million) as expenses for defined contribution plans.

9 Depreciation, amortisation and impairment

The composition of depreciation and amortisation is shown in the following table:

In EUR million	2025	2024
Depreciation, amortisation and impairment of lease assets	59.5	62.4
Amortisation of intangible assets	51.5	50.5
Depreciation of property, plant and equipment	27.6	32.0
Impairment of intangible assets	0.2	0.4
Impairment of property, plant and equipment	0.0	0.3
Impairments on goodwill	0.0	0.2
Total	**138.9**	**146.0**

For depreciation, amortisation and impairment on lease assets, please refer to our comments in note 2.5.

As in the prior year, the impairment of intangible assets relates to licences that are no longer in use.

10 Other operating expenses

Other operating expenses mainly comprise marketing costs (EUR 132.3 million in 2025 compared to EUR 114.6 million in 2024), legal/consulting costs, administrative costs (e.g. ancillary costs for shops and administrative buildings), expenses for loss allowances and bad debts, expenses for billing, outsourcing and postage.

Other operating expenses for the 2025 financial year include expenses from loss allowances on financial assets and contractual assets amounting to EUR 26.2 million (prior year: EUR 14.8 million). Of this amount, EUR 15.8 million (prior year: EUR 15.5 million) relates to impairment losses recognised in accordance with IFRS 9 for contracts capitalised in the current financial year, which, as in the previous year, relate exclusively to Trade accounts receivable, other receivables and other assets, as well as other financial assets, and EUR 10.4 million (prior year: EUR -0.7 million) relates to corrections to impairment losses recognised in accordance with IFRS 9 for contracts capitalised in prior years – these also relate entirely to trade accounts receivable, other receivables and other assets, and other financial assets.

11 Interest and similar income

Interest and similar income consists of the following items:

In EUR million	2025	2024
Interest from banks, debt collection and similar income	2.6	3.8
Interest income from present value adjustments	1.1	1.9
Interest from lease receivables	1.0	1.0
Interest from tax refunds	0.3	0.0
Total	**5.0**	**6.8**

For interest from lease receivables, please refer to our comments in note 2.5.2, freenet as lessor.

Interest income from present value adjustments for 2025 amounting to EUR 1.1 million (prior year: EUR 1.9 million) is mainly related to interest on other receivables and other assets.

12 Interest and similar expenses and other financial result

Interest and similar expenses are composed as follows:

In EUR million	2025	2024
Interest to banks and similar expenses	13.0	15.7
Interest from leases	8.8	9.9
Interest expense from pension obligations	2.3	2.3
Interest expense from tax back payments and similar expenses	1.6	1.9
Interest expense from present value adjustments	1.3	1.6
Others	0.2	1.2
Total	**27.1**	**32.5**

Interest expense from present value adjustments for 2025 amounting to EUR 1.3 million (prior year: EUR 1.6 million) is mainly attributable to interest on other financial liabilities.

This comprises interest calculated using the effective interest method (IFRS 9 measurement category: amortised cost) in interest paid to banks and similar expenses amounting to EUR 0.4 million (prior year: EUR 0.2 million) and in interest expense from present value adjustments of equity and liabilities amounting to EUR 1.3 million (prior year: EUR 1.6 million).

For interest from leases, please refer to our comments in note 2.5.

The other financial result amounted to EUR 0.3 million (prior year: EUR 0.5 million).

13 Income taxes

Income taxes comprise taxes paid or owed on income and earnings as well as deferred taxes. For continuing operations, income taxes are broken down as follows:

Breakdown of income taxes

In EUR million	2025	2024
Current tax expense for the financial year	-37.7	-32.1
Tax income from previous years	-0.7	-0.5
Deferred tax expense resulting from the utilisation of deferred income tax assets	-72.3	-7.8
Deferred tax income relating to temporary differences (previous year: tax expense)	22.7	-8.4
Total	**-88.0**	**-48.8**

Deferred tax expense resulting from the utilisation of deferred tax assets includes the utilisation of deferred tax assets for loss carryforwards in the amount of EUR 72,269 thousand (prior year: EUR 59,324 thousand) and the recognition of deferred tax assets for loss carryforwards in the amount of 0 (prior year: EUR 51,519 thousand). In addition, deferred tax expenses relating to temporary differences of EUR 2,068 thousand (prior year: deferred tax income of EUR 4,254 thousand) were incurred for the discontinued GRAVIS business unit in 2025 – please refer to note 36 to these consolidated financial statements.

Further information on deferred taxes is provided in note 18, Deferred tax assets and deferred tax liabilities. Applying the average income tax rate of the Group companies to the consolidated net income before income taxes would result in an expected tax expense of EUR 110.2 million (prior year: EUR 104.9 million). The difference between this amount and the current tax expense from continuing operations of EUR 88.0 million (prior year: EUR 48.8 million) is shown in the following reconciliation:

Reconciliation

In EUR million/as indicated	2025	2024
Earnings before taxes from continuing operations (EBT)	362.5	345.2
Expected tax expense applying the tax rate of 30.40% (prior year: 30.40%)	-110.2	-104.9
Change in deferred tax assets on loss carryforwards and unrecognised deferred tax assets on loss carryforwards	0.0	48.5
Tax effect on non-deductible expenses due to trade tax additions	-1.9	-2.0
Tax effect of other non-deductible expenses	-3.3	-1.2
Tax effect from associates	-0.3	-1.6
Tax income from previous years	-0.7	-0.5
Tax income not recognised in profit or loss	12.2	0.0
Tax effect from change in average income tax rate	16.6	-0.1
Other effects	-0.4	13.0
Current tax expense from continuing operations	**-88.0**	**-48.8**
Effective tax rate	24.27%	14.13%

Change in deferred tax assets on loss carryforwards and unrecognised deferred tax assets on loss carryforwards will have no impact in the 2025 financial year, as no previously unrecognised deferred taxes were recognised in 2025. Deferred taxes for the 2024 financial year included deferred tax income from the recognition of previously unrecognised tax loss carryforwards in the amount of EUR 48.5 million.

The "tax income not recognised in profit or loss" reported in the financial year resulted predominantly from an increase in the tax deferral item for mobile phone subsidies and from the income from the deconsolidation of The Cloud Group, which increased consolidated profit but However, this had no effect on tax. There was a reference to deferred tax income of EUR 16.6 million in the text of this Group statement for 2025, which was a result of the change in the average income tax rate (prior year: expense of EUR 0.1 million).

For 2025, there was deferred tax income of EUR 16.6 million (prior year: expense of EUR 0.1 million) resulting from the change in the average income tax rate. This is related to the gradual reduction in the corporation tax rate decided in the financial year, starting in the 2028 assessment period, by 1.0 percentage point per annum from the previous 15.0% (valid up to and including 2027) to 10.0% (valid from 2032).

The "other effects" in both years are mainly attributable to the reclassification of GRAVIS's business activities to the consolidated profit from discontinued operations, to which we make a reference in note 36 of these notes. In this respect, earnings before income taxes from continuing operations do not include the profits (prior year: losses of GRAVIS), although these led to a reduction in the actual tax burden of freenet AG (and thus of continuing operations) due to the tax group between GRAVIS and freenet AG.

For the Group companies, a corporation tax rate of 15.0% (prior year: 15.0%) was used to calculate current and deferred income taxes in the 2025 financial year. Furthermore, a solidarity surcharge of 5.5% (prior year: 5.5%) on corporation tax and an average trade tax rate of 415.77% (prior year: 416.12%) were applied. Deferred taxes were calculated in the prior year 2024 using an average tax rate of 30.40%. For the 2025 financial year, the average tax rate of 30.40% was only used for temporary differences and the expected consumption of deferred income tax assets on tax loss carryforwards that will reverse by 31 December 2027 at the latest. In the event of a reversal after 2028, lower average tax rates were used as a basis due to the corresponding reduced corporation tax rates described above.

The Group is subject to global minimum taxation in accordance with the model regulations for Pillar 2. In Germany, the Minimum Tax Act (MinStG) has been in force since 1 January 2024. The rules apply to companies that have generated consolidated revenues of at least EUR 750 million in at least two of the last four years. The Group applied the temporary mandatory exemption for deferred taxes resulting from the introduction of global minimum taxation and recognises these taxes as actual tax expense when they arise. As in the prior year, there was no tax burden in 2025 due to temporary transitional regulations.

14 Earnings per share

14.1 Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to shareholders by the weighted average number of shares outstanding during the financial year. In future, there is a possibility that basic earnings per share may be reduced due to the possible utilisation of conditional capital. We refer here to our comments on note 24.7.

Basic earnings per share

As indicated	2025	2024 (restated)
Consolidated profit attributable to shareholders of freenet AG in EUR million	271.3	250.2
Weighted average number of shares outstanding in units	117,962,435	118,900,598
Earnings per share in EUR (basic)	**2.30**	**2.10**

14.2 Diluted earnings per share

Diluted earnings per share are calculated by dividing the profit attributable to shareholders by the weighted average number of shares outstanding, increased by potentially dilutive shares.

As in the prior year, there were no dilutive effects or potential dilutive effects as of 31 December 2025.

Diluted earnings per share

As indicated	2025	2024 (restated)
Consolidated profit attributable to shareholders of freenet AG in EUR million	271.3	250.2
Weighted average number of shares outstanding in units	117,962,435	118,900,598
Weighted average number of shares outstanding plus potential dilutive shares in units	117,962,435	118,900,598
Earnings per share in EUR (diluted)	**2.30**	**2.10**

15 Intangible assets, lease assets, property, plant and equipment and goodwill

The development of intangible assets and property, plant and equipment is presented in note 39.

The following table shows the carrying amounts of intangible assets from purchase price allocations:

Development of intangible assets

In EUR million	31.12.2025	31.12.2024
Customer relationships	123.5	63.6
Trademarks	11.3	4.2
Distribution rights	4.8	0.0
Right of use	0.0	0.1
Total	**139.6**	**67.9**

In addition to the intangible assets from the various purchase price allocations, further intangible assets amounting to EUR 158.1 million (31 December 2024: EUR 91.4 million) are reported, including internally generated software amounting to EUR 82.5 million (31 December 2024: EUR 69.8 million) and distribution rights amounting to EUR 68.7 million (31 December 2024: EUR 19.6 million). We also refer to our comments on note 9, depreciation, amortisation and impairment. The exclusive distribution rights with Media-Saturn Deutschland GmbH resulted in a carrying amount of EUR 67.7 million as of 31 December 2025 (31 December 2024: EUR 19.2 million). Only scheduled amortisation was recognised. As of 31 December 2025, there were impaired intangible assets amounting to EUR 0.0 million (31 December 2024: EUR 0.0 million).

Lease assets amounted to EUR 200.7 million as of 31 December 2025 (31 December 2024: EUR 223.5 million). We refer to our comments in note 2.5.

The allocation of recognised goodwill to CGUs is shown in the following overview:

Allocation of recognised goodwill to CGUs

In EUR million	31.12.2025	31.12.2024
Mobile Communications	1,202.8	1,128.1
TV	226.6	226.6
Online	28.8	28.8
Others	0.9	1.3
Total	**1,459.1**	**1,384.8**

Property, plant and equipment amounting to EUR 100.6 million (31 December 2024: EUR 111.6 million) consists mainly of technical broadcasting infrastructure amounting to EUR 46.5 million (31 December 2024: EUR 52.3 million).

16 Impairment testing of non-monetary assets in accordance with IAS 36

Goodwill of EUR 1,202.8 million (prior year: EUR 1,128.1 million) was allocated to the CGU "Mobile Communications", which is assigned to the "Mobile Communications" segment. The CGU "TV", which is identical to the "TV and Media" segment, reported goodwill of EUR 226.6 million as of 31 December 2025 (prior year: EUR 226.6 million). Goodwill of EUR 28.8 million (prior year: EUR 28.8 million) was allocated to the CGU "Online". The CGU "Online" is part of the "Other/holding" segment.

The recoverable amount of the CGUs "Mobile Communications," "TV" and "Online" was determined as the fair value less costs to sell. The fair values were determined on the basis of a plan approved by management covering the period up to and including 2029. The detailed planning phases were carried forward in the perpetual annuity. These correspond to Level 3 of the fair value hierarchy in accordance with IFRS 13.

The after-tax WACCs used in determining fair values are derived from market data and are based on the specific risk structure of the CGUs. With regard to the capitalisation rates in the follow-up phase (from 2030 onwards), discounts have been applied based on growth assumptions, which also represent the growth rates used to extrapolate the free cash flow guidances.

The plans for the "Mobile Communications," "TV" and "Online" CGUs are based on detailed assumptions regarding the material earnings and value drivers derived from experience and future expectations.

The goodwill allocated to the CGUs, the Discount rates (WACC), the assumed growth assumptions and the basic assumptions for corporate planning are shown in the following table. The material valuation assumptions relate to the discount rate, revenue growth in the detailed planning period, gross profit and the EBITDA derived from this, and the growth rate in the perpetual annuity.

CGU	Carrying amount of goodwill allocated to the CGU In EUR million	Discount rate in %	Growth rate in %	Material earnings and value drivers	Basic assumptions for corporate planning
Mobile Communi-cations	1,202.8	5.64	0.5	In terms of gross profit, the result can be divided into two streams: profit contribution from new customers and customer retention. This is offset by costs for purchased services (in particular Mobile network operators).	Stable customer acquisition and customer retention costs
				The contribution to earnings from new customers and customer retention is dominated by the costs of acquiring and retaining customers. This is offset by the costs of procuring hardware and dealer commissions payable to sales partners in the course of acquisition and retention.	Growing customer base in the postpaid business
					Slight decline in postpaid ARPU
					Stable development of revenues, gross profit and EBITDA
TV	226.6	7.83	1	Revenues and gross profit from individual end products, broken down by respective sales markets	Significant increase in revenues, gross profit and EBITDA contributions
					Significant increase in customer base
Online	28.8	6.09	0.25	Revenues and gross profit from individual end products, broken down by respective sales markets	Slight increase in revenues and gross profit as well as stable EBITDA contributions

The following table shows the basic assumptions for 2024.

CGU	Carrying amount of goodwill allocated to the CGU In EUR million	Discount rate in %	Growth rate in %	Material earnings and value drivers	Basic assumptions for corporate planning
Mobile Communi-cations	1,128.1	5.87	0.5	In terms of gross profit, the result can be divided into two streams: profit contribution from new customers and customer retention. This is offset by costs for purchased services (in particular Mobile network operators).	Stable customer acquisition and customer retention costs
				The contribution to earnings from new customers and customer retention is dominated by the costs of acquiring and retaining customers. This is offset by the costs of procuring hardware and dealer commissions payable to sales partners in the course of acquisition and retention.	Growing customer base in the postpaid business
					Stable postpaid ARPU
					Stable development of revenues, gross profit and EBITDA
					Slightly increasing revenues and earnings contributions from digital lifestyle products
TV	226.6	8.12	1	Revenues and gross profit from individual end products, broken down by respective sales markets	Significant increase in revenues, gross profit and EBITDA contributions
					Significant increase in customer base
Online	28.8	6.59	0.25	Revenues and gross profit from individual end products, broken down by respective sales markets	Slightly increasing revenues and gross profits as well as EBITDA contributions

The 2025 impairment test for the CGUs "Mobile Communications", "TV" and "Online" confirmed that there was no need for impairments for the respective allocated goodwill. A change in the material assumptions of the impairment test described above that is considered possible would not result in impairments at the balance sheet date.

The consolidated financial statements as of 31 December 2025 include other goodwill for various CGUs in the amount of EUR 0.9 million (prior year: EUR 1.3 million), which is allocated to the "Other/holding" segment.

17 Equity-accounted investments

In EUR million	31.12.2025	31.12.2024
Equity-accounted investments	0.5	0.4
Total	**0.5**	**0.4**

The consolidated financial statements as of 31 December 2025 include Bayern Digital Radio GmbH, Munich, with a carrying amount of EUR 0.5 million (31 December 2024: EUR 0.4 million). This company's net income for the 2024 financial year amounted to EUR 0.3 million (prior year: EUR 0.3 million).

18 Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities were calculated in the prior year 2024 using a total tax rate of 30.40%. For the 2025 financial year, the overall tax rate of 30.40% was only applied to temporary differences and the expected utilisation of deferred income tax assets on tax loss carryforwards that will reverse by 31 December 2027 at the latest. In the event of a reversal after 2028, lower average tax rates were used as a basis due to the corresponding reduced corporation tax rates described in note 13.

The following amounts are reported in the consolidated balance sheet:

Deferred tax assets and deferred tax liabilities

In EUR million	31.12.2025	31.12.2024
Deferred income tax assets	**44.4**	**97.2**
Deferred income tax liabilities	26.4	0.0
Total	**18.0**	**97.2**

The development of reported deferred tax assets and deferred tax liabilities for the 2025 financial year is shown in the following table:

Development of reported deferred tax assets and deferred tax liabilities for the 2025 financial year

In EUR million	01.01.2025	Clearing in other comprehen-sive income	Tax expense in discontinued operations	Amendments to the scope of consoli-dation	Expenses and income from income taxes from discontinued operations	31.12.2025
Property, plant and equipment	0.0	0.0	0.0	-0.6	-0.1	-0.7
Goodwill	-59.4	0.0	0.0	0.0	10.4	-49.0
Intangible assets	-41.1	0.0	0.0	-21.7	1.2	-61.6
Lease assets	-69.0	0.0	0.0	-0.5	9.5	-60.0
Other financial assets	-20.6	-0.9	-0.5	0.1	0.7	-21.2
Contract acquistion costs	-90.9	0.0	0.0	-2.1	-1.5	-94.5
Loss carryforwards	203.5	0.0	0.0	0.0	-72.3	131.2
Lease liabilities	84.5	0.0	-1.1	0.4	-8.9	74.9
Pension provisions	2.3	-1.3	0.0	0.0	-0.7	0.3
Other provisions	3.1	0.0	-0.5	-0.3	-0.3	2.0
Other financial liabilities	19.1	0.0	0.0	0.0	-8.1	11.0
Trade accounts payable, other liabilities	144.9	0.0	0.0	-1.7	-5.2	138.0
Financial liabilities	0.2	0.0	0.0	0.0	-0.1	0.1
Trade accounts receivable, other assets	-79.4	0.0	0.0	1.1	25.8	-52.5
Total	**97.2**	**-2.2**	**-2.1**	**-25.3**	**-49.6**	**18.0**

Tax income amounting to a net expense of EUR 49.6 million (prior year: net expense EUR 16.3 million) is included in the consolidated income statement as deferred income taxes under the item "Income taxes". As in the prior year, these relate exclusively to continuing operations. In the 2025 financial year, deferred tax expenses of EUR 2.1 million (prior year: deferred tax income of EUR 4.2 million) were also recognised in the consolidated net income from discontinued operations due to the reporting of GRAVIS's business activities as a discontinued operation (see note 36 to these consolidated financial statements).

In the 2024 financial year, deferred tax assets and deferred tax liabilities developed as follows:

Development of reported deferred tax assets and deferred tax liabilities for the 2024 financial year

In EUR million	01.01.2024	Clearing in other comprehensive income	Tax expense in discontinued operations	Expenses and income from income taxes from discontinued operations	31.12.2024
Property, plant and equipment	0.0	0.0	0.0	0.0	0.0
Goodwill	-59.4	0.0	0.0	0.0	-59.4
Intangible assets	-42.0	0.0	2.0	-1.1	-41.1
Lease assets	-90.4	0.0	5.4	16.0	-69.0
Other financial assets	-24.0	-0.1	0.0	3.5	-20.6
Contract acquistion costs	-85.7	0.0	0.0	-5.2	-90.9
Loss carryforwards	211.3	0.0	0.0	-7.8	203.5
Lease liabilities	105.0	0.0	-3.7	-16.8	84.5
Pension provisions	2.2	1.2	0.0	-1.1	2.3
Other provisions	2.4	0.0	0.6	0.1	3.1
Other financial liabilities	21.3	0.0	0.0	-2.2	19.1
Trade accounts payable, other liabilities	142.7	0.0	0.0	2.2	144.9
Financial liabilities	0.5	0.0	0.0	-0.3	0.2
Trade accounts receivable, other assets	-75.7	0.0	-0.1	-3.6	-79.4
Total	**108.2**	**1.1**	**4.2**	**-16.3**	**97.2**

As of 31 December 2025, there are temporary outside basis differences (net equity under IFRS is higher than the corresponding tax book values of investments) amounting to approximately EUR 18.8 million (prior year: approximately EUR 23.1 million). No deferred taxes were recognised on these differences as no reversal is expected during the tax planning period.

19 Contract acquistion costs

Capitalised contract acquisition costs amounted to EUR 314,231 thousand as of 31 December 2025 (31 December 2024 restated: EUR 308,410 thousand). These relate predominantly to dealer commissions in the Mobile Communications segment and, to a smaller scale, to employee commissions.

In the 2025 financial year, new capitalisations amounted to EUR 318,335 thousand (prior year adjusted: EUR 334,433 thousand) with amortisation of EUR 319,322 thousand (prior year restated: EUR 314,769 thousand). These were exclusively scheduled amortizations – as in the prior year, there were no unscheduled impairments of contract acquisition costs in the financial year. In addition, there was an addition of EUR 6,808 thousand in 2025 from the initial consolidation of mobilezone as of 31 December 2025 (see reference to note 35 to these consolidated financial statements).

In the postpaid business, the amortisation period remained unchanged from the prior year at almost exclusively 24 months for fixed-term contracts and an average of 22 months (prior year restated: 21 months) for open-ended con-tracts. In the prepaid business, amortisation was calculated over the initial term, which ranges between 15 and 22 months. Across the entire Group and all business segments, 88% (2024 restated: 90%) of the amortisation amount in 2025 was attributable to contract acquistion costs with an amortisation period of 24 months.

20 Inventories

Inventories are composed as follows:

Composition of inventories

In EUR million	31.12.2025	31.12.2024
Mobile phones / accessories	52.8	33.8
Computers / IT products	0.4	0.6
SIM cards	6.4	5.6
Bundles and vouchers	0.0	0.0
Other	7.7	6.8
Total	**67.3**	**46.7**

The year-end inventory balance of EUR 4.2 million (prior year: EUR 4.0 million) has been written down.

21 Receivables, other assets and other financial assets

Receivables, other assets and other financial assets are composed as follows:

Receivables, other assets and other financial assets

In EUR million	31.12.2025 Total	Long-term	Short-term
Trade accounts receivable	447.4	49.3	398.1
Other non-derivative financial assets	31.9	7.0	24.9
	479.3	**56.3**	**423.0**
Lease receivables	28.6	15.0	13.5
Other financial assets	41.6	11.7	30.0
Other equity instruments	146.8	146.8	0.0
Financial assets	**696.3**	**229.7**	**466.5**
Other assets	304.6	129.1	175.5
Prepayments made	12.6	0.0	12.6
Equity investment in CECONOMY	**317.2**	**129.1**	**188.1**
Total receivables, other assets and other financial assets	**1,013.5**	**358.9**	**654.6**

In EUR million	31.12.2024 Total	Long-term	Short-term
Trade accounts receivable	381.4	43.9	337.4
Other non-derivative financial assets	16.7	5.0	11.7
	398.1	**49.0**	**349.1**
Lease receivables	26.1	9.9	16.2
Other financial assets	46.7	11.6	35.1
Other equity instruments	88.8	88.8	0.0
Financial assets	**559.7**	**159.3**	**400.4**
Other assets	266.2	88.6	177.5
Prepayments made	11.8	0.1	11.7
Equity investment in CECONOMY	**277.9**	**88.7**	**189.2**
Total receivables, other assets and other financial assets	**837.6**	**248.0**	**589.6**

The other equity instruments are composed as follows:

Composition of other equity instruments

In EUR million	31.12.2025	31.12.2024
Equity investment in CECONOMY	143.9	86.0
Other investments	2.2	2.2
Others	0.7	0.7
Total	**146.8**	**88.8**

With effect from 12 July 2018, the freenet Group acquired 9.1% of the ordinary shares (32,633,555 shares) in Cecon-omy at a price of EUR 277.4 million. The equity investment in CECONOMY is reported as other financial assets with a carrying amount of EUR 143.9 million as of 31 December 2025. As in the prior year, subsequent accounting is carried out at fair value in other comprehensive income. The Group uses the market price on the balance sheet date of EUR 4.41 (Xetra trading venue) as the fair value.

The assessment of other investments is performed at fair value through profit or loss.

Trade accounts receivable are owed by third parties and mainly relate to receivables from fee revenues, equipment sales, and fixed-line and Internet services.

The total amount of trade accounts receivable and other non-derivative financial assets, less any loss allowances made, amounted to EUR 479.3 million as of 31 December 2025 (prior year: EUR 398.1 million). We refer to our com-ments on note 33. Trade accounts receivable are the most material item in this category in the freenet Group. They mainly comprise receivables from end customers, business customers, dealers and sales partners. Other assets and prepayments made in the amount of EUR 317.2 million (prior year: EUR 277.9 million) are non-financial assets as of 31 December 2025.

Invoicing in the Mobile Communications segment is carried out by the Group itself. In the Other/holding segment, some of the invoices are issued by the Group itself. Where invoices to end customers are issued by the Group itself, they are predominantly due immediately after invoicing. Submissions to DTAG have a payment term of 30 days.

The maximum default risk for trade accounts receivable as of the balance sheet date is EUR 428.7 million (prior year: EUR 375.7 million) due to existing trade credit insurance. For other financial assets and other equity instruments, the maximum default risk corresponds to the carrying amounts.

The loss allowances recognised as of the balance sheet date of 31 December 2025 related to the following categories of receivables and assets. On this basis, the loss allowances for trade accounts receivable, other financial assets, other receivables and other assets as of 31 December 2025 were determined as follows:

Impairment losses recognized on receivables, other assets and other financial assets in accordance with IFRS 9

31 December 2025

	Balance sheet item	Carrying amount before loss allowance in EUR million	Loss allowance in EUR million	Carrying amount after loss allowance in EUR million	Expected loss rate (calculated) in %
Loss allowances on receivables					
Receivables from end customers - not overdue	Trade accounts receivable	141.9	-3.2	138.7	2.3
Receivables from end customers – overdue for <90 days	Trade accounts receivable	20.4	-5.7	14.7	27.8
Receivables from end customers – overdue for between 90 and 180 days	Trade accounts receivable	13.3	-7.2	6.1	54.4
Receivables from end customers – overdue for >180 days	Trade accounts receivable	88.1	-66.9	21.2	75.9
Receivables from business partners	Trade accounts receivable	268.0	-1.3	266.7	0.5
Other non-derivative financial assets (Level 1)	Other financial assets	63.9	-0.7	63.3	1.0
Other financial assets					
Thereof lease receivables[1]	*Other financial assets*	*28.6*	*0.0*	*28.6*	*0.0*
Thereof consideration payable under IFRS 15 (Mobile Communications/ mobile phone upgrade option) (Stage 1)	*Other financial assets*	*42.7*	*-1.0*	*41.6*	*2.5*
Other assets					
Thereof contract assets from contracts with customers (Mobile Communi-cations)	*Other receivables and other assets*	*119.5*	*-2.6*	*116.8*	*2.2*
Thereof consideration payable under IFRS 15 (Mobile Communications/ tariff)	*Other receivables and other assets*	*119.3*	*-3.0*	*116.3*	*2.5*
Thereof financial assets from contracts with customers (TV)	*Other receivables and other assets*	*26.4*	*0.0*	*26.4*	*0.0*

[1] The identified impairment loss on lease receivables was immaterial in the 2025 financial year and was not recognised.

Impairment losses recognized on receivables, other assets and other financial assets in accordance with IFRS 9

31 December 2024

	Balance sheet item	Carrying amount before loss allowance in EUR million	Loss allowance in EUR million	Carrying amount after loss allowance in EUR million	Expected loss rate (calculated) in %
Loss allowances on receivables					
Receivables from end customers - not overdue	Trade accounts receivable	155.3	-3.3	152.1	2.1
Receivables from end customers - overdue for <90 days	Trade accounts receivable	21.2	-5.4	15.8	25.5
Receivables from end customers - overdue for between 90 and 180 days	Trade accounts receivable	11.7	-6.3	5.4	54.2
Receivables from end customers - overdue for >180 days	Trade accounts receivable	78.1	-59.4	18.7	76.0
Receivables from business partners	Trade accounts receivable	191.5	-2.1	189.4	1.1
Other non-derivative financial assets (Level 1)	Other financial assets	46.1	-0.5	45.6	1.0
Other financial assets					
Thereof lease receivables	*Other financial assets*	*26.1*	*0.0*	*26.1*	*0.0*
Thereof consideration payable under IFRS 15 (Mobile Communications/ mobile phone upgrade option) (Stage 1)	*Other financial assets*	*47.8*	*-1.1*	*46.7*	*2.2*
Other assets					
Thereof contract assets from contracts with customers (Mobile Communi-cations)	*Other receivables and other assets*	*115.3*	*-2.5*	*112.9*	*2.1*
Thereof consideration payable under IFRS 15 (Mobile Communications/ tariff)	*Other receivables and other assets*	*123.9*	*-2.9*	*121.0*	*2.3*
Thereof financial assets from contracts with customers (TV)	*Other receivables and other assets*	*29.6*	*0.0*	*29.6*	*0.0*

We provide the following information on the development of loss allowances in the 2025 financial year:

Development of loss allowances in the 2025 financial year

In EUR million	Trade accounts receivable (simplified model)	Other financial assets (Level 1)	Other receivables and other assets (contractual assets)	Total
Loss allowance as of 31 December 2024 – calculated in accordance with IFRS 9 (thereof EWB 2.8)	76.5	1.5	5.3	83.3
Net change in loss allowances in 2025	7.8	0.2	0.2	8.2
Loss allowance as of 31 December 2025 – calculated in accordance with IFRS 9 (thereof EWB 1.4)	**84.3**	**1.7**	**5.6**	**91.6**

We provide the following information on the development of loss allowances in the 2024 financial year:

Development of loss allowances in the 2024 financial year

In EUR million	Trade accounts receivable (simplified model)	Other financial assets (Level 1)	Other receivables and other assets (contractual assets)	Total
Loss allowance as of 31 December 2023 – calculated in accordance with IFRS 9 (thereof EWB 6.7)	76.5	3.2	9.5	89.3
Net change in loss allowances in 2024	0.0	-1.7	-4.2	-5.9
Loss allowance as of 31 December 2024 – calculated in accordance with IFRS 9 (thereof EWB 3.4)	**76.5**	**1.5**	**5.3**	**83.3**

We provide the following breakdown of non-current other financial assets:

Breakdown of non-current other financial assets

In EUR million	31.12.2025	31.12.2024
Interest in CECONOMY AG	143.9	86.0
Lease receivables	15.0	9.9
Consideration paid in accordance with IFRS 15 (Mobile Communications/mobile phone option)	11.7	11.6
Others	9.8	7.9
Total	**180.4**	**115.4**

For lease receivables, please refer to our comments on note 2.5.

Current other financial assets comprise the following:

Composition of current other financial assets

In EUR million	31.12.2025	31.12.2024
Consideration paid in accordance with IFRS 15 (Mobile Communications/mobile phone option)	30.0	35.1
Lease receivables	13.5	16.2
Others	24.9	11.7
Total	**68.4**	**63.0**

For lease receivables, please refer to our comments in note 2.5.

With regard to "consideration paid" and "consideration payable", which (see the two breakdowns above) form part of non-current and current other financial assets (insofar as they relate to Mobile Communications contracts with a mobile phone option) or (see the two breakdowns below) part of non-current and current other receivables and other assets (insofar as they relate to Mobile Communications contracts without a mobile phone option), we provide the following explanation: If freenet only sells the tariff to the end customer, while the third-party retailer offers the end customer a discounted smartphone or other customer benefit in indirect sales, freenet pays the retailer partial remuneration that exceeds the equivalent value of the pure brokerage service for the tariff and grants compensation for the smartphone subsidy or other customer benefit granted. In such cases, the tariff price that freenet charges end customers for mobile phone services may include an increase or compensatory component known as "consideration paid". This "consideration paid" is recognised as other financial assets if the increased commission payment is attributable to a smartphone sold at a discount by the dealer and a future amount to be paid by the customer is not dependent on the provision of the mobile phone service. In cases where the customer's payment is solely dependent on the provision of the mobile phone service, it is capitalised as "consideration payable" under other receivables and other assets. The reversal of these assets occurs over the term of the contract, reducing revenue.

We provide the following breakdown of non-current other receivables and other assets:

Breakdown of non-current other receivables and other assets

In EUR million	31.12.2025	31.12.2024
Contract assets from contracts with customers (Mobile Communications)	40.7	40.1
Consideration payable in accordance with IFRS 15 (Mobile Communications/tariff)	29.6	31.1
Other assets from contracts with customers (TV)	13.9	16.6
Tax refund claim against the seller of mobilezone	25.8	0.0
Others	19.1	1.0
Total	**129.1**	**88.7**

Other current receivables and other assets comprise the following:

Composition of other current receivables and other assets

In EUR million	31.12.2025	31.12.2024
Consideration payable in accordance with IFRS 15 (Mobile Communications/tariff)	86.7	90.0
Contract assets from contracts with customers (Mobile Communications)	76.2	72.8
Other assets from contracts with customers (TV)	12.4	13.0
Others	12.8	13.5
Total	**188.1**	**189.2**

Non-current trade accounts receivable are broken down as follows:

Breakdown of non-current trade accounts receivable

In EUR million	31.12.2025	31.12.2024
Receivables from end customers with mobile phone option (Mobile Communications)	36.7	43.5
Receivables from network operators, retailers, distributors (Mobile Communications)	12.5	0.0
Others	0.1	0.4
Total	**49.3**	**43.9**

Current trade accounts receivable comprise the following:

Composition of current trade accounts receivable

In EUR million	31.12.2025	31.12.2024
Claims against network operators, retailers, distributors, hardware manufacturers (Mobile Communications)	232.1	170.3
Receivables from end customers with mobile phone option (Mobile Communications)	79.6	82.4
Receivables from end customers without a mobile phone option (Mobile Communications)	61.1	66.0
Receivables from end customers (TV and Media and Other/holding	3.4	3.2
Others	22.0	15.6
Total	**398.1**	**337.4**

22 Liquid assets

The composition of liquid assets is as follows:

Composition of liquid assets

In EUR million	31.12.2025	31.12.2024
Cash at bank, cheques and cash in hand	168.2	181.6
Total	**168.2**	**181.6**

23 Current income tax assets

Current income tax assets are mainly material with respect to expected tax refunds for previous years from corporation tax and trade tax.

24 Equity

For the following items, we also refer to the consolidated statement of changes in equity.

24.1 Share capital

The company's issued share capital remains unchanged from the prior year at EUR 118,901 thousand. The share capital is divided into 118,901 thousand registered no-par value shares with a calculated nominal value of EUR 1.00. The entire share capital has been fully paid up. All shares carry equal rights.

On 5 May 2022, the Annual General Meeting authorised the Executive Board, with the approval of the Supervisory Board, to acquire and use treasury shares in accordance with Section 71 (1) No. 8 of the German Stock Corporation Act (AktG) for any lawful purpose within the scope of the statutory provisions, up to a total of 10% of the share capital existing at the time of the resolution on this authorisation or, if this amount is lower – the share capital existing at the time of the respective exercise of this authorisation, for any permissible purpose within the scope of the statutory provisions. The authorisation is valid until 4 May 2027.

In addition to the authorisation pursuant to Section 71 (1) No. 8 AktG, the Executive Board may also use equity derivatives to acquire treasury shares. This does not increase the total volume of shares that may be acquired; it merely opens up a further alternative for the Acquisition of treasury shares.

24.2 Treasury shares

freenet AG completed the share buyback programme (2025 Share Buyback Programme) announced on 3 June 2025 in accordance with article 2(1) of Delegated Regulation (EU) 2016/1052 on 30 December 2025. The total number of shares purchased under the 2025 Share Buyback Programme amounts to 2,166,964 at an average price of EUR 27.69. This corresponds to 1.82% of the share capital. The aggregate volume of the repurchased shares, excluding incidental costs, amounts to EUR 60.0 million.

24.3 Capital reserve

freenet AG's capital reserve remained unchanged at EUR 737,536 thousand as of 31 December 2025. The main components of the reported capital reserve remain unchanged from the capital increase in 2008 due to the acquisition of the debitel Group (EUR 349.8 million) and the merger of mobilcom AG and freenet.de AG into freenet AG, which took effect in 2007, and the related acquisition of non-controlling interests in the former freenet.de AG (EUR 134.7 million).

24.4 Accumulated other comprehensive income

Accumulated other comprehensive income mainly comprises actuarial gains and losses in connection with the accounting for pension plans in accordance with IAS 19, currency conversion differences as a result of the subsequent accounting for equity-accounted investments, and a change in the fair value of investments in equity instruments. For income taxes recognised in other comprehensive income, please refer to note 18.

24.5 Consolidated balance sheet result

The consolidated balance sheet result for the year essentially comprises the cumulative consolidated profits attributable to shareholders of freenet AG and the non-controlling interests in Exaring AG.

24.6 Equity attributable to non-controlling interests

Equity attributable to non-controlling interests amounts to EUR 0.6 million (31 December 2024: EUR -5.0 million) and relates to the 25.38% of shares (31 December 2024: 25.38%) held by non-controlling shareholders in Exaring. We provide the following information on Exaring's assets and liabilities as of 31 December 2025, before debt, expense and income consolidation and including the effects of subsequent accounting for the purchase price allocation:

In EUR million	31.12.2025	31.12.2024
Non-current assets	66.2	61.6
Current assets	50.2	37.9
Total assets	**116.4**	**99.5**
Non-current liabilities	10.4	14.7
Current liabilities	48.8	48.2
Total liabilities	**59.2**	**62.9**
Net assets	**57.2**	**36.6**
Thereof equity attributable to non-controlling interests	*0.6*	*-5.0*

Exaring AG's annual result for the 2025 financial year amounts to EUR 20.6 million (prior year: EUR -3.3 million).

24.7 Authorised capital

At the Annual General Meeting on 13 May 2025, authorised capital (Authorised Capital 2025/I) was created. This authorises the Executive Board, with the approval of the Supervisory Board, to increase the share capital by issuing new shares in exchange for cash and/or non-cash contributions on one or more occasions until 21 May 2030, but by no more than EUR 23.8 million in total, representing up to 23,780,000 new shares. The full text of the authorisation granted to the Executive Board has been published under agenda item 8 in the invitation to the 2025 Annual General Meeting in the Federal Gazette. The Executive Board did not make use of this authorisation in the 2025 financial year.

24.8 Conditional capital

In accordance with the resolution of the Annual General Meeting on 13 May 2025, the company's capital may be increased by up to EUR 11.9 million through the issue of up to 11,980,000 new registered ordinary shares without par value (no-par value shares) with a proportionate amount of the share capital of EUR 1.00 attributable to each no-par value share (Conditional capital 2025/I). The conditional capital increase serves to grant registered no-par value shares to the holders or creditors of convertible and/or option bonds that are to be issued on the basis of the authorisation resolved by the Annual General Meeting on 13 May 2025 under agenda item 9, item 9.1) of the agenda, and which grant a conversion or option right or a share delivery right to the company for registered no-par value shares of the company or determine a conversion or option obligation.

The issue price for the new registered no-par value shares shall be determined in accordance with the provisions of Section 4 (7) of the Articles of Association. The conditional capital increase shall only be carried out to the extent that conversion or option rights or a share delivery right are exercised, or to the extent that the holders or creditors obliged to convert or exercise options fulfil their obligation to convert or exercise options, and to the extent that treasury shares are not used to service the conversion or exercise and the company does not make a cash settlement. The new registered no-par value shares shall participate in profits from the beginning of the financial year in which they are created. The Executive Board is authorised to determine the further details of the implementation of the conditional capital increase. The Executive Board did not make use of this authorisation in the 2025 financial year.

25 Employee incentive programmes

25.1 Programme 3

In addition to the annual target agreement, Programme 3 involved the conclusion of a target agreement for a term of five years (applies to Mr Vilanek and Mr Esch) or three years (applies to Mr Arnold, Mr von Platen and Mr Fromme) in line with the term of the employment contracts, which links the achievement of targets to the respective annual variable remuneration for the financial years 2019 to 2023 (for Mr Vilanek), the financial years 2020 to 2024 (for Mr Esch), the financial years 2019 to 2021 (for Mr Arnold) and the financial years 2018 (pro rata from the date of appointment to the Executive Board, i.e. from 1 June 2018) to 2021 (pro rata until the end of the term of the service contract on 31 May 2021) (for Mr von Platen and Mr Fromme). For Programme 3, a base amount was specified in the service contract for each eligible person as target remuneration, which, depending on the achievement of targets for each financial year as described in more detail below, is posted to a virtual account for the respective member of the Executive Board as a positive amount and paid out after the further payment conditions (as described in more detail below) have been met, depending on further performance. For the beneficiaries, base amounts totaling EUR 1,650 thousand (thereof EUR 650 thousand for Mr Vilanek and EUR 250 thousand each for Mr Esch, Mr Arnold, Mr von Platen and Mr Fromme) were set as target remuneration per full financial year.

If the target achievement level of the annual variable target agreement for a financial year is 100%, 100% (as a base amount multiplier) of the base amount is credited to the virtual LTIP account. A maximum of 150% of the base amount (for a target achievement rate of 125% or more) is credited to the virtual account. If the target achievement rate is less than 70%, no virtual shares are credited for the financial year in question. If the target achievement rate is between 70% and 125%, a corresponding linear interpolation is made to the 100% value.

The respective amount in the virtual account (referred to as the "allocation amount" for the respective target period as the product of the base amount and the respective base amount multiplier described above) is converted into the number of virtual shares to be credited by dividing it by the relevant share price. The relevant share price is the average Xetra closing price on all trading days in the twelve months of the respective target period, i.e. the respective past financial year. Notwithstanding the above division, the number of shares credited is limited in each individual case to 100,000 per annum (for Mr Vilanek) and 40,000 virtual shares per annum (for Mr Esch, Arnold, von Platen and Fromme).

The following applies to all payments from the programme: Entitlement to payments from the LTIP account arises only after compliance with the holding periods and exercise periods, if and to the extent that a specific long-term EBT target is achieved. EBT is the consolidated profit before taxes, adjusted for one-off effects and effects of inorganic growth. The benchmark for achieving the EBT target is the consolidated EBT for the 2022 financial year for all members of the Executive Board benefiting from Programme 3, with the exception of Mr Esch, and the consolidated EBT for the 2023 financial year for Mr Esch. If the Group EBT target is achieved exactly, the number of virtual shares booked over several years as described above remains unchanged. If the EBT target is exceeded or not achieved, the number of virtual shares booked is doubled at most if the target is achieved by 105% or more, or set to zero if the target is achieved by 90% or less. Linear interpolation will be used between the specified EBT target achievement levels. The member of the Executive Board may request payment of the resulting payout amount at the earliest upon determination of the achievement of the EBT target (for all members of the Executive Board except Mr Esch at the beginning of 2023; for Mr Esch at the beginning of 2024), but not before the expiry of the holding period for the respective booking number.

Retention period: The respective number of shares must be held by the member of the Executive Board for a period of three years from 1 January of the year in which the virtual shares were credited to the virtual LTIP account. If the service contract is not extended after the regular term of the contract has expired, the holding period for Mr Vilanek, Mr Esch and Mr Arnold shall end no later than 18 months after the penultimate target period within the contract term (i.e. six months after the regular end of the contract term) and for Mr von Platen and Mr Fromme no later than 18 months after the last full target period within the contract term (i.e. 13 months after the end of the regular contract term). In the 2025 financial year, a termination agreement was concluded with Mr Vilanek, in which Mr Vilanek resigned from his position as member and Chairman of the Executive Board as of 31 May 2025, with the Executive Board service contract being terminated as of 31 December 2025. In this context, it was stipulated that the holding period for all tranches of Programme 3 for Mr Vilanek would end on 30 June 2025. In the termination agreements concluded with Mr Esch, Mr von Platen and Mr Fromme in 2025 to terminate their respective Management Board service contracts, no agreements deviating from the above provision were made with regard to the holding period for Programme 3.

Regarding the exercise period: After expiry of the respective holding period, but at the earliest after the EBT target has been achieved, the member of the Executive Board is entitled to request payment of the payout amount within a period of two years. Payment may also be requested in instalments. If payment is not requested or not requested in a timely manner, the virtual shares in question shall expire.

The maximum amount payable in each case corresponds to the number of payable virtual shares determined in accordance with the above principles, multiplied by the payout factor, plus the dividend amount. The payout factor is the average Xetra closing price on all trading days in the twelve months prior to the date of the payout request. The member of the Executive Board can therefore continue to participate in the share price increase during the exercise period by not exercising virtual shares, but also bears the risk of a loss in value during this period. Regardless of the stock market performance, the payout factor is limited to an amount of EUR 50 (cap) in all cases. The dividend amount is the total of the respective gross dividends per share distributed in the period between the start of the holding period for the respective booking number and the date of the payment request, multiplied by the number of virtual shares payable. However, this calculation of the dividend amount may not exceed an amount of EUR 20 per payable virtual share (dividend cap). For Mr Vilanek and Mr Esch, the last financial year of the service contract benefiting from Programme 3 (2023 for Mr Vilanek, 2024 for Mr Esch) is downstream of the year of the EBT target (2022 for Mr Vilanek, 2023 for Mr Esch). For this last financial year in each case, the booking of virtual shares is determined depending on the achievement of the EBT target; a payout for this last financial year is only possible if the EBT for this last financial year exceeds the EBT for the prior year (i.e. the year of the EBT target) by at least 1.5%.

The standard market rules on dilution protection apply, i.e. in cases such as a share split, a reverse share split or a capital increase from company funds with the issue of new shares, the respective number of virtual shares in the LTIP account will be adjusted accordingly.

The obligation arising from the LTIP programme was determined in accordance with IFRS 2 using a recognised valuation model at fair value. The material parameters used in this valuation model are the share price of freenet AG on the balance sheet date, the estimated expected exercise date of the respective tranche, the volatility of the share price in line with the remaining term of the LTIP programme, the estimated degree of target achievement for the respective financial year ended, and the estimated Discount rate. The so-called "graded vesting method" is applied, according to which personnel expenses for all members of the Executive Board are incurred from the date the programme is granted.

As of 31 December 2025, a total of 126,506 virtual shares (31 December 2024: 578,070 virtual shares) are booked in the virtual accounts of the beneficiaries in Programme 3. All virtual shares existing as of 31 December 2025 and 31 December 2024 are vested.

The development of the number of virtual shares in Programme 3 in the 2025 financial year and in the prior year 2024 is shown in the following overviews:

Overview: Development of the number of virtual shares in Programme 3 in the 2025 financial year and in the prior year 2024

Programme 3	Number of virtual shares 1 January 2025	Additions	Disposal by payout	Number of virtual shares 31 December 2025	Provision 31 December 2025 in EUR thousand
Christoph Vilanek	262,586	0	262,586	0	0
Ingo Arnold	78,804	0	42,832	35,972	1,353
Stephan Esch	143,826	25,512	78,804	90,534	3,011
Rickmann von Platen	57,820	0	57,820	0	0
Antonius Fromme	35,034	0	35,034	0	0
Total	**578,070**	**25,512**	**477,076**	**126,506**	**4,364**

Programme 3	Number of virtual shares 1 January 2024	Additions	Disposal by payout	Number of virtual shares 31 December 2024	Provision 31 December 2024 in EUR thousand
Christoph Vilanek	379,752	83,156	200,322	262,586	8,156
Ingo Arnold	113,018	0	34,214	78,804	2,571
Stephan Esch	55,922	87,904	0	143,826	5,337
Rickmann von Platen	112,704	0	54,884	57,820	1,890
Antonius Fromme	102,704	0	67,670	35,034	1,177
Total	**764,100**	**171,060**	**357,090**	**578,070**	**19,131**

Of the personnel expenses of EUR 2,593 thousand recognised in 2025 (prior year: EUR 3,275 thousand) is attributable to Mr Vilanek (EUR 1,086 thousand, prior year: EUR 1,203 thousand), Mr Arnold (EUR 421 thousand, prior year: EUR 314 thousand) and Mr von Platen (EUR 639 thousand, prior year: EUR 233 thousand). (prior year: EUR 1,291 thousand) attributable to Mr Esch, EUR 305 thousand (prior year: EUR 233 thousand) to Mr von Platen and EUR 142 thousand (prior year: EUR 234 thousand) to Mr Fromme.

In 2025, EUR 17,360 thousand was paid out in programme 3 due to exercises. Of the personnel expenses of EUR 2,593 thousand recognised in 2025, EUR 17,360 thousand relates to payments for exercises, with a reduction in provisions of EUR 14,767 thousand. Payments from exercises amounted to EUR 9,242 thousand for Mr Vilanek, EUR 1,639 thousand for Mr Arnold, EUR 2,965 thousand for Mr Esch, EUR 2,195 thousand for Mr von Platen and EUR 1,319 thousand for Mr Fromme.

In 2024, EUR 10,990 thousand was paid out in programme 3 due to exercises. Of the personnel expenses of EUR 3,275 thousand recognised in 2024, EUR 10,990 thousand was attributable to payments for exercises, with a reduction in provisions of EUR 7,715 thousand. In the prior year, payments from exercises amounted to EUR 6,174 thousand for Mr Vilanek, EUR 1,054 thousand for Mr Arnold, EUR 1,672 thousand for Mr von Platen and EUR 2,090 thousand for Mr Fromme.

The additions in 2025 were made for the 2024 financial year. The additions in 2024 were made for the 2023 financial year and, in the case of Mr Esch, additionally for the previous financial years covered by the programme (in this case: 2020 to 2022) due to the doubling of the number of virtual shares as a result of the maximum EBT target for 2023 being achieved.

25.2 Programme 4

In Programme 4, a target agreement was originally concluded with Mr von Platen and Mr Fromme, again in addition to the annual target agreement, which was designed to run for five years in line with the term of the new service contracts and which declared the achievement of targets from the respective annual variable remuneration for the financial years 2021 (pro rata from the date of appointment to the Executive Board, i.e. from 1 June 2021) to 2026 (pro rata until 31 May 2026). Due to the transfer of the management contracts of Mr von Platen and Mr Fromme to the new management remuneration system approved by the Annual General Meeting in 2022 and the associated granting of Programme 5 to Mr von Platen and Mr Fromme from 1 January 2022 (see also our comments on Programme 5 below), Programme 4 has been shortened – now only the short-term variable remuneration from 1 June 2021 to 31 December 2021 represents the target parameter.

For the beneficiaries, base amounts of EUR 169 thousand each were set as target remuneration for this period for the target period from 1 June 2021 to 31 December 2021.

The basic features and exercise conditions of Programme 4 correspond in principle to those of Programme 3 described above. However, compared to Programme 3, the holding period has been increased from three years to four years. There is no limit on the annual number of bookings, no dividend cap and no maximum payout factor – instead, the total payout amount from Programme 4 (based on the term of the programme, not on individual years of payout) is limited to 400% of the base amount of Programme 4.

The benchmark for the EBT target is the Group EBT for the 2025 financial year.

For Programme 4, Mr von Platen and Mr Fromme were granted virtual shares for the first time in the 2022 financial year, 12,170 shares each. Due to the achievement of the maximum EBT target (200%) for 2025, this number is expected to double to 24,340 shares. However, at the reporting date, the 2025 EBT target had not yet been finally determined by approval of the consolidated financial statements as of 31 December 2025.

As of 31 December 2025, the virtual shares booked in Programme 4 are not yet exercisable.

The obligation arising from the LTIP programme was determined in accordance with IFRS 2 using a recognised valuation model at fair value. The material parameters used in this valuation model are the share price of freenet AG on the balance sheet date, the estimated expected exercise date of the tranche, the volatility of the share price corresponding to the remaining term of the LTIP programme, the estimated degree of target achievement for the past financial year and the estimated Discount rate. The so-called "graded vesting method" is applied, according to which personnel expenses for all members of the Executive Board are incurred from the date the programme is granted.

The provision formed as of 31 December 2025 amounts to EUR 843 thousand for both Mr von Platen and Mr Fromme (prior year: EUR 747 thousand). The personnel expenses recognised from this programme in 2025 amount to EUR 96 thousand each for Mr von Platen and Mr Fromme (prior year: EUR 52 thousand each).

25.3 Programme 5

With Programme 5, as part of the introduction of the new Executive Board remuneration system in the 2022 financial year, new long-term variable salary components were promised to members of the Executive Board Arnold, von Platen and Fromme, namely for Mr Arnold from 1 January 2022 to 31 December 2026 and for Mr von Platen and Mr Fromme from 1 January 2022 to 31 May 2026. Ms Engenhardt-Gillé was granted long-term variable salary components in this programme on the occasion of her initial appointment as a member of the Executive Board from 1 January 2023, specifically for the period from 1 January 2023 to 31 December 2025. On the occasion of the extension of his employment contract with effect from 1 January 2024, Mr Vilanek was granted long-term salary components in Programme 5. These relate to the period until Mr Vilanek's departure, at the latest until 31 December 2025. On the occasion of the extension of his employment contract with effect from 1 January 2025, Mr Esch was granted long-term salary components in Programme 5, which relate to the period from 1 January 2025 to 31 December 2029.

On the occasion of his appointment as a member of the Executive Board and Chairman of the Executive Board with effect from 1 June 2025, Mr Harries was granted long-term salary components in Programme 5.

For Programme 5, a base amount was specified in the employment contract for each eligible person as target remuneration, which is credited to a virtual account for the respective member of the Executive Board as a positive amount in accordance with the target achievements explained below and paid out after the further payment conditions have been met, depending on further performance. Virtual shares are credited to the LTIP account annually (one LTIP tranche per year) at the beginning of the performance period for the respective LTIP tranche. The performance period for an LTIP tranche begins on 1 January (for Mr Arnold, Mr von Platen and Mr Fromme on 1 January 2022 for the first time, for Ms Engenhardt-Gillé on 1 January 2023 for the first time, for Mr Vilanek on 1 January 2024 for the first time, and for Mr Harries and Mr Esch on 1 January 2025 for the first time, with Mr Harries being granted the tranche issued in 2025 on a pro rata basis from 1 June 2025 at the start of his employment contract) and lasts four years. The LTIP tranche that was booked for the beneficiaries on 1 January 2023, for example, ends on 31 December 2026 and is referred to as "Tranche 2023/2026". The target remuneration for the beneficiaries was set at a base amount of EUR 750 thousand for Mr Harries, EUR 975 thousand for Mr Vilanek, EUR 469 thousand for Mr Arnold, EUR 390 thousand for Mr Esch, EUR 435 thousand for Mr von Platen, EUR 435 thousand for Mr Fromme and EUR 215 thousand for Ms Engenhardt-Gillé. The number of virtual shares credited to the LTIP account of the member of the Executive Board in each LTIP tranche (the initial number of virtual shares) is calculated by dividing the base amount by the "relevant share price I". The relevant share price I represents the average Xetra closing price of the freenet share on the last 60 trading days prior to the start of the relevant performance period.

The payout amount to which the member of the Executive Board is entitled for the respective LTIP tranche is calculated as the product of the final number of virtual shares and the "relevant share price II". The final number of virtual shares is calculated by multiplying the initial number of virtual shares by the total target achievement expressed as a percentage, which is discussed in more detail below. The relevant share price II is the average Xetra closing price of the freenet share on the last 60 trading days of the relevant performance period, plus the total amount of the respective gross dividend per share distributed during the performance period. The following targets are defined: the EBT target (weighting 50%), the relative total shareholder return target (weighting 30%) and sustainability targets (weighting 20%). The overall target achievement is calculated on the basis of the weighted target achievement levels for the individual targets. The payout amount is limited to a maximum of 250% of the base amount of the relevant LTIP tranche. The payout amount per tranche is due for payment within six weeks of the Supervisory Board's approval of the consolidated financial statements.

EBT is used as the earnings-related target, which the Supervisory Board determines annually for each annual tranche on the basis of the company's planning. The Supervisory Board determines whether the EBT target has

been achieved on the basis of the audited and Supervisory Board-approved consolidated financial statements for the last financial year of the performance period, after adjustment for non-recurring items and inorganic effects.

The Supervisory Board also decides annually on the sustainability targets to be used for each annual tranche. The Supervisory Board selects the ESG targets from the following categories, which are derived from the company's materiality analysis: Employees, digital responsibility, Customer matters, Corporate environmental protection, Compliance and integrity, Supply chain and human rights due diligence. In doing so, it takes into account that the sustainability targets are quantifiable and transparent, differ from the targets set out in the STIP and motivate the Executive Board to pursue the sustainable development of the company.

The share price-based target is the total shareholder return (TSR) relative to suitable reference indices. The MDAX and STOXX Europe 600 Telecommunications currently serve as reference indices. To determine the performance of the freenet share relative to the two reference indices, the absolute comparative performance (outperformance) is calculated annually over the four-year performance period, plus the gross dividend per freenet AG share paid out and fictitiously reinvested during this period. The absolute outperformance is calculated annually in percentage points (pp) and translated into the corresponding annual target achievement in accordance with the target scale for the relative TSR. To determine the overall target achievement, the arithmetic mean of the annual target achievements over the four-year performance period of the respective annual tranche is calculated.

In order to avoid the influence of possible one-off effects on individual reporting dates, the relative TSR is calculated using the average share price of freenet shares or the average performance of the respective reference indices over the last 60 trading days on the relevant reporting date. The achievement of freenet's relative TSR target against the respective reference index is converted into a target achievement percentage within a range of 0% to 200% (see below). Finally, to determine the overall achievement of the relative TSR target, the target achievement percentages against both reference indices are weighted at 50% each and added together.

For both the earnings target and the sustainability targets, the Supervisory Board sets target achievement levels between 50% and 200% and the corresponding minimum and maximum values at the beginning of the performance period for the respective annual tranche. The target achievement levels for the share price target range between 0% and 200%. Furthermore, the minimum value is -50 percentage points (corresponding to 0% target achievement), the target value is 0 percentage points (corresponding to 100% target achievement) and the maximum value is +50 percentage points (corresponding to 200% target achievement) of the absolute outperformance for the share price target.

If the minimum value (hurdle) of a target is not exceeded, the target achievement for this performance criterion is 0%. If the actual value exceeds the defined maximum value (cap), the corresponding target achievement is limited to 200%. Target achievements between the defined anchor points, i.e. between the minimum target and the target value and between the target value and the maximum value, are calculated using linear interpolation.

The respective target achievement levels for the three performance criteria of the LTIP are added together according to their weighting to determine the overall target achievement level.

In addition, the programme contains five other standard anti-dilution provisions and the option for the Supervisory Board to reduce the number of virtual shares booked at its reasonable discretion after prior consultation with the member of the Executive Board due to extraordinary developments until the end of the respective performance period/holding period. In the event of breaches of duty or compliance, the Supervisory Board may review the LTIP payment entitlements and, if necessary, reduce or reclaim them (clawback).

The obligation arising from the LTIP programme was determined at fair value in accordance with IFRS 2 using a recognised valuation model (Monte Carlo simulation). The key parameters used in this model are the share price of freenet AG on the balance sheet date, the average prices for the relevant periods of the current and previous

year used to determine the "relative TSR" target, the estimate of the future development of the share prices relevant for the "relative TSR" target, the volatility of the share prices in line with the remaining term of the LTIP programme, the estimated degree of target achievement with regard to the EBT target and the sustainability targets for the respective LTIP tranches issued, and the estimated Discount rate.

As of 31 December 2025, a total of 357,983 virtual shares are booked in the programme as the initial number of virtual shares for the beneficiaries (prior year: 238,460 virtual shares), thereof 15,580 (prior year: 0) are for Mr Harries, 74,356 (prior year: 39,634) for Mr Vilanek, 79,547 (prior year: 62,854) for Mr Arnold, 13,889 (prior year: 0) for Mr Esch, 73,820 (prior year: 58,329) for Mr von Platen, 73,820 (prior year: 58,329) for Mr Fromme and 26,971 (prior year: 19,314) for Ms Engenhardt-Gillé.

The tranches of virtual shares booked in Programme 5 are essentially still exercisable as of 31 December 2025.

In the 2025 financial year, programme 5 generated personnel expenses of EUR 5,523 thousand (prior year: EUR 5,082 thousand), thereof EUR 505 thousand (prior year: 0) was for Mr Harries, EUR 1,791 thousand (prior year: EUR 1,306 thousand) for Mr Vilanek, EUR 870 thousand (prior year: EUR 1,177 thousand) for Mr Arnold, EUR 451 thousand (prior year: EUR 0) for Mr Esch, EUR 778 thousand (prior year: EUR 1,120 thousand) for Mr von Platen, EUR 778 thousand (prior year: EUR 1,120 thousand) for Mr Fromme and EUR 350 thousand (prior year: EUR 359 thousand) for Ms Engenhardt-Gillé. The provision formed as of 31 December 2025 totals EUR 14,663 thousand (prior year: EUR 9,140 thousand), thereof EUR 505 thousand (prior year: EUR 0) is for Mr Harries, EUR 3,097 thousand (prior year: EUR 1,306 thousand), EUR 3,361 thousand for Mr Arnold (prior year: EUR 2,491 thousand), EUR 451 thousand for Mr Esch (prior year: EUR 0), EUR 3,118 thousand for Mr von Platen (prior year: EUR 2,340 thousand), for Mr Fromme EUR 3,118 thousand (prior year: EUR 2,340 thousand) and for Ms Engenhardt-Gillé EUR 1,013 thousand (prior year: EUR 663 thousand).

25.4 Other employee incentive programmes

As of 31 December 2025, the Group had another employee incentive programme (prior year: two programmes), which is recognised with provisions of EUR 9,803 thousand (prior year: two programmes recognised with provisions totalling EUR 5,967 thousand, thereof EUR 5,873 thousand for one programme) and the other at EUR 94 thousand). Under the programme existing as of 31 December 2025, employees were granted virtual company shares that were vested by 31 December 2025. The amount of the payout per virtual company share was dependent on the achievement of a customer base target. The payout will be made in the first half of 2026.

26 Trade accounts payable, other liabilities and deferrals and other financial liabilities

Trade accounts payable, other liabilities and deferrals, and other financial liabilities are composed as follows:

Composition of trade accounts payable, other liabilities and deferrals, and other financial liabilities

In EUR million	31.12.2025 Total	Long-term	Short-term
Trade accounts payable	382.2	0.0	382.2
Other non-derivative financial liabilities	116.5	67.0	49.5
Financial liabilities	**498.7**	**67.0**	**431.8**
Other liabilities and deferrals	83.2	11.2	72.0
Prepayments received	491.8	112.3	379.5
Non-financial liabilities	**575.0**	**123.5**	**451.5**
Total trade accounts payable, other liabilities and deferrals, and other financial liabilities	**1,073.8**	**190.5**	**883.3**

In EUR million	31.12.2024 (restated) Total	Long-term	Short-term
Trade accounts payable	316.9	0.0	316.9
Other non-derivative financial liabilities	62.4	21.8	40.7
Financial liabilities	**379.3**	**21.8**	**357.5**
Other liabilities and deferrals	79.4	10.2	69.3
Prepayments received	491.3	109.5	381.8
Non-financial liabilities	**570.7**	**119.7**	**451.0**
Total trade accounts payable, other liabilities and deferrals, and other financial liabilities	**950.0**	**141.5**	**808.6**

As of 31 December 2025, there are no liabilities to related parties; see note 34 for more information.

Liabilities amounting to EUR 883.3 million (prior year adjusted: EUR 808.6 million) are due within the next twelve months. Liabilities amounting to EUR 190.4 million (prior year adjusted: EUR 141.3 million) are due within one and five years. EUR 0.1 million (prior year: EUR 0.2 million) is due after more than five years.

The portion of liabilities that is summarised under Financial liabilities is due within one year in the amount of EUR 431.8 million (prior year: EUR 357.5 million) and between one and five years in the amount of EUR 67.0 million (prior year: EUR 21.7 million). EUR 0.0 million (prior year: EUR 0.1 million) is due after more than five years.

We provide the following breakdown of current trade accounts payable:

Breakdown of current trade accounts payable

In EUR million	31.12.2025	31.12.2024
Liabilities to network operators, retailers, distributors, hardware manufacturers (Mobile Communications)	240.1	171.6
Liabilities to sales partners from contracts with customers	30.1	48.8
Obligations from distribution rights	30.5	30.8
Others	81.6	65.6
Total	**382.2**	**316.9**

Current other financial liabilities comprise the following:

Composition of current other financial liabilities

In EUR million	31.12.2025	31.12.2024
Personnel obligations	21.1	21.5
Refund liabilities	19.5	11.2
Obligations from earn-outs	7.7	0.0
Others	1.2	8.0
Gesamt	**49.5**	**40.7**

The obligations from earn-outs result from the right of non-controlling shareholders of Exaring to offer shares in Exaring to freenet AG at a fixed price within a certain period. The present value of the repayment amount of the liability is recognised in other financial liabilities. In accordance with the present access method, the shares of non-controlling shareholders continue to be recognised in equity as non-controlling interests. The subsequent measurement of the liability is recognised directly in equity.

Non-current other financial liabilities are broken down as follows:

Breakdown of non-current other financial liabilities

In EUR million	31.12.2025	31.12.2024
Obligations from distribution rights	58.2	0.0
Liabilities to sales partners from contracts with customers	8.5	14.0
Obligations from earn-outs	0.0	7.7
Others	0.3	0.0
Total	**67.0**	**21.8**

Current other liabilities and accruals comprise the following:

Composition of current other liabilities and accruals

In EUR million	31.12.2025	31.12.2024 (restated)
Deferred income from bonuses and commissions received from network operators	338.9	342.9
Liabilities from value added tax	34.6	29.7
Liabilities to customers from contracts with customers	33.9	20.2
Deferred income from customer credit balances, Mobile Communication	15.0	18.5
Others	29.1	39.8
Total	**451.5**	**451.0**

Non-current other liabilities and accruals comprise the following:

Composition of non-current other liabilities and accruals

In EUR million	31.12.2025	31.12.2024 (restated)
Deferred income from bonuses and commissions received from network operators	112.4	109.5
Liabilities to customers from contracts with customers	10.4	10.2
Others	0.7	0.0
Total	**123.5**	**119.7**

The freenet Group has been participating in a supplier financing agreement for some time. A long-standing trading partner of the freenet Group regularly generates commission claims through its activities. These claims against the freenet Group are placed by the business partner in an open factoring programme with a bank. The details of this factoring agreement between the trading partner and the bank are unknown to the freenet Group. The bank discloses the amount of receivables purchased from the business partner to the freenet Group on a monthly basis. The freenet Group then pays this amount directly to the bank with debt-discharging effect. All outstanding receivables of the trading partner against the freenet Group are reported in the freenet Group's balance sheet as trade accounts payable, including the portion that has been purchased and disclosed by the bank in the meantime. The carrying amount of the financial liabilities recognised in trade accounts payable as of 31 December 2025 is EUR 23.3 million (prior year: EUR 26.0 million). This amount was purchased, disclosed and paid in full by the bank. The freenet Group has limited cooperation obligations under this supplier financing agreement. In return, the payment term for the commission is extended by approximately 30 days (all other liabilities to dealers reported have a payment term of up to 30 days). This extension of the payment term could be discontinued upon termination of the factoring programme.

27 Current income tax liabilities

Current income tax liabilities include expected taxes paid for past financial years and for the current financial year from corporation tax and trade tax.

28 Financial liabilities and lease liabilities

Financial liabilities are structured as follows:

In EUR million	31.12.2025	31.12.2024
Liabilities from promissory note loans	199.7	223.0
Long-term	**199.7**	**223.0**
Liabilities to banks	349.6	0.1
Liabilities from promissory note loans	26.6	195.5
Short-term	**376.2**	**195.6**
Total	**575.9**	**418.6**

In the 2025 financial year, five tranches of promissory note loans from 2018 and 2020 totalling EUR 192.0 million were repaid in full. In addition, freenet AG successfully concluded bridge financing in November 2025 as part of the mobilezone acquisition with a total volume of EUR 250.0 million. The bullet financing instrument has a fixed term of 12 months with two extension options of six months each and an initial margin of 0.55%. As of 31 December 2025, EUR 100.0 million of the revolving credit facility (EUR 250.0 million) had also been utilised.

The Group's lease liabilities are broken down into the following lease categories:

Breakdown of lease liabilities by lease category

In EUR million	31.12.2025	31.12.2024
Site leases	92.9	107.1
Shops/stores	57.1	55.7
Co-location leases	20.5	29.8
Motor vehicles	3.8	3.6
Network infrastructure	3.1	4.8
Other	0.4	0.0
Long-term	**177.8**	**201.0**
Site leases	41.4	42.2
Shops/stores	13.7	15.3
Co-location leases	13.6	12.6
Motor vehicles	4.2	4.9
Network infrastructure	2.3	2.4
Other	0.3	0.1
Short-term	**75.5**	**77.5**
Total	**253.3**	**278.5**

Further information in connection with IFRS 16 is presented in note 2.5.

29 Pension provisions and similar obligations

The pension obligations are based on defined benefit and defined contribution plans. The pension benefits provided for are a lifetime retirement pension after reaching the age of 60 or 65, respectively, and a survivor's pension. The pension benefits are financed in part by a reinsured support fund. All pension commitments are generally determined based on salary level and length of service with the company. The commitments to the Executive Board are fully funded. These are secured by a reinsured support fund and a pledged reinsurance policy with a fair value of EUR 27.9 million in total (31 December 2024: EUR 25.2 million).

The net liability recognized in the balance sheet, which is reported in pension provisions and in other receivables and other assets, is calculated as follows:

Calculation of the reported net obligation

In EUR million	31.12.2025	31.12.2024
Present value of funded obligations	24.8	27.1
Present value of unfunded obligation	65.2	68.3
Present value of obligations	**90.0**	**95.4**
Fair value of plan assets	-27.9	-25.2
Influence from the asset ceiling	2.2	0.0
Net liabilities	**64.3**	**70.2**
Thereof recognized in pension provisions	*65.2*	*70.2*
Thereof reported under other non-current receivables and other assets	*-0.9*	*0.0*

These obligations are expected to be fulfilled predominantly in the long term. The development of the present value of funded and unfunded obligations is shown in the following table:

Development of the present value of funded and unfunded obligations

In EUR million	2025	2024
As of 1 January	**95.4**	**90.8**
Current service cost	0.8	0.8
Gross interest expense	3.2	3.0
Employee contributions	0.0	0.0
Settlement of pension obligations	0.0	0.0
Benefit payments from plan assets	-0.2	-0.2
Actuarial losses/gains (-)	**-6.6**	**3.7**
Thereof due to experience adjustments	0.8	3.5
Thereof due to financial parameter adjustments	-7.4	0.2
Payments made	-2.7	-2.7
As of 31 December	**90.0**	**95.4**

The weighted average remaining term of the benefit obligations as of 31 December 2025 is 16.6 years for the freenet programme (prior year: 18.4 years), 11.6 years for the debitel programmes (prior year: 12.7 years) and 6.4 years for the Media Broadcast Group programmes (prior year: 6.9 years).

The following amounts were recognised for the current reporting period and previous reporting periods for defined benefit plans:

Amounts recognised for defined benefit plans – current and prior reporting periods

In EUR million	2025	2024	2023	2022	2021
Present value of funded obligation	24.8	27.1	22.6	19.4	31.4
Present value of unfunded obligation	65.2	68.4	68.1	61.8	84.9
Fair value of plan assets	-27.9	-25.2	-22.5	-22.3	-20.0
Influence from the asset ceiling	2.2	0.0	0.0	2.0	0.0
Plan deficit	**64.3**	**70.2**	**68.2**	**60.9**	**96.3**
Experience adjustments of plan liabilities	0.8	3.5	1.0	0.2	0.0
Experience adjustments of plan assets	-0.8	-0.2	-2.3	-0.2	0.1

The plan assets consist of several reinsurance policies taken out by the support fund set up for this purpose with a total fair value of EUR 27.9 million (31 December 2024: EUR 25.2 million). The reinsurance policies invest the plan assets in equity fund units or shares listed on an active market. There is no active market for the reinsurance policies. The development of the fair value of plan assets is shown in the following table:

Development of fair value

In EUR million	2025	2024
As of 1 January	**25.2**	**22.5**
Interest on plan assets (through income statement, with standardised interest)	0.9	0.8
Differences between the expected and actual income from plan assets(recognised through other comprehensive income)	-0.8	-0.2
Benefit payments from plan assets	-0.2	-0.2
Employer contributions to plan assets	2.8	2.3
As of 31 December	**27.9**	**25.2**

The actual income from plan assets amounts to EUR 0.1 million (prior year: EUR 0.6 million) and is calculated as the total of the calculated expenses or income on plan assets and the actuarial gains or losses.

For the 2026 financial year, freenet expects payments into plan assets of EUR 2.4 million and pension payments of EUR 8.6 million. For the 2025 financial year, freenet had expected payments into plan assets of EUR 0.8 million and pension payments of EUR 7.6 million.

The net liability recognized in the balance sheet, which is reported in pension provisions and in other receivables and other assets, developed as follows:

Development of the net liability recognized in the balance sheet from pension obligations

In EUR million	2025	2024
As of 1 January	**70.2**	**68.2**
Current service cost	0.8	0.8
Net interest expense	2.3	2.2
Gains on the settlement of pension obligations	0.0	0.0
Subtotal: amount recognised in the consolidated income statement	**3.1**	**3.0**
Remeasurements recognised in other comprehensive income	-3.5	4.0
Experience-based gains (–)/losses (+)	0.8	3.5
Gains (–)/losses (+) due to financial parameter adjustments	-7.4	0.2
Income (-) / loss (+) on plan assets not already included in net interest income	0.8	0.2
Influence from the asset ceiling	2.2	0.0
Payments made	-2.7	-2.7
Employer contributions to plan assets	-2.8	-2.3
Employee contributions	0.0	0.0
Reclassification to the balance sheet item Other financial assets	0.9	0.0
As of 31 December	**65.2**	**70.2**

The following material actuarial assumptions were made:

Material actuarial assumptions

	31.12.2025	31.12.2024
Discount rate (freenet and debitel programmes)	4.35%	3.56%
Discount rate (Media Broadcast Group programmes)	3.69%	3.25%
Future salary increases (debitel programme)	3.00%	3.00%
Future salary increases (Media Broadcast Group programmes)	2.50%	2.50%
Future pension increases (debitel programme)	2.25%	2.25%
Future pension increases (freenet programme)	2.20%	2.20%
Future pension increases (Media Broadcast Group programmes)	2.00%	2.00%

As in the prior year, the RT 2018G mortality tables by Dr Klaus Heubeck were used as the biometric basis.

The sensitivities of the present value of the funded and unfunded obligations were calculated on the basis of the actuarial reports. We provide the following information in this regard.

Sensitivity analysis of the present value of funded and unfunded obligations

31.12.2025 In EUR million	Change in present value of obligations Increase	 Decrease
Increase in discount rate by 1.0 percentage points		8.8
Reduction in discount rate of 1.0 percentage points	10.8	
Increase in future salary increases by 0.5 percentage points	0	
Reduction in future salary increases by 0.5 percentage points		0
Increase in future pension increases by 0.25 percentage points	1.2	
Reduction in future pension increases by 0.25 percentage points		1.1
Life expectancy: age shift + 2 years	3.0	

31.12.2024 In EUR million	Change in present value of obligations Increase	 Decrease
Increase in discount rate by 1.0 percentage points		10.4
Reduction in discount rate of 1.0 percentage points	12.9	
Increase in future salary increases by 0.5 percentage points	0.3	
Reduction in future salary increases by 0.5 percentage points		0
Increase in future pension increases by 0.25 percentage points	1.4	
Reduction in future pension increases by 0.25 percentage points		1.3
Life expectancy: age shift + 2 years	3.5	

Sensitivities were calculated on the basis of the same portfolio and using the same valuation method as for determining the scope of obligations as of 31 December 2025. In each case, one parameter was varied and the other parameters were kept constant. Any interdependencies between individual parameters that may occur in practice were not taken into account.

30 Other provisions

The following overview shows a breakdown of the development of the carrying amounts of the provisions:

Breakdown of the development of the carrying amounts of provisions

In EUR million	1.1.2025	Additions Initial consolidation	Consumption	Reversal	Compounding	Additions	Exits Deconsolidation	31.12.2025	Long-term	Short-term
Contingent losses	2.5	0.0	0.5	1.1	-0.1	0.5	0.0	1.3	0.2	1.1
Litigation	4.6	0.1	0.4	0.7	0.0	0.0	0.0	3.5	0.0	3.5
Decommissioning obligations	38.2	0.0	0.4	1.2	0.0	1.4	1.1	36.9	28.2	8.7
Value added tax vis-à-vis tax authorities	13.1	13.7	13.1	0.0	0.0	0.0	0.0	13.7	13.7	0.0
Interest payable to tax authorities	14.5	1.5	2.1	0.0	0.0	1.5	0.0	15.4	15.0	0.4
Others	5.2	0.0	0.5	0.0	0.0	0.4	0.0	5.1	0.3	4.8
Other	**78.1**	**15.3**	**17.0**	**3.0**	**-0.1**	**3.8**	**1.1**	**76.0**	**57.5**	**18.5**
Employees share-participation-programmes	35.7	0.0	17.4	0.0	0.0	12.2	0.0	30.6	14.9	15.7
Service anniversaries	1.1	0.0	0.2	0.0	0.0	0.3	0.0	1.2	1.0	0.2
Restructuring	5.3	0.0	3.9	0.4	0.0	0.2	0.1	1.1	0.0	1.1
Others	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.1
Personnel	**42.2**	**0.0**	**21.4**	**0.4**	**0.0**	**12.8**	**0.1**	**33.0**	**16.0**	**17.0**
Total	**120.3**	**15.3**	**38.4**	**3.4**	**-0.1**	**16.6**	**1.2**	**109.0**	**73.5**	**35.5**

Provisions for contingent losses include expected vacancy costs for leased retail space. An outflow of assets amounting to EUR 1.1 million is expected for 2026.

Provisions for litigation relate to the anticipated costs of various lawsuits against Group companies and other outstanding disputes with third parties. The majority of these relate to litigation involving former trading partners and customers as well as intellectual property issues. The Group expects a complete outflow of assets in 2026. In order not to disclose the legal and negotiating positions prematurely and thus jeopardise them, no further details will be provided.

Due to the acquisition of the Media Broadcast Group, the provision for asset retirement obligations consists largely of obligations to dismantle radio infrastructure at numerous sites. The outflow of assets is expected to amount to EUR 7.4 million in 2026 and EUR 25.7 million in the years 2027 to 2033, following the expected expiry of the underlying lease agreements. There are further obligations to dismantle Leasehold improvements at various technical and administrative locations and shops belonging to the Group. The cash outflow is expected to amount to EUR 1.3 million in 2026 and EUR 2.5 million in the years 2027 to 2035, following the expected expiry of the underlying lease agreements.

The provisions for VAT to tax authorities and interest to tax authorities are based on the company's assessment. The final assessments by the tax authorities may differ from this.

Further details on the creation of provisions for Employee incentive programmes are documented in note 25. For the provision for Restructuring (due to the discontinuation of GRAVIS's business operations in 2024), an outflow of assets is expected in full for 2026.

Provisions for anniversary payments were recognised, with an expected cash outflow of EUR 0.2 million for 2026 and EUR 1.0 million for the years 2027 to 2045. The anniversary provisions were calculated using an interest rate of 3.76% and an average term of seven years from the balance sheet date to the payout date.

The acquisition of the Media Broadcast Group also resulted in the assumption of obligations for semi-retirement and long-term work accounts. These obligations are offset against the fair values of the corresponding plan assets at each balance sheet date. As of 31 December 2025, provisions before offsetting for long-term work accounts amount to EUR 2.9 million (prior year: EUR 3.6 million) and for semi-retirement EUR 0.0 million (prior year: EUR 0.0 million).

Semi-retirement and long-term work accounts

In EUR million	2025	2024
Long-term work accounts		
Obligation as of 1.1.	**3.6**	**3.4**
Payments from long-term work accounts	-0.8	-0.4
Personnel expenses	0.1	0.3
Interest income / interest expense	0.1	0.2
Obligation as of 31.12. before netting	**2.9**	**3.6**
Fair value of plan assets as of 1.1.	6.3	6.0
Income / loss on plan assets	0.2	0.3
Plan assets as of 31.12.	**6.5**	**6.3**

In EUR million	2025	2024
Semi-retirement		
Obligation as of 1.1.	**0.0**	**0.0**
Payments from semi-retirement accounts	0.0	0.0
Personnel expenses	0.0	0.0
Interest paid	0.0	0.0
Obligation as of 31.12. before netting	**0.0**	**0.0**
Fair value of plan assets as of 1.1.	1.1	1.1
Payments from plan assets	0.0	0.0
Loss on plan assets	0.0	0.0
Plan assets as of 31.12.	**1.1**	**1.1**

As of 31 December 2025, there will be no provision amount remaining, as was the case as of 31 December 2024.

31 Other financial obligations, contingent liabilities and credit enhancements

At the end of the financial year, non-cancellable maintenance, support and other obligations as well as order commitments amounted to the following:

Non-cancellable obligations and purchase commitments at the end of the financial year

In EUR million	31.12.2025	31.12.2024
Due within one year	42.8	46.3
Due within one and five years	99.4	131.4
Due after more than five years	0.0	0.2
Maintenance, support and other obligations	**142.2**	**177.8**
Regarding property, plant and equipment	2.0	1.4
Regarding inventories, other supplies and services	1,405.8	1,527.4
Order commitments	**1,407.8**	**1,528.8**
Total	**1,550.0**	**1,706.7**

As in 2024, the maintenance, support and other obligations mainly relate to contracts for the maintenance of IT hardware and databases, building technology, network infrastructure and the outsourcing of customer service business processes.

Order commitments amounted to EUR 1,407.8 million at the end of the financial year (prior year: EUR 1,528.8 million). Of that amount, EUR 2.0 million (prior year: EUR 1.4 million) is attributable to the procurement of fixed assets. There are further purchase commitments amounting to EUR 1,405.8 million (prior year: EUR 1,527.4 million). These mainly relate to obligations arising from contracts with network operators.

Other contingent liabilities consist of letters of comfort and rent guarantees and amount to EUR 68.1 million as of the balance sheet date (prior year: EUR 52.0 million). No claims arising from letters of comfort and rent guarantees are expected, as it is anticipated that the corresponding invoices will be paid in accordance with the contracts and the corresponding rent payments will be made regularly.

32 Notes to the consolidated cash flow statement

The information in the consolidated statement of cash flows is provided for the Group as a whole.

Cash funds consist of cash at bank, cheques and cash in hand, as well as short-term money market instruments that can be liquidated at any time, along with short-term financial liabilities, each with an original maturity of up to three months.

Cash flows are reported separately for operating, investments and financing activities. The indirect method was chosen to present cash flow from operating activities.

The item "Increase in networking capital, unless attributable to investing or financing activities" includes changes in the balance sheet items "Trade accounts receivable", "Other receivables and other assets", "Other financial assets", "Inventories", "Trade accounts payable", "Other liabilities and deferrals", "Other financial liabilities", "Pension provisions", "Other provisions" and the change in other assets and liabilities, unless attributable to investing or financing activities.

The alternative performance indicator "free cash flow" shows the amount of cash and cash equivalents generated that can be used, among other things, to pay dividends or for the Repayment of financial liabilities. Accordingly, "interest paid", "interest received," "cash inflows from the redemption of financial assets from leases" are included in cash flow from operating activities from continuing operations, and "cash outflows for the repayment of lease liabilities" (as part of cash flow from financing activities) are included in the calculation of free cash flow.

32.1 Reconciliation of liabilities from financing activities

The following reconciliation shows the debt from financing activities for the period from 1 January to 31 December 2025:

Reconciliation of liabilities from financing activities for the year 2025

		Changes affecting cash flow				Non-cash changes		
In EUR million	**01.01.2025**	**Repayment of financial liabilities**	**Recognition of financial liabilities**	**Repayment of lease liabilities**	**Interest paid[1]**	**Interest expense**	**Other changes[2]**	**31.12.2025**
Non-current financial liabilities	223.0						-23.3	199.7
Current financial liabilities	191.8	-192.0	349.3				23.6	372.7
Current financial liabilities from interest accruals	3.7				-12.8	12.6		3.5
Liabilities from finance leases	278.5			-78.1	-8.7	8.7	52.9	253.3
Total liabilities from financing activities	**697.0**	**-192.0**	**349.3[3]**	**-78.1**	**-21.6**	**21.4**	**53.3**	**829.2**

[1] Interest payments in connection with financial liabilities and leases amount to EUR 21.6 million. The item "interest paid" in cash flow from operating activities includes additional interest payments for taxes, default interest and similar items.
[2] This includes non-cash changes such as reclassifications, additions and disposals, and other changes related to Leases.
[3] The amount of EUR 349.3 million also includes EUR 100.0 million reported directly in cash funds.

The liabilities from financing activities for the period from 1 January 2024 to 31 December 2024 are as follows (table restated):

Reconciliation of liabilities from financing activities for the year 2024

				Changes affecting cash flow		Non-cash changes		
In EUR million	**01.01.2024**	**Repayment of financial liabilities**	**Recognition of financial liabilities**	**Repayment of lease liabilities[1]**	**Interest paid[2]**	**Interest expense**	**Other changes[3]**	**31.12.2024**
Non-current financial liabilities	250.1		164.5				-191.6	223.0
Current financial liabilities	178.5	-178.5					191.9	191.8
Current financial liabilities from interest accruals	2.2				-13.9	15.4		3.7
Liabilities from finance leases (including the discontinued Gravis business)	347.2			-82.2	-11.2	11.2	13.5	278.5
Non-current other financial liabilities	30.8						-30.8	0
Total liabilities from financing activities	**808.9**	**-178.5**	**164.5**	**-82.2**	**-25.0**	**26.5**	**-17.1**	**697.0**

[1] In addition to repayments of lease liabilities from continuing operations (EUR 75.7 million), this also includes repayments of lease liabilities from the discontinued Gravis operations (EUR 6.5 million).
[2] Interest payments in connection with financial liabilities and leases of continuing and discontinued operations amount to EUR 25.0 million. The item "interest paid" in cash flow from operating activities includes additional interest payments for taxes, default interest and similar items.
[3] This includes non-cash changes such as reclassifications, additions and disposals, and other changes related to leases.

33 Information on financial instruments

33.1 Disclosures pursuant to IFRS 7

This section provides an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

We provide the following information on the financial instruments existing in the Group as of 31 December 2025 and 31 December 2024:

Financial instruments by category as of 31 December 2025

In EUR million	Assessment category according to IFRS 9	Carrying amount of balance sheet 31.12.2025	Measurement: Amortised cost	Measurement: Fair value through profit or loss	Measurement: Fair value through other comprehensive income	Fair value Financial instruments 31.12.2025
Assets						
Cash/liquid assets	AC	168.2	168.2			-[1]
Trade accounts receivable		447.4				
At amortised cost	AC	447.4	447.4			-[1]
Other financial assets		248.8				
Lease receivables	n/a	28.6				
Other securities	n/a	4.7				
Non-derivative financial assets						
At amortised cost	AC	27.2	27.2			-[1]
Other financial assets						
At amortised cost	AC	41.6	41.6			-[1]
Other equity instruments						
At fair value through profit or loss	FVTPL	2.2		2.2		-[1]
At fair value through other comprehensive income	FVOCI	144.6			144.6	144.6
Equity and liabilities						
Lease liabilities	n/a	253.3				
Trade accounts payable	AC	382.2	382.2			
Financial liabilities		575.9	575.9			
Financial liabilities from promissory notes	AC	223.2	223.2			225.2
Other financial liabilities	AC	352.7	352.7			
Other financial liabilities		116.5				
At amortised cost	AC	108.8	108.8			
Obligations from earn-outs	AC	7.7	7.7			-[1]
Thereof aggregated by IFRS 9 measurement category						
Assets						
At amortised cost	AC	684.4	684.4			-[1]
At fair value through profit or loss	FVTPL	2.2		2.2		-[1]
At fair value through other comprehensive income	FVOCI	144.6			144.6	144.6
Equity and liabilities						
At amortised cost	AC	1,074.7	1,074.7			225.2

[1] No fair value was determined for the items, but the carrying amount represents a reasonable approximation of the fair value.

Financial instruments by category as of 31 December 2024

In EUR million	Assessment category under IFRS 9	Carrying amount of balance sheet 31.12.2024	Measurement Amortised cost	Measurement Fair value through profit or loss	Measurement Fair value through other comprehensive income	Fair value Financial instruments 31.12.2024
Assets						
Cash/liquid assets	AC	181.6	181.6			-[1]
Trade accounts receivable		381.4				
At amortised cost	AC	381.4	381.4			-[1]
Other financial assets		178.3				
Lease receivables	n/a	26.1				
Other securities	n/a	3.9				
Non-derivative financial assets						
At amortised cost	AC	12.9	12.9			-[1]
Other financial assets						
At amortised cost	AC	46.7	46.7			-[1]
Other equity instruments						
At fair value through profit or loss	FVTPL	2.2		2.2		-[1]
At fair value through other comprehensive income	FVOCI	86.6			86.6	86.6
Equity and liabilities						
Lease liabilities	n/a	278.9				
Trade accounts payable	AC	316.9	316.9			
Financial liabilities			418.5			
Financial liabilities from promissory notes	AC	414.8	414.8			414.4
Other financial liabilities	AC	3.7	3.7			
Other financial liabilities		62.4				
At amortised cost	AC	54.7	54.7			
Obligations from earn-outs	AC	7.7	7.7			-[1]
Thereof aggregated by IFRS 9 measurement category						
Assets						
At amortised cost	AC	622.6	622.6			-[1]
At fair value through profit or loss	FVTPL	2.2		2.2		-[1]
At fair value through other comprehensive income	FVOCI	86.6			86.6	86.6
Equity and liabilities						
At amortised cost	AC	797.8	797.8			414.4

[1] No fair value was determined for these items, but the carrying amount represents a reasonable approximation of the fair value.

The fair value of cash and cash equivalents, trade accounts receivable, other financial assets and other financial liabilities is approximately equal to the carrying amount. This is due to the short remaining terms of these financial instruments.

The fair values of non-current trade accounts receivable and other financial assets with remaining terms of more than one year correspond to the present values of the payments associated with the assets, taking into account the respective interest rate parameters. The other equity instruments measured at fair value through profit or loss are not listed shares. Due to their immateriality, the fair value of these shares is assumed to correspond to their amortised cost.

For other equity instruments, at fair value through other comprehensive income, the Group uses the market price in an active market as the fair value. The other equity instruments are the equity investment in CECONOMY (carrying amount as of 31 December 2025: EUR 143.9 million) and securities used to hedge pension obligations. The fair value of current financial liabilities corresponds to the carrying amount due to their maturity. The fair value of non-current financial liabilities exceeds the carrying amount as of 31 December 2025 by EUR 2.0 million (prior year: EUR 0.8 million). This difference resulted from the assessment of promissory note loans at fair value, which was determined on the basis of current estimates of the Group's own credit risk and interest rates on the assessment date.

The following overview sets out the key parameters of materiality on which the assessment of financial instruments recognised at fair value and the assessment of financial instruments reported at fair value in accordance with IFRS 7 are based. The individual levels are defined as follows in accordance with IFRS 13:

- Level 1:

Unchanged adoption of prices from active markets (Deutsche Börse AG, Frankfurt Stock Exchange) for identical financial assets or financial liabilities.

- Level 2:

Use of input factors that are not quoted prices included in Level 1, but which can be observed either directly (i.e. as a price) or indirectly (i.e. as a derivative of prices) for the asset or financial liability.

- Level 3:

Use of input factors that are not based on observable market data for the assessment of the financial asset or finan-cial liability (unobservable input factors). As in the prior year, there were no transfers between the individual levels in the 2025 financial year. A transfer between levels would have taken place at the end of the financial year.

Fair value hierarchy as of 31 December 2025

In EUR million	Total	Level 1	Level 2	Level 3
Assets				
Other equity instruments, at fair value through profit or loss	2.2	0.0	0.0	2.2
Other equity instruments, at fair value through other comprehensive income	144.6	144.6	0.0	0.0
Equity and liabilities				
Financial liabilities from promissory notes	225.2	0.0	225.2	0.0
Obligations from earn-outs within other financial liabilities	7.7	0.0	0.0	7.7

Fair value hierarchy as of 31 December 2024

In EUR million	Total	Level 1	Level 2	Level 3
Assets				
Other equity instruments, at fair value through profit or loss	2.2	0.0	0.0	2.2
Other equity instruments, at fair value through other comprehensive income	86.6	86.6	0.0	0.0
Equity and liabilities				
Financial liabilities from promissory notes	414.4	0.0	414.4	0.0
Obligations from earn-outs within other financial liabilities	7.7	0.0	0.0	7.7

The following table shows the changes in Level 3 instruments for the 2025 financial year:

Changes in Level 3 financial instruments for the 2025 financial year

In EUR million	01.01.2025	Additions	Disposals	31.12.2025
Assets				
Other equity instruments, at fair value through profit or loss	2.2	0.0	0.0	2.2
Equity and liabilities				
Obligations from earn-outs within other financial liabilities	7.7	0.0	0.0	7.7

There were no reclassifications in Level 3 in the 2025 financial year and there were no effects on earnings from market changes.

The following net gains/losses were reported for the individual categories of financial instruments in the 2025 financial year and in the prior year:

Net gains/losses by measurement category 2025

In EUR million	From Interest	From subsequent measurement			From disposals	Net profit
		At fair value through other comprehensive income	At fair value, recognised in the income statement	Value adjustment / bad debt losses		
Assets measured at amortised cost (AC)	5.0	0.0	0.0	-24.3	0.0	-19.4
Assets measured at fair value through profit or loss (FVTPL)	0.0	0.0	-2.7	0.0	0.8	-1.8
Assets measured at fair value through other comprehensive income (FVTOCI)	0.0	57.1	0.0	0.0	0.0	57.1
Liabilities measured at amortised cost (AC)	-13.0	0.0	0.0	0.0	0.0	-13.0
Total	**-8.1**	**57.1**	**-2.7**	**-24.3**	**0.8**	**22.8**

Net gains/losses by measurement category 2024

In EUR million	From Interest	From subsequent measurement			From disposals	Net profit
		At fair value through other comprehensive income	At fair value, recognised in the income statement	Value adjustment / bad debt losses		
Assets measured at amortised cost (AC)	6.8	0.0	0.0	-12.8	0.0	-6.1
Assets measured at fair value through profit or loss (FVTPL)	0.0	0.0	-3.3	0.0	1.3	-2.0
Assets measured at fair value through other comprehensive income (FVTOCI)	0.0	8.7	0.0	0.0	0.0	8.7
Liabilities measured at amortised cost (AC)	-15.8	0.0	0.0	0.0	0.0	-15.8
Total	**-9.0**	**8.7**	**-3.3**	**-12.8**	**1.3**	**-15.2**

Net gains or losses from assets assessed at amortised cost include changes in loss allowances, gains and losses from derecognition, as well as payments received and reversals of impairment losses on receivables that were originally written off.

Net gains or losses from the category of financial liabilities measured at amortised cost mainly comprise interest expenses payable to banks.

Information on interest income and interest expense from financial assets and financial liabilities not assessed at fair value through profit or loss is based on the application of the effective interest method.

Netting of financial assets and liabilities 2025

In EUR million	Gross amount before netting	Offsetting amounts	Net amount in the balance sheet	Fair value of financial collateral	31.12.2025 Total net amount
Trade accounts receivable	627.1	179.7	447.4		447.4
Other financial assets	251.9	3.1	248.8		248.8
Financial assets	**879.0**	**182.8**	**696.3**	**0.0**	**696.3**
Trade accounts payable	561.9	179.7	382.2	4.0	378.2
Other financial liabilities	119.4	2.9	116.5		116.5
Other provisions	109.2	0.2	109.0		109.0
Financial liabilities	**790.5**	**182.8**	**607.7**	**4.0**	**603.7**

Netting of financial assets and liabilities 2024

In EUR million	Gross amount before netting	Offsetting amounts	Net amount in the balance sheet	Fair value of financial collateral	31.12.2024 Total net amount
Trade accounts receivable	502.6	121.3	381.4		381.4
Other financial assets	182.2	3.8	178.3		178.3
Financial assets	**684.8**	**125.1**	**559.7**	**0.0**	**559.7**
Trade accounts payable	438.1	121.3	316.9	4.0	312.8
Other financial liabilities	66.0	3.6	62.4		62.4
Other provisions	120.5	0.3	120.3		120.3
Financial liabilities	**624.7**	**125.1**	**499.6**	**4.0**	**495.5**

In the 2025 financial year, trade accounts receivable from network operators (e.g. from bonuses, commissions) will be offset against trade accounts payable and other liabilities to the same network operators. As of 31 December 2025, the netting amount is EUR 179.7 million (31 December 2024: EUR 121.3 million). The conditions for offsetting are met, as the various claims and obligations towards two network operators were assessed in this context, with the result that, with a few minor exceptions, there is essentially a single large credit relationship with these network operators. Based on an agreement with a network operator to adjust payment terms, monthly advance payments are made for the mobile communications services provided by the network operator. These are balanced on the balance sheet date and settled in the following month. In addition to the netting amount of EUR 182.8 million, there is a long-term security deposit of EUR 4.0 million. The acquisition of the Media Broadcast Group in 2016 also resulted in the assumption of obligations for semi-retirement and long-term work accounts, among other things. These obligations are offset against the fair values of the corresponding plan assets at each balance sheet date. In this regard, we also refer to our comments on note 30, Other provisions.

33.2 Principles and objectives of financial risk management and capital risk management

The freenet Group is exposed to market risks, liquidity risks and default risks in particular with regard to its assets, liabilities and planned transactions.

The target of financial risk management is to monitor these risks on an ongoing basis and to limit them through operational and financial activities.

The basic principles of financial policy, the components of which are explained below, are determined by the Executive Board. In addition, certain financial transactions require the prior approval of the Executive Board.

The Group Treasury department provides services to the business units and coordinates access to the financial markets. It also monitors and controls the market and liquidity risks associated with the Group's business divisions through regular internal risk reporting, which analyses risks according to their degree and scale. The top priority for the Group Treasury department is the principle of risk minimisation; another important target is the optimisation of interest income. Prudent liquidity management, controlled by the Group Treasury department, includes maintaining sufficient reserves of liquid assets, the possibility of financing through an adequate amount of committed credit lines, and the possibility of closing open market positions. Liquidity risks are reduced through continuous monitoring of the financial status and sufficient reserves in the form of credit lines.

The Group Treasury department is responsible for monitoring the default risks of large debtors (in particular distributors, dealers and other B2B partners) and for regular internal risk reporting on these risks. Receivables from end customers are monitored by the Receivables Management department. One of its main objectives is to minimise expenses arising from the default or loss allowance on receivables from end customers and distribution partners.

The Group's capital risk management relates to the equity reported in the consolidated balance sheet and the key figures derived from it.

The primary target of the Group's capital risk management is to monitor the key figures specified in the loan agreements (financial covenants), failure to meet which could, under certain circumstances, result in the immediate repayment of the loans. The freenet Group manages capital risk on the basis of the equity ratio and the leverage. The equity ratio represents the ratio of equity to total assets and, as of 31 December 2025, is above the target of 25.0% (31 December 2025: 41.7%; previous year's reporting date: 44.4%). The leverage (31 December 2025: 1.2; previous year's reporting date: 0.9) is derived from the ratio of net financial liabilites to EBITDA generated in the last twelve months. Net financial liabilites are defined as financial liabilities from the balance sheet, less liquid assets and plus net lease liabilities.

As of 31 December 2025, all key figures for covenants have been met. All other agreed restrictions in the loan agreements (known as "undertakings" and "covenants") were also complied with as of the balance sheet date. The material financial covenants are defined in relation to the Group's debt.

In order to actively manage the capital structure, management can sell assets to reduce debt and take other actions such as issuing new shares.

The following information on individual risks is based on information presented to the Executive Board.

33.3 Market risk

Our Group's activities are primarily exposed to financial risks arising from changes in interest rates and exchange rates.

33.3.1 Interest rate risk

The liabilities reported under financial liabilities result from three promissory note loans and a bridge loan (reported as of 31 December 2025 with a total balance of EUR 475.7 million (prior year: EUR 418.4 million) – thereof EUR 349.3 million is attributable to the variable-rate tranches). In addition, the Group has a revolving credit line totalling EUR 250.0 million (prior year: EUR 250.0 million) with a term of five years, of which EUR 100.0 million had been drawn at the end of the year (an interest rate of 2.7% was applied to the drawdown as of 31 December 2025).

As of 31 December 2025, the Group had interest-bearing financial liabilities of EUR 575.9 million (prior year: EUR 418.5 million), thereof EUR 449.5 million had variable interest rates as of the balance sheet date. In this respect, the Group is exposed to interest rate risks. Interest rate risks are not explicitly hedged, but the balance of cash and cash equivalents (which is mainly invested at variable interest rates) acts as a natural hedge and reduces the interest rate risk from variable-rate Financial liabilities accordingly.

Based on the daily liquidity planning available to it, the Group treasury department continuously reviews the various investment options for cash and cash equivalents as well as the various options for managing Financial liabilities. Changes in market interest rates could have impacts on the interest income from original variable-rate Financial instruments and are included in the calculation of earnings-related sensitivities.

To present market risks, the Group uses a sensitivity analysis that shows the impacts of interest rate changes on earnings and equity.

The periodic impacts are determined by relating the hypothetical changes in risk variables to the portfolio of financial instruments as of the balance sheet date.

The balance sheet shows liabilities of EUR 575.9 million (prior year: EUR 418.5 million) under current and non-current financial liabilities as of 31 December 2025, thereof EUR 449.5 million (prior year: EUR 144.2 million) being variable-rate liabilities. The variable-rate bank liabilities carried interest at 2.8% as of the reporting date. Of the financial liabilities existing as of 31 December 2025, EUR 376.2 million are reported as current financial liabilities. Of this amount, EUR 3.5 million is deferred for expected payments of accrued interest and EUR 373.5 million is earmarked for the Repayment of financial liabilities in 2026. As of 31 December 2025, the variable portion of the loans will bear interest within a corridor of 2.7% to 3.6%. Based on market estimates, we expect a corridor of between 2.6% and 3.6% for the variable portion in 2026. This would result in interest payments of EUR 15.5 million on total financial liabilities in 2026. Based on the net position of variable-rate assets and equity and liabilities (EUR 250.0 million) that were not subject to fair value assessment, a parallel shift in the yield curve of 50 basis points upwards would have an effect on earnings before taxes of EUR -1.3 million (prior year: EUR -0.2 million), a shift in the yield curve downwards by 50 basis points would have had an effect on earnings before taxes of EUR +1.3 million (prior year: EUR +0.2 million).

The interest rate risk for the other interest-bearing assets and liabilities is negligible.

Interest rate changes only affect fixed-income financial instruments if they are recognised at the fair value of the financial instruments. freenet's financial liabilities are therefore not exposed to interest rate risk as they are recognised at amortised cost.

33.3.2 Foreign currency risk

The Group conducts a small scope of transactions in Foreign currencies. Currency hedging is generally carried out by entering into forward exchange contracts or, if necessary, by holding cash reserves in Foreign currencies.

33.3.3 Price risk

The Group has only a few assets or equity investments that are exposed to price risk (such as shares in Ceconomy). The Group considers price risk relating to Ceconomy to be negligible.

33.4 Liquidity risk

The Group's liquidity risk consists of the possibility that the company may not be able to meet its financial obligations, e.g. the Repayment of financial liabilities, the payment of purchase obligations and obligations arising from leasing agreements.

Extensive financial planning tools are used throughout the Group to monitor and manage liquidity. Different planning horizons are considered, extending up to one year. Short-term liquidity planning and management is carried out on a daily basis for the next three months in advance. This planning is updated daily by the Group Treasury department in consultation with Accounting and Controlling on the basis of actual data.

The Group continues to manage liquidity risk by maintaining adequate bank balances and credit lines with banks and by continuously monitoring forecast and actual cash flows. In addition, the maturity profiles of financial assets and liabilities are reconciled. The Group uses a wide range of different financing instruments to reduce liquidity risk.

Based on several existing intra-Group cash pooling agreements in which the material companies of the freenet Group participate, the Group centrally manages its cash requirements and investments.

The Group expects to be able to meet its other obligations from operating cash flows and from the inflow of maturing financial assets.

As of the balance sheet date, the Group had utilised EUR 100.0 million of the EUR 250.0 million (prior year: EUR 250.0 million) revolving credit line granted. The company is permitted, within narrow limits, to borrow funds outside the credit agreements in order to finance future strategic Investments, for example.

Securities (money market funds and bonds held in custody) can be liquidated at short notice. There is no intention to sell the investments. If it becomes necessary to sell these investments, short-term settlement could be difficult under certain circumstances, as there is no organised capital market for these shares.

The Group's financial and operational flexibility is restricted by certain provisions in the loan agreements. These impose restrictions on the company, for example, with regard to changes in the Group's business activities, the implementation of internal corporate restructuring measures, the provision of collateral and the acquisition and disposal of assets, in particular shareholdings. The following tables show the contractually agreed undiscounted interest and principal payments on the Group's original financial liabilities at the end of the 2025 and 2024 financial years:

Financial liabilities 31 December 2025

	Carrying amounts	Cash flows 2026			Cash flows 2027			Cash flows 2028 and later		
In EUR million	31.12.2025	Interest fixed	Interest variable	Repay-ment	Interest fixed	Interest variable	Repay-ment	Interest fixed	Interest variable	Repay-ment
Trade accounts payable	382.2			382.2						
Financial liabilities (liabilities to banks)	575.9	4.5	11.0	376.2	4.0	4.2	174.8	1.0	2.1	24.9
Other non-derivative financial liabilities	116.5			49.5			38.9			28.1
Lease liabilities	253.3	7.6		75.3	5.3		62.4	8.9		115.6

Financial liabilities 31 December 2024

	Carrying amounts	Cash flows 2025			Cash flows 2026			Cash flows 2027 and later		
In EUR million	31.12.2024	Interest fixed	Interest variable	Repay-ment	Interest fixed	Interest variable	Repay-ment	Interest fixed	Interest variable	Repay-ment
Trade accounts payable	316.9			316.9						
Financial liabilities (liabilities to banks)	418.5	6.6	6.5	195.6	4.5	4.7	123.1	5.0	2.1	99.8
Other non-derivative financial liabilities	62.4			40.7			7.7			14.0
Lease liabilities	278.5	8.3		77.5	5.8		66.6	9.7		134.4

33.5 Default risk

The Group considers the probability of default at the time of initial recognition of assets and the existence of a significant increase in default risk during the reporting periods. To assess whether the default risk has increased significantly, the default risk in relation to the Asset on the reporting date is compared with the default risk at the time of initial recognition. Available, appropriate and reliable forward-looking information is taken into account. In this context, we refer to the explanations on the impairment model in accordance with IFRS 9 in note 2.7.7, Impairment of financial assets, and note 21, Receivables, other assets and other financial assets.

When considering default risks, the freenet Group focuses on trade accounts receivable from end customers and lease receivables. We refer here to our comments in note 21, Receivables, other assets and other financial assets. In our Group's mass business, particular attention is paid to the creditworthiness of customers and sales partners. For significant contract customer areas, credit checks are carried out on customers before contracts are concluded.

During the ongoing contractual relationship, the implementation of a swift and regular dunning and collection process with several collection agencies in benchmarking and long-term collection monitoring, as well as high-spender monitoring in our Group, are material actions for minimising default risk.

An ongoing reminder and collection process is also in place for receivables from dealers, franchise partners and other business customers. Credit limits are also set and monitored. If necessary, reaching the limit will result in a delivery block.

In addition, trade credit insurance covers material credit default risks vis-à-vis major customers (retailers and distributors in the Mobile Communications sector). In order to minimise the credit default risk, the Group has insured a certain proportion of these revenues. Every month, the Group Treasury department reports the current revenues of the respective major customer to the insurance company. In connection with this report, the insurance company calculates the sales volume to be insured. The risks associated with uninsured customers are limited by an internal limit system – as a rule, customers with poor credit ratings must pay in advance or the business relationship will not be established. Default risks vis-à-vis end customers are not covered.

When determining the recoverability of trade accounts receivable, any change in creditworthiness since the payment term was granted up to the balance sheet date is taken into account. There is no significant concentration of credit default risk, as the customer base is broad and there are no correlations.

Appropriate loss allowances are made to take account of default risks. Receivables and other assets are derecognised when the Group considers the receivable to be uncollectible.

Securities and cash and cash equivalents are mainly invested with major German banks. The Default risk is significantly reduced by spreading the investments across different banks. The investments are constantly monitored by the Group Treasury department in terms of their current and expected future returns.

34 Related party transactions

34.1 Overview

The following material business transactions took place between the Group and related parties:

Material business transactions between the Group and related parties

In EUR million	2025	2024
Joint ventures		
Antenne Deutschland GmbH & Co. KG, Garching	11.4	10.6
Associated companies		
Bayern Digital Radio GmbH, Munich	0.5	0.5
Non-consolidated companies		
Hessen Digital Radio GmbH, Frankfurt	1.1	1.2
Total	**13.0**	**12.4**

Expenses from the purchase of services

In EUR million	2025	2024
Associated companies		
ad.audio GmbH, Hamburg	0.0	0.2
Bayern Digital Radio GmbH, Munich	0.6	0.6
Non-consolidated companies		
Hessen Digital Radio GmbH, Frankfurt	0.0	0.1
Total	**0.6**	**0.9**

As of 31 December 2025, the following material receivables and liabilities to related companies and persons existed:

Receivables from related companies and persons as of 31 December 2025

In EUR million	31.12.2025	31.12.2024
Associated companies		
Bonamic GmbH, Bochum	1.5	0.0
Total	**1.5**	**0.0**

There are no liabilities to related companies and persons as of 31 December 2025 (prior year: EUR 0.0 million). In the 2025 financial year, the workers' representatives on the Supervisory Board received total benefits from their employment contracts amounting to EUR 0.5 million (prior year: EUR 0.4 million).

All transactions were based on market prices. There are no collateral securities.

34.2 Remuneration of key management personnel: Executive Board remuneration

The remuneration of the members of the company's Executive Board as members of management in key positions in the reporting year and the prior year was composed as follows:

Expense 2025 according to IAS 24.17

In EUR thousand	Fixed benefits and fringe benefits	One-year variable benefits	Total current liabilities	Share-based remune-ration	Benefits due to termination of employment	Benefits after termination of employment	Total-payables
Robin Harries	588	363	951	505	0	117	1,573
Christoph Vilanek	507	262	769	2,877	978	0	4,624
Ingo Arnold	637	315	952	1,291	0	100	2,343
Stephan Esch	355	175	530	1,090	1,560	0	3,180
Rickmann von Platen	344	195	539	1,179	181	67	1,966
Antonius Fromme	345	195	540	1,016	786	100	2,442
Nicole Engenhardt-Gillé	205	96	301	350	150	59	860
Total	**2,981**	**1,601**	**4,582**	**8,308**	**3,655**	**443**	**16,988**

Expense 2024 according to IAS 24.17

In EUR thousand	Fixed benefits and fringe benefits	One-year variable benefits	Total current liabilities	Share-based remuneration	Benefits after termination of employment	Total benefits
Christoph Vilanek	1,218	734	1,952	2,509	0	4,461
Ingo Arnold	637	367	1,004	1,491	100	2,595
Stephan Esch	519	294	813	1,291	0	2,104
Rickmann von Platen	516	340	856	1,405	100	2,361
Antonius Fromme	508	340	848	1,405	100	2,353
Nicole Engenhardt-Gillé	303	168	471	359	59	889
Total	**3,701**	**2,243**	**5,944**	**8,460**	**359**	**14,763**

Share-based remuneration is long-term variable benefit (LTIP). For more information, please refer to our comments on the LTIP programmes in sections 25.1 (Programme 3), 25.2 (Programme 4) and 25.3 (Programme 5) of this note.

As of 31 December 2025, the provision for LTIP programmes 3, 4 and 5 totalled EUR 20,713 thousand (prior year: EUR 29,765 thousand).

In 2025, total remuneration for active members of the Executive Board within the meaning of Section 314 (1) No. 6a of the German Commercial Code (HGB) amounted to EUR 9,005 thousand (prior year: EUR 8,739 thousand). In addition to remuneration for short-term services, this includes share-based remuneration from the granting of the 2025/2028 tranche of LTIP programme 5 amounting to EUR 4,423 thousand (prior year: share-based remuneration amounting to EUR 2,795 thousand from the granting of the 2024/2027 tranche of LTIP programme 5). (prior year: share-based remuneration of EUR 2,795 thousand from the granting of the 2024/2027 tranche of LTIP programme 5). In 2025, the members of the Executive Board were granted a total of 119,505 virtual shares from the 2025/2028 tranche of LTIP programme 5 (prior year: 102,775 virtual shares from the 2024/2027 tranche of LTIP programme 5).

In 2025, former members of the Executive Board received remuneration within the meaning of Section 314 (1) No. 6b HGB amounting to EUR 3,858 thousand (prior year: EUR 199 thousand). This includes EUR 3,655 thousand (prior year: EUR 0) for the members of the Executive Board who left in 2025, Mr Vilanek, Mr Esch, Mr von Platen, Mr Fromme and Ms Engenhardt-Gillé, for the period from their release from their duties until the termination date of their Executive Board service contracts, comprising Fixed benefits and fringe benefits, pro-rata one-year variable benefits and severance payments. On the other hand, EUR 203 thousand (prior year: EUR 199 thousand) in retirement pension payments for former member of the Executive Board Mr. Preisig is included.

Pension obligations for former members of the Executive Board amount to EUR 24,792 thousand (prior year: EUR 13,160 thousand), which are offset by assets from reinsurance policies amounting to EUR 27,904 thousand (prior year: EUR 12,140 thousand).

No loans were granted to any of the members of the Executive Board, and no guarantees or other warranties were provided for any of the members of the Executive Board.

34.3 Remuneration of key management personnel: Supervisory Board remuneration

The remuneration of the Supervisory Board, which is regulated in the Articles of Association and applies from 1 January 2021, consists of three components:

- a base remuneration,
- Attendance fees and
- remuneration depending on membership and chairmanship of Supervisory Board committees.

The members of the Supervisory Board receive a fixed base remuneration of EUR 50,000 from the company for each full financial year of their membership of this body.

The Chairman of the Supervisory Board receives double this amount, and the Deputy Chairman receives one and a half times the Base remuneration.

Each member of the Supervisory Board also receives a meeting fee of EUR 1,000 for each meeting of the Supervisory Board or its committees in which they have participated. Multiple meetings on the same day are only remunerated once.

Members of the audit committee receive an additional annual remuneration of EUR 15,000 each for their membership of this committee. Members of other committees – with the exception of the mediation committee – receive an additional annual remuneration of EUR 10,000 per committee for their membership of the committee. The committee chair receives twice this amount. Remuneration for chairing and membership of committees is only payable if the committees meet at least once in the financial year in question to perform their duties.

Members of the Supervisory Board are also reimbursed for their necessary expenses.

The remuneration regulations applicable from 1 January 2021 stipulate that the total remuneration of a Supervisory Board member may not exceed EUR 160 thousand per year (maximum remuneration).

34.3.1 Remuneration for the 2025 financial year and the 2024 financial year

No loans were granted to any of the members of the Supervisory Board, and no guarantees or other warranties were provided for any of the members of the Supervisory Board.

Individualised information for the last two financial years can be found in the following tables. It should be noted that, due to the number format, there may be rounding differences in the intermediate and final totals, as the figures have been rounded to one decimal place.

Remuneration for the 2025 financial year

In EUR thousand	Base remuneration	Meeting fees	Committee remuneration	Exceeding maximum remuneration	Total
Active members					
Knut Mackeprang[1]	75.0	14.0	20.0	0.0	109.0
Claudia Anderleit[1]	50.0	13.0	10.0	0.0	73.0
Marc Tüngler	100.0	16.0	60.0	-16.0	160.0
Robert Weidinger	50.0	11.0	40.0	0.0	101.0
Sabine Christiansen	50.0	15.0	20.0	0.0	85.0
Theo-Benneke Bretsch[1]	50.0	8.0	10.0	0.0	68.0
Prof. Dr Kerstin Lopatta	50.0	9.0	15.0	0.0	74.0
Thomas Karlovits	50.0	8.0	10.0	0.0	68.0
Miriam Wohlfarth	50.0	6.0	0.0	0.0	56.0
Frank Suwald[1]	50.0	9.0	15.0	0.0	74.0
Petra Winter	50.0	8.0	15.0	0.0	73.0
Tobias Marx[1]	50.0	6.0	0.0	0.0	56.0
Total	**675.0**	**123.0**	**215.0**	**-16.0**	**997.0**

[1] Employee representatives in accordance with section 7 (1) clause 1 no. 1 MitbestG of 4 May 1976.

Remuneration for the 2024 financial year

In EUR thousand	Base remuneration	Meeting fees	Committee remuneration	Exceeding maximum remuneration	Total
Active members					
Knut Mackeprang[1]	75.0	17.0	20.0	0.0	112.0
Claudia Anderleit[1]	50.0	15.0	10.0	0.0	75.0
Marc Tüngler	100.0	18.0	60.0	-18.0	160.0
Robert Weidinger	50.0	8.0	40.0	0.0	98.0
Sabine Christiansen	50.0	16.0	20.0	0.0	86.0
Theo-Benneke Bretsch[1]	50.0	6.0	10.0	0.0	66.0
Prof. Dr Kerstin Lopatta	50.0	8.0	15.0	0.0	73.0
Thomas Karlovits	50.0	6.0	10.0	0.0	66.0
Miriam Wohlfarth	50.0	4.0	0.0	0.0	54.0
Frank Suwald[1]	50.0	7.0	15.0	0.0	72.0
Petra Winter	50.0	8.0	15.0	0.0	73.0
Tobias Marx[1]	50.0	4.0	0.0	0.0	54.0
Total	**675.0**	**117.0**	**215.0**	**-18.0**	**989.0**

[1] Employee representatives in accordance with section 7 (1) clause 1 no. 1 MitbestG of 4 May 1976.

The total benefits granted to the members of the Supervisory Board within the meaning of IAS 24.17 and Section 314 (1) No. 6 HGB amounted to EUR 997.0 thousand in the 2025 financial year (prior year: EUR 989.0 thousand).

35 Company acquisitions

On 8 October 2025, the Group concluded a purchase agreement with mobilezone AG, based in Risch, Switzerland, for the acquisition of all shares and voting rights in mobilezone Deutschland GmbH, Cologne (hereinafter referred to as "mobilezone" together with its subsidiaries, the material operating company mobilezone GmbH, Cologne, and mobilezone exchange GmbH, Bochum). The acquisition was completed on 31 December 2025, giving the Group control over this subsidiary. The initial consolidation into the freenet Group took place on 31 December 2025.

The business purpose of mobilezone's B2C end customer business is the sale of Mobile Communications contracts and related products in combination with Mobile Communications hardware, as well as the direct sale of consumer electronic products. Selected offers from all major Mobile Communications providers are sold, with a focus on the network operators Deutsche Telekom, Vodafone and Telefónica Deutschland. Sales in the B2C end customer business are conducted both via its own online platforms and partner platforms. mobilezone also operates its own television channel for the sale of mobile phone contracts. mobilezone employed 341 employees as of 31 December 2025.

mobilezone also operates as its own provider under the HIGH brand and markets mobile phone tariffs with or without hardware on its own account.

As an independent full-service provider in the field of Mobile Communications, internet and landline telephony, mobilezone also covers the B2B business. Here, a large and heterogeneous landscape of trading partners is offered the entire product range in this area, including services such as purchasing, sales and logistics.

The preliminary consideration transferred in accordance with IFRS 3 amounts to EUR 228.7 million and comprises the purchase price components for the shares and a long-term loan receivable. A preliminary cash purchase price of EUR 48.5 million was agreed for the shares, which was paid in December 2025. In addition, a long-term loan receivable from the sellers to mobilezone with a nominal value of EUR 180.2 million was acquired, with payment also made in cash in December 2025. The cash purchase price for the shares is subject to future adjustments depending on the amount of cash and cash equivalents, financial liabilities and net working capital of mobilezone as of 31 December 2025, the amount of which is to be finally determined by the parties to the purchase agreement in the course of the 2026 financial year in accordance with the accounting methods agreed in the purchase agreement. The transaction incurred costs of EUR 1.2 million in 2025, which were recognised as other operating expenses.

The acquisition of mobilezone resulted in cash outflows of EUR 201.0 million reported in the cash flow statement – the total of EUR 228.7 million paid for the shares and the loan receivable, less the cash and cash equivalents of EUR 27.7 million available at mobilezone on the date of initial consolidation.

Due to the proximity of the acquisition to the balance sheet date and the date of preparation of these consolidated financial statements, the purchase price allocation carried out in these consolidated financial statements in accordance with IFRS 3 in relation to the acquisition of mobilezone is preliminary in nature with regard to the consideration transferred and the assessment of the identified intangible assets.

The following overview provides information on the assets and liabilities of mobilezone acquired at fair value at the time of initial consolidation:

mobilezone assets and liabilities at fair value as of 31 December 2025

Assets	31.12.2025	Equity and liabilities	31.12.2025
	In EUR million		In EUR million
Non-current assets		**Non-current liabilities**	
Intangible assets	91.5	Lease liabilities	3.4
Lease assets	3.9	Other liabilities and accruals	5.5
Goodwill	86.2	Other financial liabilities	0.3
Property, plant and equipment	4.0	Other provisions	15.2
Trade accounts receivable	12.0	Deferred income tax liabilities	26.4
Other receivables and other assets	26.2		
Other financial assets	0.0		
Contract acquistion costs	6.8		
	230.6		**50.8**
Current assets		**Current liabilities**	
Inventories	30.0	Lease liabilities	0.5
Current income tax assets	8.6	Trade accounts payable	82.5
Trade accounts receivable	95.4	Other liabilities and accruals	21.6
Other receivables and other assets	1.6	Other financial liabilities	4.8
Other financial assets	8.4	Current income tax liabilities	13.3
Cash	27.7	Other provisions	0.1
	171.7		**122.8**
Total assets	**402.3**	**Total equity and liabilities**	**173.6**

The preliminary purchase price allocation results in goodwill of EUR 86.2 million from the difference between the purchase price of the shares and the loan receivable totalling EUR 228.7 million and the net assets at fair value of EUR 142.5 million. This goodwill is mainly attributable to future earnings opportunities in the Mobile Communications business, which largely relate to the economic benefits of integrating mobilezone's Business model into the freenet Group. The goodwill has been allocated to the "Mobile Communications" cash-generating unit and is not tax-deductible.

Additional intangible assets amounting to EUR 75.3 million were identified in the preliminary purchase price allocation. Of these intangible assets, EUR 62.8 million relate to customer relationships with a useful life of between three and twelve years, EUR 7.8 million to trademarks with a useful life of between six and ten years, and EUR 4.8 million to a distribution right with a useful life of seven years. Subsequent amortisation of these intangible assets will result in amortisation of EUR 10.5 million per financial year.

The liabilities assumed as part of the initial consolidation of mobilezone include current income tax liabilities and Other provisions for income tax and VAT risks from tax audits, including interest, totalling EUR 25.8 million. As the Group would have a claim for reimbursement against the seller in the event of these Risks materialising due to a tax clause in the purchase agreement, this claim for reimbursement has been recognised as a contingent asset in the same amount of EUR 25.8 million as part of the purchase price allocation. The fair value of the acquired receivables (including other receivables and other assets as well as other financial assets) amounts to EUR 143.6 million. Loss allowances of EUR 2.0 million were recognised on the acquisition date for gross trade accounts receivable, other receivables and other assets, and other financial assets. No contingent liabilities or transactions were identified that need to be reported separately from the acquisition of the assets and the assumption of the liabilities.

The preliminary purchase price allocation was based on a valuation-relevant planning calculation using the DCF method. This covered a detailed period of three years. To determine the fair values of the intangible assets recognised in the preliminary purchase price allocation, capital value-oriented methods were used, namely the residual value method (multi-period excess earnings method) for customer relationships and the licence price analogy method for trademarks and distribution rights. The fair values of the aforementioned intangible assets were calculated in accordance with IFRS 13 using a discounted cash flow method with Level 3 input factors (unobservable parameters). This valuation technique is based on a cash flow forecast that a hypothetical market participant would assume.

In our segment reporting, mobilezone is classified in the Mobile Communications segment. The goodwill of EUR 86.2 million resulting from the acquisition of the company was allocated in full to the “Mobile Communications” CGU.

If the acquisition of mobilezone had taken place on 1 January 2025, mobilezone's contribution to consolidated revenue would have been approximately EUR 670 million and its contribution to consolidated profit after tax would have been slightly positive but immaterial for the Group.

36 Sale of subsidiaries and discontinuing operations

36.1 Sale of subsidiaries

Under a purchase agreement dated 9 May 2025, which was executed on 3 July 2025, the Group sold all shares and voting rights in The Cloud Networks Germany GmbH, Munich, and The Cloud Networks Nordic AB, Stockholm (Sweden) (these companies are collectively referred to as “The Cloud Group” below) to a company belonging to the French Wifirst Group.

The Cloud Group's business activities are primarily focused on establishing and operating a network of wireless (WiFi) Internet access points (hotspots). The hotspots that have been put into operation to date primarily comprise access points in hotels, petrol stations, airports and railway stations, in schools, nursing homes, restaurants and other publicly accessible buildings and locations.

In segment reporting, this company was part of the "Mobile Communications" segment until its deconsolidation. A cash purchase price of EUR 40.1 million was agreed, which was paid to the Group in July 2025. In addition, an earn-out was agreed that could range between EUR 0 and EUR 8.0 million, the exact amount of which is based on the

achievement of specified targets for a financial control variable of The Cloud Group for the 2025 financial year. Due to the expected non-achievement of these targets, an earn-out of 0 is assumed in these financial statements.

The Cloud Group was deconsolidated on 3 July 2025. A breakdown of the composition of the individual assets and liabilities of The Cloud Group as of 3 July 2025 can be found in the following overview.

Assets	**03.07.2025**	**Equity and liabilities**	**03.07.2025**
	In EUR million		**In EUR million**
Non-current assets		**Non-current liabilities**	
Intangible assets	4.2	Lease liabilities	0.5
Lease assets	0.7	Deferred income tax liabilities	1.4
Goodwill	11.5	Other liabilities and accruals	0.9
Property, plant and equipment	2.5	Other provisions	0.0
Other receivables and other assets	0.7		
Other financial assets	0.1		
	19.7		**2.8**
Current assets		**Current liabilities**	
Inventories	0.8	Lease liabilities	0.3
Trade accounts receivable	9.0	Trade accounts payable	1.0
Other receivables and other assets	0.2	Other liabilities and accruals	0.9
Other financial assets	0.1	Other financial liabilities	0.6
Current income tax assets	0.1	Current income tax liabilities	0.5
Cash	0.8	Other provisions	0.0
	11.0		**3.3**
Total assets	**30.7**	**Total equity and liabilities**	**6.1**

The deconsolidation of the company resulted in a gain of EUR 12.5 million, which was reported under other operating income. This gain resulted from offsetting the cash purchase price of EUR 40.1 million on the one hand against the net assets of EUR 24.6 million disposed of and liabilities of EUR 3.0 million incurred by freenet DLS GmbH as the seller in connection with the sale on the other. This deconsolidation gain of EUR 12.5 million does not include disposal costs of EUR 1.0 million, which were reported under other operating expenses.

The sale of The Cloud Group was carried out as part of a strategic portfolio streamlining.

Effective 1 October 2025, the Group sold all shares and voting rights in freenet Datenkommunikations GmbH, Hamburg (hereinafter referred to as "FDK"), to Wortmann Beteiligungs GmbH, Bad Oeynhausen.

FDK's business activities are mainly focused on operating a data centre. In segment reporting, this company was part of the "Other/holding" segment until its deconsolidation. A final cash purchase price of EUR 1 was agreed. FDK was deconsolidated on 1 October 2025. A breakdown of the composition of FDK's individual assets and liabilities as of 1 October 2025 is provided in the following overview.

Assets	01.10.2025	Equity and liabilities	01.10.2025
	In EUR million		In EUR million
Non-current assets		**Non-current liabilities**	
Intangible assets	0.1	Lease liabilities	2.0
Lease assets	2.1	Other provisions	1.1
Goodwill	0.3		
Property, plant and equipment	0.3		
Deferred income tax assets	0.3		
Other financial assets	0.0		
	3.1		**3.1**
Current assets		**Current liabilities**	
Trade accounts receivable	0.1	Lease liabilities	0.2
Other receivables and other assets	0.0	Trade accounts payable	0.3
Other financial assets	0.1	Other liabilities and accruals	0.8
Cash	1.5	Other financial liabilities	0.0
		Other provisions	0.1
	1.7		**1.4**
Total assets	**4.8**	**Total equity and liabilities**	**4.5**

The deconsolidation of the company resulted in a loss of EUR 0.3 million, which was reported under other operating expenses. This loss arose from the net assets disposed of in the amount of EUR 0.3 million.

The sale of FDK was carried out as part of a strategic portfolio streamlining.

36.2 Discontinuing operations

Due to an unprofitable earnings situation and a lack of positive future prospects, Gravis-Computervertriebsgesellschaft mbH, Berlin (hereinafter referred to as "GRAVIS") ceased its operating activities on 30 June 2024. With 37 stores in Germany and several online shops, GRAVIS was a retailer and service provider specialising in the Apple product range. GRAVIS also operated a certified technical and repair service and provided staff training in the use of the products it offered.

The activities of GRAVIS and certain business transactions in other companies of the freenet Group directly related to the closure of Gravis constitute the discontinued GRAVIS business in accordance with IFRS 5.13 and IFRS 5.32, as GRAVIS is a separate, material business as part of the Mobile Communications segment.

In the statement of comprehensive income for the 2025 financial year and for the comparative period in 2024, the profit or loss after tax of the discontinued GRAVIS business is reported as a separate amount in the line "Consolidated profit from discontinuing operations".

In 2025, the Gravis business segment, which was discontinued, generated a positive result for the period of EUR 2.3 million. This result was primarily attributable to other operating income of EUR 3.7 million, mainly from the agreement with landlords on the early termination of leases for Gravis shops, as well as deferred income tax expenses of EUR 2.1 million as a result of the reduction in lease liabilities.

37 Disclosures pursuant to Section 315e HGB

In accordance with Section 314 (1) No. 8 HGB, we declare that the Declaration of Conformity pursuant to Section 161 AktG was issued by the Executive Board and Supervisory Board of the company on 9 December 2025. It was made available to shareholders on the company's website at https://www.freenet.ag/binaries/_ts_1765803858771/content/assets/freenetgroup/pdf/ir-englisch/entsprechenserklarung/2025/20251209_declaration-of-conformity-2025.pdf.

The auditor KPMG has been charged a total fee of 1,601 thousand euros for the 2025 financial year in accordance with Section 314 (1) No. 9 of the German Commercial Code (HGB). Of this amount, EUR 1,214 thousand (thereof EUR 19 thousand relates to prior years) is attributable to audit services and EUR 294 thousand (thereof EUR 2 thousand relates to prior years) to other assurance services (audit of the Sustainability report and the remuneration report, as well as agreed investigative procedures relating to covenants and variable management board remuneration). In addition, EUR 93 thousand is included for other services (review of processes and control of IT systems).

In accordance with Section 313 (2) to (3) of the German Commercial Code (HGB), we provide the following overview:

Overview of companies included in accordance with Section 313 (2) and (3) HGB

Consolidated companies	Share of capital
freenet Cityline GmbH, Hamburg	100.00%
freenet.de GmbH, Hamburg	100.00%
01019 Telefondienste GmbH, Hamburg	100.00%
01024 Telefondienste GmbH, Hamburg	100.00%
01050.com GmbH, Hamburg	100.00%
freenet Datenkommunikations GmbH, Hamburg[1]	100.00%
freenet DLS GmbH, Büdelsdorf	100.00%
freenet Logistik GmbH, Schleswig	100.00%
MobilCom Multimedia GmbH, Schleswig	100.00%
klarmobil GmbH, Hamburg	100.00%
vitrado GmbH, Hamburg	100.00%
freenet Direkt GmbH, Hamburg	100.00%
freenet Energy GmbH, Berlin	100.00%
SuperNova GmbH, Cologne	100.00%
freenet Shop GmbH, Oberkrämer	100.00%
freenet Shopping GmbH, Hamburg	100.00%
The Cloud Networks Germany Limited, Munich[2]	100.00%
The Cloud Networks Nordic AB, Stockholm (Sweden)[2]	100.00%
mobilezone Deutschland GmbH, Cologne[3]	100.00%
mobilezone GmbH, Cologne[3]	100.00%
mobilezone exchange GmbH, Bochum[3]	100.00%
Gravis-Computervertriebsgesellschaft mbH, Berlin	100.00%
freenet digital Holdings Inc., Wilmington (USA)	100.00%
freenet digital LLC, Wilmington (USA)	100.00%
freenet digital North America Inc., Wilmington (USA)	100.00%
EXARING AG, Munich	74.62%
Synergy Networks GmbH, Munich	74.62%
Taunus Beteiligungs GmbH, Cologne	100.00%
Media Broadcast GmbH, Cologne	100.00%
Field Service Deutschland FSD GmbH, Cologne	100.00%
Media Broadcast TV Services GmbH, Cologne	100.00%
audio.digital NRW GmbH, Cologne	100.00%
Companies accounted for using the equity method	
Antenne Deutschland GmbH & Co. KG, Garching (joint venture)	50.00%
Antenne Deutschland Verwaltungs GmbH, Garching (joint venture)	50.00%
ad.audio GmbH, Hamburg (associated company)	50.00%
National German Radio GmbH, Garching (associated company)	50.00%
Bayern Digital Radio GmbH, Munich (associated company)	45.00%
Bonamic GmbH, Bochum (associated company)[3]	32.30%
Non-consolidated companies	
Hessen Digital Radio GmbH, Frankfurt	75.00%

[1] Deconsolidation as of 1 October 2025
[2] Deconsolidation as of 3 July 2025
[3] Initial consolidation as of 31 December 2025

38 Events of material importance after the balance sheet date

The segment structure will also be adjusted with effect from the 2026 financial year. The IPTV business (waipu.tv) will be managed and reported as a separate reportable segment (IPTV segment) in order to reflect the strategic focus on waipu.tv in external reporting as well. The activities of Media Broadcast GmbH will be allocated to the Other/holding segment. The previous TV and Media segment will be discontinued. Segment reporting for the 2025 financial year is not affected by these changes. In line with internal corporate management, the following three segments will be distinguished from the 2026 financial year onwards: Mobile Communications, IPTV and Other/holding.

Beyond this, there have been no events of materiality for the freenet Group.

39 Development of intangible assets, goodwill and property, plant and equipment

Development of intangible assets, goodwill and property, plant and equipment as of 31 December 2025

	Cost of purchased / manufactured goods								Depreciation, amortisation and impairment								Carrying amounts	
In EUR million	1.1.2025	Additions to scope of consolidation	Additions	Re-structuring	Disposals Consolidation scope	Disposals	Foreign currency	31.12.2025	1.1.2025	Additions[1]	Value-reductions[1]	Re-structuring	Disposals Consolidation scope	Disposals	Foreign currency	31.12.2025	31.12.2025	1.1.2025
Internally generated software	216.8	7.2	25.3	0.0	4.6	74.1	0.0	170.5	147.0	18.4	0.2	0.0	3.5	74.1	0.0	88.0	82.5	69.8
Software, licenses and rights of use	74.0	8.3	76.5	1.2	2.8	53.0	0.0	80.3	52.3	27.3	0.0	0.0	2.7	53.0	0.0	0.0	80.3	21.7
Trademarks	341.4	7.9	0.0	0.0	0.0	0.0	0.0	349.2	337.2	0.7	0.0	0.0	0.0	0.0	0.0	337.9	11.4	4.2
Customer relationships	107.6	68.1	0.0	0.0	5.9	0.0	0.0	169.8	44.1	5.1	0.0	0.0	2.9	0.0	0.0	46.3	123.5	63.6
Intangible assets	**739.8**	**91.5**	**101.7**	**1.2**	**13.3**	**127.1**	**0.0**	**769.9**	**580.5**	**51.5**	**0.2**	**0.0**	**9.0**	**127.1**	**0.0**	**472.2**	**297.7**	**159.3**
Goodwill	1,387.6	86.2	0.0	0.0	11.8	0.0	0.0	1,462.0	2.9	0.0	0.0	0.0	0.0	0.0	0.0	2.9	1,459.1	1,384.8
Goodwill	**1,387.6**	**86.2**	**0.0**	**0.0**	**11.8**	**0.0**	**0.0**	**1,462.0**	**2.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**2.9**	**1,459.1**	**1,384.8**
Land, land improvements and buildings	45.6	2.5	1.4	0.7	0.0	0.8	0.0	49.6	21.0	1.6	0.0	0.0	0.0	0.8	0.0	21.8	27.8	24.7
Switches and networks	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Technical equipment and machinery	221.7	0.1	6.8	1.9	10.4	2.9	0.0	217.2	166.0	15.4	0.0	0.0	8.0	2.8	0.0	170.6	46.5	55.7
Other operating and office equipment	47.0	1.4	7.6	0.1	4.4	9.1	0.0	42.7	20.0	10.7	0.0	0.0	4.1	8.9	0.0	17.8	24.9	27.0
Prepayments made and assets under construction	4.3	0.0	1.4	-4.1	0.2	0.0	0.0	1.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4	4.2
Property, plant and equipment	**318.9**	**4.0**	**17.2**	**-1.2**	**15.2**	**12.9**	**0.0**	**310.8**	**207.3**	**27.7**	**0.0**	**0.0**	**12.3**	**12.6**	**0.0**	**210.2**	**100.6**	**111.6**
Total	**2,446.4**	**181.7**	**118.9**	**0.0**	**40.4**	**140.0**	**0.0**	**2,542.7**	**790.7**	**79.2**	**0.3**	**0.0**	**21.3**	**139.7**	**0.0**	**685.3**	**1,857.4**	**1,655.7**

[1] Additions and impairments amount to EUR 79.4 million for continuing operations and EUR 0.1 million for discontinuing operations.

Development of intangible assets, goodwill and property, plant and equipment as of 31 December 2024

	cost of purchased / manufactured goods							Depreciation, amortisation and impairment								Carrying amounts	
In EUR million	1.1.2024	Additions to scope of consolidation	Additions	Restructuring	Disposals	Foreign currency	31.12.2024	1.1.2024	Additions[1]	Value-reductions[1]	Restructuring	Disposals	Foreign currency	31.12.2024	31.12.2024	1.1.2024
Internally generated software	205.7	0.0	23.5	0.0	12.5	0.0	216.8	135.9	16.3	7.1	0.0	12.3	0.0	147.0	69.8	69.8
Software, licenses and rights of use	90.2	0.0	1.6	0.1	17.7	0.0	74.0	41.8	28.3	0.0	0.0	17.7	0.0	52.3	21.7	48.4
Trademarks	341.4	0.0	0.0	0.0	0.0	0.0	341.4	336.5	0.7	0.0	0.0	0.0	0.0	337.2	4.2	4.9
Customer relationships	106.5	1.2	0.0	0.0	0.0	0.0	107.6	38.7	5.4	0.0	0.0	0.0	0.0	44.1	63.6	67.8
Intangible assets	**743.7**	**1.2**	**25.1**	**0.1**	**30.2**	**0.0**	**739.8**	**552.9**	**50.5**	**7.1**	**0.0**	**30.0**	**0.0**	**580.5**	**159.3**	**190.8**
Goodwill	1,382.4	5.2	0.0	0.0	0.0	0.0	1,387.6	2.6	0.0	0.2	0.0	0.0	0.0	2.9	1,384.8	1,379.8
Goodwill	**1,382.4**	**5.2**	**0.0**	**0.0**	**0.0**	**0.0**	**1,387.6**	**2.6**	**0.0**	**0.2**	**0.0**	**0.0**	**0.0**	**2.9**	**1,384.8**	**1,379.8**
Land, land improvements and buildings	45.5	0.0	0.0	0.4	0.3	0.0	45.6	19.8	1.3	0.2	0.0	0.3	0.0	21.0	24.7	25.7
Switches and networks	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0
Technical equipment and machinery	228.4	0.0	7.1	0.9	14.6	0.0	221.7	161.9	18.3	0.3	0.0	14.5	0.0	166.0	55.7	66.5
Other operating and office equipment	46.1	0.0	10.3	3.1	12.4	0.0	47.0	15.9	12.9	3.3	0.0	12.2	0.0	20.0	27.0	30.1
Prepayments made and assets under construction	7.1	0.0	1.9	-4.5	0.3	0.0	4.3	0.0	0.0	0.1	0.0	0.0	0.0	0.1	4.2	7.1
Property, plant and equipment	**327.3**	**0.0**	**19.4**	**-0.1**	**27.6**	**0.0**	**318.9**	**197.9**	**32.5**	**3.8**	**0.0**	**26.9**	**0.0**	**207.3**	**111.6**	**129.4**
Total	**2,453.4**	**6.4**	**44.5**	**0.0**	**57.9**	**0.0**	**2,446.4**	**753.5**	**83.1**	**11.2**	**0.0**	**57.0**	**0.0**	**790.7**	**1,655.7**	**1,700.0**

Date of preparation

The Executive Board of freenet AG prepared the consolidated financial statements on 9 March 2026 and approved them for submission to the Supervisory Board. The Supervisory Board is responsible for reviewing the consolidated financial statements and declaring whether it approves them.

Büdelsdorf, 9 March 2026

freenet AG

The Executive Board

Robin Harries
(CEO)

Ingo Arnold
(CFO)

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Responsibility statement of the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group in accordance with German accepted accounting principles, and the 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.

Büdelsdorf, 9 March 2025

freenet AG

The Executive Board

Robin Harries
(CEO)

Ingo Arnold
(CFO)

Independent auditor's reports

"Independent Auditor's Report

To freenet AG, Büdelsdorf

Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

Opinions

We have audited the consolidated financial statements of freenet AG, Büdelsdorf, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of 31 December 2025, and consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2025 and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the combined management report of the Company and the Group (hereinafter the "group management report") of freenet AG for the financial year from 1 January to 31 December 2025.

In accordance with German legal requirements, we have not audited the content of those components of the group management report specified 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) (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of 31 December 2025, and of its financial performance for the financial year from 1 January to 31 December 2025, 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 opinion on the group management report does not cover the content of those components of the group management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) 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 Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles 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)(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 evidence we have obtained is sufficient

and appropriate to provide a basis for our 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 judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Acquisition of mobilezone Deutschland GmbH

Please refer to note 2 in the notes to the consolidated financial statements for information on the accounting policies applied. Information on the acquisition of mobilezone Deutschland GmbH can be found under note 35.

The financial statement risk

With effect from 31 December 2025, freenet DLS GmbH, a wholly owned subsidiary of freenet AG, acquired mobilezone Deutschland GmbH, Cologne, and its subsidiaries for a preliminary purchase price of EUR 228.7 million. Taking into account the acquired net assets totalling EUR 142.5 million, goodwill amounts to EUR 86.2 million.

The identifiable assets acquired and liabilities assumed were recognized at fair value at the acquisition date in accordance with IFRS 3. This includes disclosures of significant acquired assets, especially customer relationships, amounting to EUR 62.8 million. freenet engaged an external expert to identify and measure the assets acquired and liabilities assumed.

The identification and measurement of the acquired assets and assumed liabilities is complex and based on assumptions of management that require judgement. With regard to measurement of the acquired customer relationships, the significant assumptions concern especially sales planning and margin development of the acquired business operations as well as the cost of capital.

There is the risk for the consolidated financial statements that the assets acquired and liabilities assumed, especially the acquired customer relationships, are identified improperly or measured inaccurately. In addition, there is the risk that the disclosures in the notes to the consolidated financial statements are not complete and appropriate.

Our audit approach

With the involvement of our valuation experts, we also assessed the appropriateness of significant assumptions as well as the identification and valuation methods used. For this purpose, we first gained an understanding of the acquisition by inquiries of the Finance department's staff and by evaluating the relevant agreements.

We reconciled the total purchase price with the underlying purchase agreement and proof of payment.

We assessed the competence, professional skills and impartiality of the independent expert appointed by freenet to prepare purchase price allocation. Furthermore, we assessed the process of the identification of the assets acquired and liabilities assumed in terms of conformity with the requirements of IFRS 3 using our knowledge of mobilezone's business model. We investigated the valuation methods used for their compliance with the accounting policies. In this regard, we also assessed the accounting methods in terms of their compliance with the requirements of the IFRS Accounting Standards as applicable in the EU.

We discussed the projected revenue and margin development underlying the measurement of the acquired customer relationships with those responsible for planning. We discussed the assumptions and data used to assess the customer relationships with the independent expert, inspected the underlying documentation and assessed the consistency of the assumptions with external market estimates. We compared the assumptions and data

underlying the cost of capital, in particular the risk-free rate, the market risk premium and the beta coefficient, with our own assumptions and publicly available data. To assess computational accuracy, we verified selected calculations based on risk criteria. Finally, we assessed whether the disclosures in the notes regarding the acquisition of mobilezone Deutschland GmbH were complete and accurate.

Our observations
The approach used for identifying and measuring the assets acquired and liabilities assumed is appropriate and in line with the accounting policies to be applied. The key assumptions and data are appropriate and they are completely and properly presented in the notes to the consolidated financial statements.

Recognition of revenue in the post-paid area of the mobile communications segment

Please refer to Section 2.1 in the notes to the consolidated financial statements for information on the accounting policies applied. Disclosures on revenue from the mobile communications segment and on contract liabilities can be found under Note 4 of the notes to the consolidated financial statements. Disclosures on the consideration payable or consideration paid are included under Note 21 of the notes to the consolidated financial statements.

The financial statement risk
The Group's revenue amounted to EUR 2,439.9 million in the 2025 reporting year; EUR 1,584.7 million of this was attributable to post-paid revenue in the mobile communications segment.

freenet AG recognises revenue from the post-paid area of the mobile communications segment in accordance with the fulfilment of the respective performance obligation by distributing the agreed consideration (the agreed transaction price) to the performance obligations over the entire contract term on the basis of the relative standalone selling prices.

freenet AG's management has specified the criteria for the recognition of revenue in a group-wide accounting policy.

Due to the high transaction volume and the variety of the plan and contractual arrangements offered to customers as well as the complexity of the underlying financial reporting requirements in the post-paid area of the mobile communications segment, freenet AG implemented IT applications and processes across the Group that ensure the proper recognition of revenue. This also includes the implementation of the allocation logic when applying the portfolio approach (IFRS 15.4). Setting up, updating, programming and managing the IT applications are carried out centrally by freenet DLS GmbH. Recording the relevant contract data and actual entry in the accounting-related IT systems is carried out locally at the subsidiaries of freenet AG.

There is the risk for the consolidated financial statements that the concluded contracts in the IT applications are not appropriately evaluated with regard to their entry in the accounts and that the recognition at the subsidiaries is therefore not appropriately undertaken. Further, there is the risk of inaccurate recognition of the services with regard to accounting judgements when applying the portfolio approach and subsequently in assessing the criteria for the recognition of revenue in the relevant period. This would result in revenue in the post-paid area of the mobile communications segment and contract liabilities to customers not being recognised and measured in the correct amount or the equivalent value of agency services in indirect sales being incorrectly determined and recognised when deriving the consideration paid or consideration payable.

Our audit approach
First, we gained an understanding of the process used to record and recognise contracts in the post-paid area of the mobile communications segment. We evaluated the accounting policies used by the Group for the recognition of different contractual arrangements by assessing the group-wide accounting policies for compliance with

IFRS 15. With regard to the IT applications in place, we evaluated whether the criteria for recognition of customer contracts defined therein as well as the automated entry routines are suitable and appropriate to ensure compliant recognition with IFRS 15.

Based on our understanding of the process, we evaluated the design, establishment and operating effectiveness of the internal controls implemented in the IT applications with regard to the correct recognition of the different contractual arrangements and the revenue recognition cut-off.

In order to assess the professional and appropriate application of the portfolio approach, we randomly selected contracts for each portfolio and analysed the portfolio allocation of these contracts to ensure the proper recognition of the portfolio.

We carried out a reconciliation of the contract parameters recorded in the IT applications with the underlying contracts by means of a random sample. For these contracts, we also examined the factual accuracy of the allocation into the respective contract portfolio. In addition, we verified the proper processing of the contracts in the IT applications for these contracts.

Finally, we evaluated whether the findings of the IT applications were complete and accurately taken over in the financial accounting of the Group.

Our observations
The process of freenet AG with regard to the recognition of revenue from the post-paid area of the mobile communications segment is appropriate. The underlying assumptions regarding the recognition of revenue in the correct period in the post-paid area of the mobile communications segment are overall appropriate.

Other information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the group management report, whose content was not audited:

- the sustainability reporting, including the Group's non-financial statement contained in the "Group's non-financial statement" section of the group management report,
- the combined corporate governance statement for the Company and the Group referred to in the group management report, and
- information extraneous to management reports and marked as unaudited.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the group management report information audited for content and our auditor's report thereon.

Our 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 opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of 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 Section 315e (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, management is 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, management is 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, management is 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, management is 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.

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 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 Section 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) 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 judgement and maintain professional scepticism 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement 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 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 opinion on the effectiveness of the Group's internal control or of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's 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 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 Section 315e (1) HGB.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our 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 management in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management 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 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, the actions taken or safeguards applied to eliminate independence threats.

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 Section 317 (3a) HGB

Assurance opinion

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file "freenetag.zip" (SHA256-Hashvalue: 100df55f319b835479326f08aa6e3d0961e407d7228d3211069870ec574662ed) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (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 relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (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 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and 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 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 file made available and identified above in accordance with Section 317 (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 Section 317 (3a) HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities of the Consolidated Financial Statements for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

Responsibilities of Management and the Supervisory Board for the ESEF Documents

The Company's management is 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 Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Responsibilities of the Auditor of the Consolidated Financial Statements for the Assurance Work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, 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 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 file made available containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, 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 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 Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, 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 auditor of the consolidated financial statements at the Annual General Meeting on 13 May 2025. We were engaged by the Supervisory Board on 18 September 2025. We have been the auditor of the consolidated financial statements of freenet AG without interruption since financial year 2024.

We declare that the 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).

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 examined ESEF documents. The consolidated financial statements and group management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – 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 ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Haiko Schmidt.

Hamburg, 10 March 2026

KPMG AG

Wirtschaftsprüfungsgesellschaft

Schmidt	Rienecker
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]“

Assurance practioner's report on Group sustainability statement

"Assurance report of the independent German Public Auditor on a limited assurance engagement in relation to the Group Sustainability Statement

To the freenet AG, Büdelsdorf

Assurance Conclusion

We have conducted a limited assurance engagement on the Group Sustainability Statement, included in section "Non-financial Group Statement" of the group management report, of freenet AG, Büdelsdorf, for the financial year from 1 January to 31 December 2025. The Group Sustainability Statement was prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as Sections 315b and 315c of the HGB [Handelsgesetzbuch: German Commercial Code] for a group non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Sections 315b and 315c HGB for a group non-financial statement, and the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe that:

- the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the entity to identify information to be included in the Group Sustainability Statement (the materiality assessment) is not, in all material respects, in accordance with the description set out in section "Impacts, risk and opportunity management" of the Group Sustainability Statement, or
- the disclosures in section "EU Taxonomy" of the Group Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement".

We are independent of the entity 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. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) and International Standard

on Quality Management (ISQM) 1 issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the Executive Directors and the Supervisory Board for the Group Sustainability Statement

The executive directors are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the supplementary criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of a Group Sustainability Statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent sustainability reporting in the Group Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

Inherent Limitations in Preparing the Group Sustainability Statement

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. Therefore, the executive directors have disclosed their interpretations of such wording and terms in the Group Sustainability Statement, a.o. in section "Gross GHG emissions in the Scope 1, 2 and 3 categories and total GHG emissions" regarding downstream leased assets in operating leases and the non-consideration of Scope 3 greenhouse gas emissions from investments in the determination of the Scope 3.15 category. The executive directors are responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain. As further set forth in section "Disclosures in relation to specific circumstances" of the Group Sustainability Statement, the quantification of the non-financial performance indicators mentioned there is also subject to inherent uncertainties due to significant estimations and measurement uncertainties.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the supplementary criteria presented by the company's executive directors, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process used to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors t and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we a.o.:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Statement
- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement, and about the internal controls relating to this process
- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Statement
- evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain
- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement
- considered the presentation of the information in the Group Sustainability Statement
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

Restriction of Use / Clause on General Engagement Term

This assurance report is solely addressed to freenet AG, Büdelsdorf.

The engagement, in the performance of which we have provided the services described above on behalf of freenet AG, Büdelsdorf, was carried out on the basis of the General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) dated as of 1 January 2024 (www. kpmg.de/AAB_2024). By taking note of and using the information as contained in our report each recipient confirms to have taken note of the terms and conditions stipulated in the aforementioned General Engagement Terms (including the liability limitations to EUR 4 million specified in item No. 9 included therein) and acknowledges their validity in relation to us.

Hamburg, 10 March 2026

KPMG AG
Wirtschaftsprüfungsgesellschaft

Schmidt	Strzalkowski
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]"

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Glossary

Ancillary cost law
Refers to the statutory provision in Germany, which was abolished in 2024, under which landlords were permitted to pass on the costs of a cable TV connection to all tenants as a flatrate charge via the utility bills, regardless of whether the tenants actually used the connection.

ARPU
Abbreviation for Average Revenue per User, i.e. the monthly average revenues (before VAT) per customer, i.e. the cus tomer group-specific usage fee (e.g. postpaid service revenues) divided by the respective average customer base on the reporting date.

Artificial Intelligence (AI)
Refers to computer systems capable of performing tasks that would normally require human thought, such as learning, language processing, problem-solving or pattern recognition.

BnetzA
The Federal Network Agency for Electricity, Gas, Telecommunications, Post and Railways.

Branded Shops
Shops that strengthen brand presence and expand direct access to customers.

Broadcast
Broadcasting refers to the real-time reception by an indefinite number of receivers of certain organ ised offerings in videos and/or sound according to a transmission schedule by means of telecommunications. Broad casting includes, in particular, radio and television.

Bundle
In the context of mobile phone contracts, the term bundle is used when the contract is concluded together with (subsidised) hardware or another service component.

CDP
Abbreviation for Carbon Disclosure Project. Initiative of institutional investors that aims to promote dialogue between investors and companies on Climate change issues. Companies provide information on their greenhouse gases emis sions and climate protection strategies. The data is compiled and published annually.

CGU
Abbreviation for Cash Generating Unit. According to International Financial Reporting Standards (IFRS), a cash-gener ating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets

Cloud applications
Software services that are not installed locally on the user's own computer, but are provided and used via the internet. Data and computing power are hosted in external data centres (the cloud), enabling users to access them flexibly, from any location, and without the need for their own IT infrastructure.

CO_2 equivalent
Greenhouse gases have different Global warming potentials (GWP). The climate impact of carbon dioxide (GWP of CO2 = 1) serves as a benchmark, i.e. the global warming potentials of other substances are measured relative

to CO2 . The GWP value/CO2 equivalent indicates the global warming potential of a substance and thus its contribution to warming the air layer near the ground.

Compliance
In the context of companies, this term stands for compliance with legal regulations, official require ments and internal company policies and should be seen as an essential component of management and Corporate culture.

Content aggregator
In the context of linear television, this refers to a provider that brings together a wide range of TV channels and digital content on a single central platform.

Content fees
Fees paid by a TV platform provider to broadcasters or rights holders in order to be permitted to distribute their content (e.g. TV programmes, video libraries, additional content).

Customer journey
A concise description of the entire path a customer takes, from their first awareness of a product or company through to buying it and beyond, including all touchpoints and experiences that influence their decision.

Covenants
These refer to contractual obligations towards lenders designed to ensure financial stability. They include, for example, financial ratios such as the debt-to-equity ratio or the interest coverage ratio, which a company must meet in order not to jeopardise its credit terms or credit lines.

DAB+ multiplexes
Refers to digital transmission packages in which several radio stations are bundled and broadcast via a single digital channel. A multiplex therefore carries several stations simultaneously and makes efficient use of the available frequency.

Digital lifestyle
English term for the simplification of everyday life through technical aids based on the internet and/or smartphones.

Equity ratio
Ratio of equity to total assets.

Family Cards / Partner Cards
These are additional mobile phone SIM cards that can be added to an existing main contract. They offer family members or partners discounted tariffs that complement the services of the main contract, often allowing them to use the same features (e.g. data allowances or unlimited options) at a reduced price.

Fair Value
Fair value is a value concept for the assessment of assets or liabilities and is defined in accordance with IFRS as the price that would be paid in an orderly transaction between market participants on the measurement date on the sale of an asset or would be payable on the transfer of a liability.

Goodwill
If a company pays a purchase price for another company that is higher than the value of the tangi ble assets (property, land, machinery, inventories, etc.) of the company, this difference is offset on the assets side of the paying company’s balance sheet by introducing the intangible asset item goodwill.

Gross profit / gross profit margin
Balance of revenues and cost of materials / ratio of gross profit to revenues.

Gross profit margin
Ratio of gross profit to revenues.

IFRIC
Abbreviation for International Financial Reporting Interpretations Committee. The IFRIC is a group within the Interna tional Accounting Standards Committee Foundation. The IFRIC's task is to publish interpretations of IFRS and IAS in cases where it becomes apparent that the standard can be interpreted differently or incorrectly or that new issues have not been sufficiently recognised in the previous standards.

Interest income
Balance of 'Interest and similar expenses' and 'Interest and similar income'.

IPTV
Abbreviation for Internet Protocol Television, transmission of television programmes and films using the internet protocol. In contrast to this are the broadcasting channels cable television, DVB-T2 or satellite.

Leverage
Ratio of net financial liabilites (see "Net financial liabilites") to the EBITDA generated in the last twelve months (see "EBITDA").

Linear television
Refers to the traditional television format in which content is broadcast according to a fixed schedule and viewers must tune in at a set time.

LTIP
Abbreviation for Long Term Incentive Programme. Remuneration component with long-term incentive effects for the Executive Board.

Mobile Communications Service Provider
Provider of mobile telephony services without its own mobile network, but which sells mobile telephony tariffs in its own name and for its own account.

MVNO (Mobile Virtual Network Operator)
Refers to a mobile virtual network operator that does not operate its own mobile network. Instead, it leases network capacity from major mobile network operators and uses this to offer its own mobile tariffs and services.

Net financial liabilities
Non-current and current financial liabilities from the balance sheet, less liquid assets and plus net lease liabilities (see "Net lease liabilities").

Net investments (CapEx)
Investments in property, plant and equipment and intangible assets, less cash inflows from the disposal of property, plant and equipment and intangible assets.

Net lease liabilities
Non-current and current lease liabilities from the balance sheet less non-current and current Lease receivables.

No-Frills
No-frills tariffs are deliberately simple in structure and do not usually include subsidised devices. They are traditionally sold via direct sales (e.g. online) and not via specialised branches.

On-demand content
Media content such as films or TV series that users can access at any time, regardless of a broadcast schedule.

Other expenses/income
Includes other operating income, other own work capitalised, personnel expenses and other operating expenses.

Performance-driven brand marketing
Performance-driven brand marketing refers to marketing initiatives that combine brand building with clearly measurable performance targets. This approach strengthens brand perception whilst simultaneously optimising KPIs such as clicks, conversions or new customer acquisition.

Postpaid
English term for mobile communications services billed at the end of the month (usually 24-month contracts).

Postpaid ARPU
Postpaid ARPU (Average Revenue per User) refers to the average monthly revenues a mobile network operator generates per postpaid customer from contract services.

Postpaid service revenues
Revenue generated by mobile network operators from ongoing monthly contract services, such as basic charges, add-ons and other regular services provided to customers on fixed-term contracts (excluding handset sales).

Prepaid
English term for mobile communications services billed in advance.

Reselling
In the context of telecommunications, this refers to a company that purchases Mobile Communications or fixed-line services from network operators and resells them under its own name. The reseller does not own its own network, but uses another provider's infrastructure and offers tariffs based on it.

Restart
Refers to a feature that allows viewers to restart a live TV programme from the beginning, even if it has already started. This enables users to jump to the start of the programme at any time and watch the entire programme without any time restrictions, regardless of when they tuned in.

Roaming
Refers to the ability of a mobile phone customer to receive or make calls, send and receive data or access other mobile phone network services in a network other than their home network. Roaming can extend across similar networks of different network operators (national roaming) or across national borders (international roaming).

RGU
Abbreviation for Revenue Generating Unit; at freenet, refers to paying freenet TV subscribers.

Service provider obligation
This requires Mobile network operators to allow service providers without their own network to access their mobile network. This includes a prohibition on discrimination, meaning that service providers must not be treated less favourably than the operator's own sales operations.

SIM
Abbreviation for Subscriber Identity Module. Chip card with processor and memory for mobile devices on which, the subscriber number assigned by the network operator is stored and which identifies the subscriber in the Mobile network.

Targeted Advertising
Advertising featuring a significant expansion of monetisable advertising space, alongside the further development of the technological infrastructure for data-driven, target-group-specific ad delivery on linear television.

TV customer base (B2C customers)
Customers of the freenet Group in the TV and Media segment who are freenet TV subscribers (RGU) (cf. “RGU”) or waipu.tv subscribers (cf. “waipu.tv subscribers”).

Undertakings
These refer to binding undertakings that companies make to regulatory authorities, usually in the context of merger or regulatory proceedings. They serve to ensure competition, for example through access obligations, price controls or structural actions.

Unlimited tariffs
Mobile Communications or internet contracts that allow users to browse, stream and download without any data limits. In other words, they offer unlimited data at a fixed monthly price.

WACC
Abbreviation for weighted average cost of capital.

waipu.tv subscribers
Customers who have taken out one of waipu.tv’s fee-based tariffs.

Financial calendar

Date	Event
26 February 2026	Conference call – 2025 financial year The results for the 2025 financial year were published on 25 February 2025 after close of trading (Xetra).
20 March 2026	Consolidated financial statements as of 31 December 2025
13 May 2026	Annual General Meeting Hamburg | Germany
15 May 2026	Conference call - Q1 2026 Financial results The 2026 quarterly statement is expected to be published on 14 May 2026 after close of trading (Xetra).
13 August 2026	Conference call - Q2 2026 Financial results The 2026 half-year report is expected to be published on 12 August 2026 after close of trading (Xetra).
12 November 2026	Conference call - Q3 2026 Financial results The 2026 nine-month statement is expected to be published on 11 November 2026 after close of trading (Xetra).

All dates are subject to possible changes. The current status of the financial calendar (including conference call dates) is available at fn.de/calendar. Further information on freenet and the share is available at fn.de/investors.

The Annual report is also available in German. In case of doubt, the German version shall prevail.

Imprint & contact

freenet AG
Hollerstraße 126
24782 Büdelsdorf

Investor Relations & ESG
Deelbögenkamp 4
22297 Hamburg

Phone: +49 (0) 40 / 513 06 778
E-mail: ir@freenet.ag
Website: fn.de/ir

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Information on the 2025 financial year is available at fn.de/fy25