

Invitation to the Annual general meeting

17 May 2023



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Information in Accordance with section 125 (2) in conjunction with section 125 (5) of the German Stock Corporation Act (Aktiengesetz – AktG) and article 4 (1) and table 3 of Commission Implementing Regulation (EU) 2018/1212

Type of information	Description
A. Specification of the message	
1. Unique identifier of the event	GMETFNTN23RS
2. Type of message	Convening of the annual general meeting [NEWM]
B. Specification of the issuer	
1. ISIN	DE000A0Z2ZZ5
2. Name of issuer	freenet AG
C. Specification of the meeting	
1. Date of the general meeting	17.05.2023 [20230517]
2. Time of the general meeting	10:00 AM CEST [08:00 AM UTC]
3. Type of general meeting	Annual general meeting [GMET]
4. Type of general meeting	Hamburg
5. Record date	10.05.2023 [20230510]
6. Uniform Resource Locator (URL)	https://www.fn.de/hv

The above data and other information regarding the convening of the annual general meeting in accordance with Table 3 of the Annex to Commission Implementing Regulation (EU) 2018/1212 are available to shareholders on the company's website at [fn.de/hv](https://www.fn.de/hv).



For more information on 2022 financial year including statements from our Executive Board members, go to [fn.de/2022fy](https://www.fn.de/2022fy)

freenet AG Büdelsdorf

ISIN: DE000A0Z2ZZ5

WKN: A0Z2ZZ

Invitation to the 2023 Annual general meeting

Our company's shareholders are hereby invited to attend the **Annual General Meeting**, which will be held on Wednesday, **17 May 2023**, at **10:00 a.m. (CEST)** (doors open 9:00 a.m.), at **CCH – Congress Center Hamburg, Room G, Congressplatz 1, 20355 Hamburg**.

I. Agenda

1. Presentation of the adopted annual financial statements, the approved consolidated financial statements as well as the management reports for freenet AG and the Group, the proposal of the Executive Board regarding the appropriation of net retained profits, the report of the Supervisory Board and the explanatory report of the Executive Board regarding the information in accordance with sections 289a, 315 a German Commercial Code (Handelsgesetzbuch – HGB), in each case for financial year 2022

The documents listed above will be available on the company's website at

<https://www.fn.de/hv/>

from the day of convening the annual general meeting and also during the annual general meeting. They will be explained by the Executive Board and – in case of the report of the Supervisory Board – by the Chairman of the Supervisory Board at the annual general meeting. The Supervisory Board has approved the annual financial statements and consolidated financial statements prepared by the Executive Board; the annual financial statements have thus been adopted. A resolution by the annual general meeting is therefore not required.

2. Resolution regarding the appropriation of net retained profits

The Executive Board and Supervisory Board propose that the net retained profits of 720,362,161.37 euros disclosed

in the adopted annual financial statements of freenet AG for the period ending 31 December 2022 be appropriated as follows:

Payment of a dividend of 1.68 euros per eligible no-par-value share, i.e. 199,669,004.64 euros as the total amount of the dividend, and carrying forward the remaining amount of 520,693,156.73 euros to new account.

In EUR	
Total dividend amount	199,669,004.64
Carried forward to new account	520,693,156.73
Net retained profits	720,362,161.37

The proposal regarding the appropriation of profit takes into account the 50,000 treasury shares held indirectly by the company and which are not entitled to dividends pursuant to section 71b AktG.

Pursuant to section 58 (4) sentence 2 AktG, entitlement to the dividend is due on the third business day after the annual general meeting, i.e. on 22 May 2023.

3. Resolution regarding ratification of the actions of the members of the company's Executive Board for financial year 2022

The Executive Board and the Supervisory Board propose that the actions of the members of the Executive Board

listed below under a) to e) be ratified for financial year 2022:

- a) Christoph Vilanek (Chairman)
- b) Ingo Arnold (Vice Chairman)
- c) Stephan Esch
- d) Antonius Fromme
- e) Rickmann v. Platen

The intention is to have the annual general meeting decide on the ratification of the actions of the members of the Executive Board by way of separate ballots.

4. Resolution regarding ratification of the actions of the members of the company's Supervisory Board for financial year 2022

The Executive Board and the Supervisory Board propose that the actions of the members of the Supervisory Board listed below under a) to o) be ratified for financial year 2022:

- a) Marc Tüngler (Chairman)
- b) Claudia Anderleit
- c) Bente Brandt
- d) Theo-Benneke Bretsch
- e) Sabine Christiansen
- f) Gerhard Huck
- g) Thomas Karlovits
- h) Prof. Dr Kerstin Lopatta
- i) Knut Mackeprang (Vice Chairman)
- j) Thomas Reimann
- k) Robert Weidinger
- l) Miriam Wohlfarth
- m) Thorsten Kraemer
- n) Fränzi Kühne
- o) Prof. Dr Helmut Thoma

The intention is to have the annual general meeting decide on the ratification of the actions of the members of the Supervisory Board by way of separate ballots.

5. Resolution regarding the appointment of the auditor of the annual financial statements and the auditor of the consolidated financial statements for financial year 2023 as well as the auditor for any review of interim financial reports (half-yearly and quarterly financial reports) for financial year 2023

Based on the recommendation of the audit committee, the Supervisory Board proposes that the following resolution be adopted:

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, is appointed as the auditor of the annual financial statements and the auditor of the consolidated financial statements for financial year 2023 and as the auditor for any review of interim financial reports (half-yearly and quarterly financial reports) for

financial year 2023 if and to the extent that such interim financial reports are prepared and to be reviewed.

In its recommendation, the Audit Committee stated that it is free from undue influence by third parties and that no restriction was imposed on it with regard to the selection of a particular auditor as defined by article 16 (6) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities (AP-VO).

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, has issued the statement of independence pursuant to Art. 6 (2) a) AP-VO.

6. Resolution approving the remuneration report for financial year 2022

According to section 162 AktG, the Executive Board and Supervisory Board must prepare an annual remuneration report to be presented to the annual general meeting for approval as per section 120a (4) AktG.

The remuneration report was audited by the auditor of the financial statements in accordance with section 162 (3) AktG to determine whether the required information was provided as per section 162 (1) and (2) AktG. The content of the remuneration report was audited by the auditor of the financial statements, which exceeds the statutory requirements. The report on the audit of the remuneration report is included in that report. The remuneration report is provided following the Agenda in section II. and is available at <https://www.fn.de/hv>.

The Supervisory Board and Executive Board propose approving the remuneration report for financial year 2022 prepared and audited in accordance with section 162 AktG.

7. Resolution on the amendment of article 12 (location and convening) of the articles of association

The German Act on the Introduction of Virtual Annual General Meetings for Stock Corporations and Amending Other Provisions of 20 July 2022 (Federal Gazette of 26 July 2022, Part I, p. 1166ff.) permanently enshrined in the German Stock Corporation Act (AktG) the option of holding virtual Annual General Meetings, even after the lapse of the special statutory provisions due to the COVID-19 pandemic. Pursuant to the newly established section 118a AktG, the articles of association may stipulate, or authorise the Executive Board to stipulate, that the Annual General Meeting is to be held as a virtual Annual General Meeting, i.e. without the shareholders or their authorised representatives being physically present at the venue of the Annual General Meeting. Such a provision in the articles of association must be limited in point of time and may apply for a maximum period of five years from the entry of the relevant amendment of the articles

of association in the commercial register for the company (section 118a (5) AktG).

In this context, the option of holding virtual Annual General Meetings is to be enshrined in the articles of association and the articles of association are to be amended accordingly. Moreover, various related further amendments of the articles of association are to be adopted:

a) Authorisation of the Executive Board to hold virtual Annual General Meetings

Pursuant to section 118a (1) sentence 1 AktG, the articles of association may directly prescribe that the Annual General Meeting is to be held in a virtual format or authorise the Executive Board to specify prior to each Annual General Meeting whether the meeting is to be held in a virtual or in-person format. The Executive Board and the Supervisory Board are of the opinion that the second option is preferable. It enables flexible decision-making regarding the format which is to be adopted for each Annual General Meeting in the light of current circumstances.

The Executive Board and Supervisory Board therefore propose that article 12 of the articles of association be amended as follows:

aa) The heading of article 12 of the articles of association shall be revised as follows:

“§ 12 Venue, convocation, virtual Annual General Meeting”

bb) The following new para. 4 is added to article 12 of the articles of association:

“(4) For Annual General Meetings taking place within two years of the addition of this para. 4 to article 12 of the articles of association, as adopted by the Annual General Meeting on 17 May 2023, the Executive Board is authorised to stipulate that the meeting shall be held without the shareholders or their authorised representatives being physically present at the venue of the Annual General Meeting (virtual Annual General Meeting).”

b) Meeting venue

Article 12 (1) of the articles of association currently stipulates that the Annual General Meeting is to be held at the company's registered office, in a German city with a population of more than 100,000 or at the registered office of a German stock exchange. These criteria do not appear appropriate for virtual Annual General Meetings where the shareholders are not physically present. The current provision is therefore to be amended such that, in addition to the company's registered office, a German city with a population of more than 100,000 or the registered office of a German stock exchange, for virtual Annual General Meetings another suitable venue in the Federal Republic of Germany may also serve as the Annual General Meeting venue. This ensures that the meeting venue can be adapted in line with the relevant meeting format, i.e. in case of in-person meetings a venue will be selected which, in particular, offers ease of access and a good choice of accommodation options for participating shareholders and their representatives, while for virtual meetings above all the technical requirements (e.g. a sufficiently rapid and reliable Internet connection) are fulfilled. Within the scope of this amendment, in particular the current reference in article 12 (1) to the Annual General Meeting (“within the first 8 months of the financial year”) is to be deleted, in order to clarify that the provision concerning the meeting venue is applicable for all Annual General Meetings.

The Executive Board and Supervisory Board therefore propose that article 12 (1) of the articles of association be amended as follows:

“(1) The Annual General Meeting shall be held at the company's registered office, in a German city with a population of more than 100,000, at the registered office of a German stock exchange or, in the case of a virtual Annual General Meeting, alternatively at another suitable venue in the Federal Republic of Germany.”

c) Virtual attendance of the Supervisory Board

Moreover, in the event of a virtual Annual General Meeting, the Supervisory Board members – with the exception of the meeting chair – are to be permitted to attend the Annual General Meeting via audio and video streaming.

The Executive Board and Supervisory Board therefore propose that the following new para. 5 be added to article 12 of the articles of association:

“(5) The members of the Supervisory Board – with the exception of the meeting chair – are permitted to attend the virtual Annual General Meeting via audio and video streaming.”

It is envisaged that each of the above amendments of the articles of association in letters a), b) and c) will be voted on separately.

II. Additional information on agenda item 6

Part 1: Remuneration report for 2022 Financial year

A. Background

The remuneration report provides information and explanations regarding the remuneration granted and owed to current and former members of the Executive Board and Supervisory Board of freenet AG for financial year 2022, along with the benefits awarded for the financial year. The report complies with the requirements of section 162 of the German Stock Corporation Act (AktG) and was prepared jointly by the Executive Board and Supervisory Board.

The content of the remuneration report was reviewed by the auditor of the financial statements.

B. Executive Board disclosures

1. Remuneration system

The remuneration of the Executive Board of the freenet AG consists of non-performance-related (fixed) and performance-related (variable) elements and includes the following main instruments base remuneration (“fixed salary”), short-term variable remuneration (“STIP”) and long-term share-based payment (“LTIP”). Fringe benefits and retirement benefits also form part of the remuneration system.

The instruments that make up the remuneration of Executive Board members are generally equivalent to the remuneration system approved by the Annual General Meeting of freenet AG on 17 May 2018, referred to here as the “2018 remuneration system”. In contrast, the long-term LTIP Programme 2, which ended in the previous year (2021) with the payout to Mr Esch (see the explanation in note 3.2), is a component of the 2014 remuneration system. A new remuneration system for Executive Board members amended to meet the requirements of section 87a AktG had been presented to freenet AG’s Annual General Meeting on 18 June 2021, but was not approved. The Executive Board service agreements signed with Messrs v. Platen and Fromme with effect from 1 June 2021 for the time being corresponded to this remuneration system, referred to here as the “2021 remuneration system”. The company made extensive changes to its remuneration system in financial year 2022. Its revised Executive Board remuneration system (hereinafter: the “2022 remuneration system”) was approved by the Annual General Meeting held on 5 March 2022.

The description of the remuneration system in the notes below covers all of these arrangements and notes the relevant elements for the individual Executive Board members.

2. Non-performance-related instruments

Non-performance-related remuneration consists of basic remuneration (fixed salary) as well as fringe benefits and retirement benefits.

2.1 Base remuneration (fixed salary)

Base remuneration consists of a non-performance-related fixed salary paid in equal monthly instalments. This usually remains unchanged for the duration of the service agreement.

2.2 Fringe benefits

The company provides every Executive Board member with a company car (or, if the company car is waived, pays out the flat-rate equivalent of the expenses saved to the Executive Board member). The relevant Executive Board member pays taxes arising in connection with the personal use of their company car.

Where the Executive Board member resides somewhere other than their place of business when starting work with the company and maintains this place of residence, they can be reimbursed for travel costs between their place of business and residence to the extent agreed in their service agreement.

The company has arranged for an appropriate level of accident insurance for two Executive Board members.

For information on the limitation of the value of various fringe benefits, see note 6 “Compliance with maximum remuneration for current Executive Board members”.

2.3 Retirement benefits

Defined-benefit obligations from indirect pension commitments are in place for Executive Board members Messrs Vilanek and Esch as well as former Executive Board member Mr Preisig. These pension benefits are funded with a reinsured occupational pension scheme. All pension commitments were determined by the salary amount and the length of service at the company.

For the Chief Executive Officer Mr Vilanek, the following arrangement has applied since 1 January 2019:

- On reaching the age of 60 years, Mr Vilanek shall receive an annual retirement pension amounting to 2.7 percent of their last annual fixed salary for each service agreement year commenced on the Executive Board of the company, to a maximum of 35 percent of the last annual fixed salary (maximum pension).
- Surviving dependant pension for the spouse or life companion and orphan's pension for any children until the end of their schooling or vocational training, terminating at the latest when they reach the age of 25 years, to a maximum total amount of the guaranteed pension or the value of pension entitlements accrued at the time of Mr Vilanek's death.

For the Executive Board member Mr Esch, the following arrangement has applied since 1 January 2020:

- On reaching the age of 60 years, Mr Esch shall receive an annual retirement pension amounting to 2.5 percent of his last annual fixed salary for each service agreement year commenced on the Executive Board of the company or its legal predecessor freenet.de AG, but no more than 225 thousand euros per annum (maximum pension).
- Surviving dependant pension for the spouse or life companion and orphan's pension for any children until the end of their schooling or vocational training, terminating at the latest when they reach the age of 27 years, to a maximum total amount of the guaranteed pension or the value of pension entitlements accrued at the time of Mr Esch's death.

For the former Executive Board member Mr Preisig, the following arrangement applies:

- On reaching the age of 60 years, Mr Preisig shall receive an annual retirement pension amounting to 2.5 percent of their last annual fixed salary for each service agreement year commenced on the Executive Board freenet AG or the former debitel AG. Mr Preisig has drawn a retirement pension since 1 December 2022. Including profit shares, the annual retirement pension currently amounts to 177 thousand euros.
- Surviving dependant pension for the spouse or life companion and orphan's pension for any children until the end of schooling or vocational training, terminating at the latest when they reach the age of 27 years, to a maximum total amount of the guaranteed pension.
- On reaching the age of 60, Mr Preisig shall receive a retirement pension from the debitel pension fund. Based on an awarded monthly retirement pension of 9,333 euros, this is taken into account on a pro rata basis in accordance with the actual length of service. All claims of Mr Preisig, his spouse or a life companion with rights as beneficiary, and any surviving dependants from the debitel pension fund shall be offset against the aforementioned claims arising from the service agreement with freenet AG.

Messrs Arnold, v. Platen and Fromme were each granted defined contribution benefits, with the pension benefits being reinsured by a life insurance policy. An amount of 8,333 euros are paid monthly into an occupational pension scheme for each Executive Board member in line with the company's commitment. The pension benefit amount is calculated according to the occupational pension scheme's benefit schedule and depends on the actuarial factors applied to the contributions.

3. Performance-related remuneration

The performance-related remuneration of Executive Board members is both linked to performance on the one hand and geared towards sustainable corporate governance on the other hand. To take both objectives into account, performance-related remuneration consists of both short-term and long-term instruments: short-term variable remuneration (STIP) and long-term variable remuneration (LTIP). The ultimate amount of each instrument depends on the achievement of defined targets. If these targets are not achieved, the performance-related payment awards are omitted entirely. If, however, the targets are significantly exceeded, any payout is limited to an appropriate maximum amount ("cap"). The performance criteria and target parameters of the STIP are derived from the company's strategic goals and operational management, and therefore serve to further the company's performance. The 2022 remuneration system complies with the requirement of at least one STIP sustainability target.

Up to and including the 2021 remuneration system, the starting point for the LTIP was the specific targets to be achieved for the STIP; in the long run the LTIP was also based on the company's achievement of an earnings target. Irrespective of the STIP targets, the LTIP in the 2022 remuneration system is based on earnings targets, share price targets and sustainability targets which are measured on a long-term basis. The LTIP of all relevant remuneration systems serves to promote the long-term, sustainable performance of the company.

Performance targets for both the STIP and LTIP are developed in accordance with freenet's corporate strategy. Linking these targets to performance indicators, particularly the customer base, facilitates further long-term economic development with a focus on attracting valuable customers. The non-financial performance targets of the 2022 remuneration system are based on the material ESG criteria for the Group, which are relevant not only for future economic viability but also for sustainable development.

The LTIP ensures that a material part of the variable remuneration takes account of services rendered in the longer term with delayed payments and reflects the absolute and (starting with the 2022 remuneration system) relative performance of freenet shares. This also serves to promote the long-term, sustainable development of the company.

Up to and including the 2021 remuneration system, in cases of exceptional performance or successes for the company, the Supervisory Board was able to decide at its own discretion whether to award any additional bonuses (special bonus) also retrospectively. However, the sum of these bonuses was not allowed to exceed 50 percent of base remuneration (fixed salary) for the relevant financial year. The 2022 remuneration system eliminates the possibility of such a special bonus.

3.1 Short-term variable remuneration (STIP)

Short-term variable remuneration (STIP) consists of an annual performance-related cash bonus that depends on the achievement of various targets for the relevant financial year. The amount accrued upon 100 percent target achievement is specifically laid down when the Executive Board service agreements are signed and applies to all of the years covered by the Executive Board service agreements ("expected variable remuneration" or "target remuneration").

The Supervisory Board stipulates the specific performance criteria and, in the event there are several strategic targets, their weighting prior to the beginning of each financial year for that financial year, taking into account the company's planning. This is intended to guarantee implementation of strategic and operational requirements materially important to the long-term performance of the company.

A target achievement scale corridor is set for each performance criterion and ranges from a quantitatively defined minimum to a quantitatively defined maximum level. Between the minimum and maximum levels, another figure is quantified to represent 100 percent target achievement ("target"). This target is assigned to the expected variable STIP remuneration laid down in the Executive Board service agreement. If the minimum level is not achieved, the variable remuneration for the relevant performance criterion is 0 percent of the expected variable remuneration. If the maximum level is achieved or exceeded, the variable remuneration for the relevant performance criterion is 150 percent of the expected variable remuneration (cap on variable remuneration). If the target achievement falls between the minimum and maximum, then the variable remuneration is determined on a straight-line basis between minimum and target as well as between target and maximum respectively. It may be stipulated that certain changes in the fundamentals for the individual performance criteria occurring during the financial year are not taken into account or lead to adjustments, e.g. that the acquisition of a significant company is not taken into account in the current financial year when calculating the company earnings.

The Supervisory Board determines the degree of achievement of each of the defined targets following approval of the consolidated financial statements for the previous financial year. Taking into account the weighting of the individual performance criteria and the actual target achievement, the aforementioned methodology is then applied to determine the STIP payout amount for the previous financial year. The approach applicable up to and including the 2021 remuneration system stipulates that a partial amount of 70 percent of the relevant STIP payout amount for 100 percent target achievement is paid during the year as an advance payment. After determining the actual target achievement, the advance payment is set off against the final remuneration earned from the STIP; the difference must be repaid if it exceeds this amount. Since 1 November 2022, the 2022 remuneration system has no longer included an STIP advance payment.

In principle, the 2022 remuneration system assigns the EBITDA target a 40 percent weighting and the customer base target a 30 percent weighting, together with an overall weighting of 30 percent for between one and three strategic targets. In deviation from this (also for individual financial years), the weighting for these strategic targets may be between 20 and 50 percent. In this case, the weighting of the EBITDA and customer base performance criteria will be adjusted accordingly (but the ratio of the two will remain unchanged).

Figure 1: Content and weighting of the STIP performance criteria in the 2022 remuneration system

Performance criteria (Target achievement: 0% – 150%)	Type	Weighting	
EBITDA	Financial	Min. 28.6%	40% Max. 45.7%
Number of valuable customers	Non-financial	Min. 21.4%	30% Max. 34.3%
Strategic targets (ST) (1 – 3 targets)	Financial and/or non-financial	Min. 20.0%	30% Max. 50.0%
ST 1	Yearly specification by the Supervisory Board taking into account ESG issues		
ST 2			
ST 3			

The strategic targets of the 2022 remuneration system must be geared towards particularly sustainable, long-term corporate development. To do this, the Supervisory Board always takes into account non-financial ESG issues (Environmental, Social, Governance; ESG targets) and in this context selects strategic targets from the categories shown in the following overview:

Figure 2: Selection of material ESG issues in the 2022 remuneration system

ESG Dimensions	Selected ESG issues
Environmental	<ul style="list-style-type: none"> Corporate environmental protection: <ul style="list-style-type: none"> Energy consumption Carbon emissions
Social	<ul style="list-style-type: none"> Employees Customer satisfaction
Governance	<ul style="list-style-type: none"> Compliance and integrity Digital responsibility Supply chain and human rights due diligence

The 2022 remuneration system also contains a provision allowing the Supervisory Board to review STIP payout claims and reduce or reclaim them where appropriate (clawback) in the event of breaches of duty or compliance violations.

3.2 Long-term variable remuneration (LTIP)

The LTIP programmes described below enable the participating members of the Executive Board to share in the sustainable, long-term business success of the company and functions as a special long-term incentive. Due to the different times at which Executive Board members were first or newly appointed, they participate in various LTIP programmes (see note 1). The details are outlined below.

All LTIP programmes grant Executive Board members share-based remuneration in the form of virtual shares annually over a multi-year assessment period. A payout from the virtual shares can only be made at the end of a multi-year performance period, and therefore after expiration of the corresponding holding period, if the further payout conditions are fulfilled. The amount of the cash payout is calculated depending on the share price at that time, taking into account dividend payments made in the meanwhile and achievement of an defined targets.

LTIP Programme 1, which had been granted to members of the Executive Board in 2011, was terminated in 2015 when paid out to the beneficiaries. In the previous year (2021), Programme 2, which was issued in 2014, was also terminated due to payout – the last payout to Mr Esch took place in 2021.

When the respective service agreements were extended (with Mr Vilanek from 1 January 2019, and with Mr Esch from 1 January 2020) and the respective first-time appointment to the Executive Board made (for both Mr v. Platen and Mr Fromme with effect from 1 June 2018; for Mr Arnold with effect from 1 January 2019), supplemental agreements to the service agreements were entered into with the aforementioned members of the Executive Board that granted new LTIP benefits (hereinafter referred to as "Programme 3"). No payments have yet been made under Programme 3.

When the respective service agreements of Mr v. Platen and Mr Fromme were extended with effect from 1 June 2021, supplemental agreements to the service agreements were entered into with the aforementioned members of the Executive Board that granted new LTIP benefits (hereinafter referred to as "Programme 4"). No payments have yet been made under Programme 4.

The Executive Board members Mr Arnold (as of the extension of his service agreement) and Mr v. Platen and Mr Fromme (in both cases, as of the adjustment of their current service agreements, effective since 1 June 2021, in line with the 2022 remuneration system) were granted new LTIP benefits through Programme 5, in each case with effect from 1 January 2022. No payments have yet been made under Programme 5 either.

Programme 2

In 2014, agreements concerning the service agreements that grant new LTIP benefits (hereinafter referred to as "Programme 2") were entered into with the members of the Executive Board at the time.

In addition to the annual STIP target agreement, a five-year target agreement was concluded in which EBITDA in financial years 2014 to 2018 (for Mr Vilanek) and EBITDA in financial years 2015 to 2019 (for Mr Preisig and Mr Esch) was designated as the target parameter. A basic amount was specified in each beneficiary's service agreement for this remuneration instrument; this basic amount was entered in a virtual account for the Executive Board member in question as a positive or negative amount as described below and in accordance with target achievement in each financial year, and paid out in annual instalments depending on future performance provided that account shows a credit balance. Basic amounts totalling 1,050 thousand euros per financial year were specified as target remuneration for the beneficiaries, of which 550 thousand euros for Mr Vilanek, 300 thousand euros for Mr Preisig and 200 thousand euros for Mr Esch.

If the Group EBITDA target is achieved in a financial year, 100 percent of the basic amount was credited to the virtual account as the basic amount multiplier. If the Group EBITDA defined for 120 percent target achievement was achieved, 200 percent of the basic amount was credited to the virtual account. If target achievement was between 100 and 120 percent, linear interpolation was used. Even if the 120 percent

target is exceeded, no more than 200 percent of the basic amount is credited to the virtual account. If the target achievement for the defined Group EBITDA was between the fixed 90 percent target and 100 percent, a percentage of the basic amount which is reduced on a linear basis was credited to the virtual account; if only 90 percent of the target was achieved, nothing was credited to the virtual account for the financial year in question. If Group EBITDA failed to meet the 90 percent target, a negative amount of up to 200 percent of the basic amount (if Group EBITDA is 80 percent of the target or less) was debited to the virtual account.

The amount shown on the virtual account (referred to as the "allotment amount" as the product of the basic amount and the respective basic amount multiplier described above) was converted into virtual shares. This calculation was based on a reference share price, i.e. the average Xetra closing price on the 20 stock exchange trading days after the day on which the consolidated financial statements for the relevant financial year are published.

In the event of payouts from Programme 2, the balance of virtual shares was converted into cash on the basis of the average Xetra closing price on the 20 stock exchange trading days following the date of publication of the consolidated financial statements for the relevant financial year. The increase in the share price was taken into account only up to a price of 50 euros (cap). With the exception of the final payout at the completion of the programme, a payout of 25 percent of the balance of virtual shares was possible for each financial year. Irrespective of that, the gross payout amount was restricted additionally as follows: the maximum gross amount to be paid out per financial year corresponded to 500 percent of the number of virtual shares in the respective sub-account, multiplied by the applicable share price on which the calculation of the allotment amount when the respective post was made in the sub-account was based and multiplied by 25 percent for the cap on the annual payout described above.

For the purpose of conversion into virtual shares, dividend payments, as well as circumstances for which dilution protection provisions were applicable in the case of marketable financial instruments dependent on the share value, must be included in the calculations.

As of 1 January 2021, Mr. Esch held a total of 88,718 virtual shares. These were paid to him in financial year 2021, ending Programme 2.

Details of the specific payment made under Programme 2 for Mr Esch in the previous year (2021) can be found in note 4.

Programme 3

Under Programme 3, a target agreement in line with the term of the respective service agreements covering five years (in relation to Mr Vilanek and Mr Esch) and three years (in relation to Mr Arnold, Mr v. Platen and Mr Fromme) was entered into, in addition to the annual target agreement, designating as the target parameter the target achievement from the respective annual variable remuneration for financial years 2019 to 2023 (for Mr Vilanek), financial years 2020 to 2024 (for Mr Esch), financial years 2019 to 2021 (for Mr Arnold) and financial years 2018 (prorated as of the date of appointment to the Executive Board, i.e. from 1 June 2018) to 2021 (prorated until the end of the service contract's term on 31 May 2021) (for Mr v. Platen and Mr Fromme).

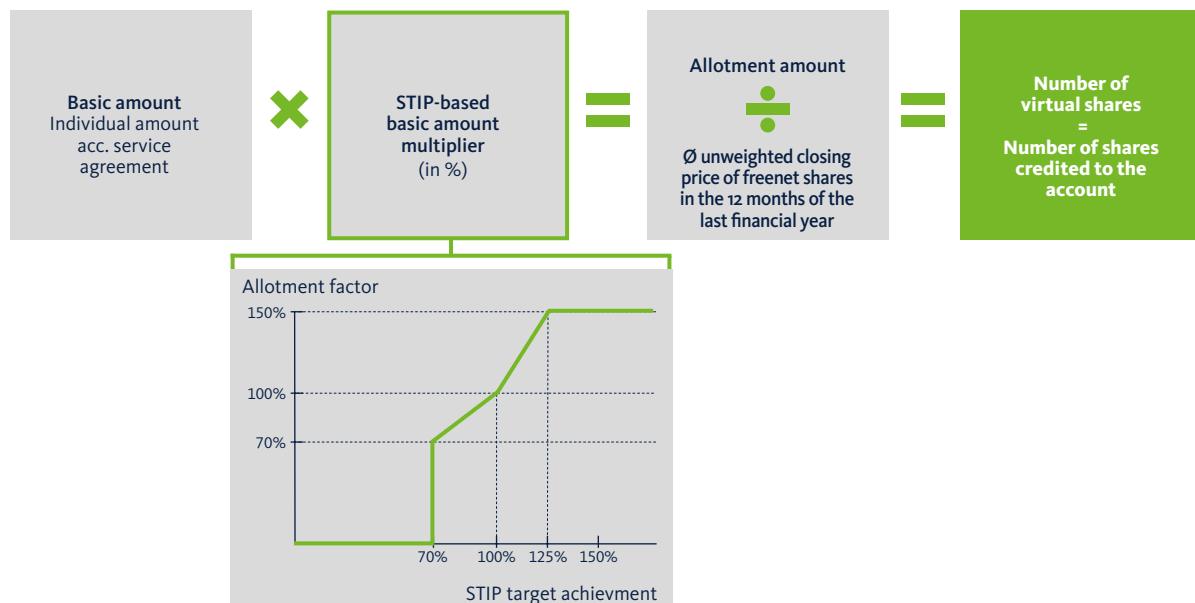
A basic amount was specified as the target remuneration in each beneficiary's service agreement for Programme 3; this basic amount is entered in a virtual account for the respective Executive Board member as a positive amount as described below and in accordance with target achievement in each financial year, and paid out after the further terms of payout described in more detail in the text below are met, depending on future performance. Basic amounts totalling 1,650 thousand euros (of which 650 thousand euros for Mr Vilanek and 250 thousand euros in each case for Messrs Esch, Arnold, v. Platen and Fromme) were specified as target remuneration for the beneficiaries for each full financial year.

If the level of target achievement of the annual variable target agreement (STIP) for a financial year is 100 percent, 100 percent (as the basic amount multiplier) of the basic amount is credited to the virtual LTIP account. At most (if the level of target achievement is 125 percent or above), 150 percent of the basic amount is credited to the virtual account. If the level of target achievement is less than 70 percent, no virtual shares are credited for the financial year in question. If target achievement is between 70 and 125 percent, linear interpolation is used, in each case to the 100 percent value.

The amount shown on the virtual account (referred to as the "allotment amount" for the target period as the product of the basic amount and the aforementioned basic amount multiplier) is divided by the applicable share price to convert it into the number of virtual shares credited. The applicable share price is the average Xetra closing price for all stock exchange trading days in the twelve months of the relevant target period, i.e., the previous financial year. In any event, the credited number is limited in each case to 100,000 virtual shares annually (for Mr Vilanek) and to 40,000 annually (for Messrs Esch, Arnold, v. Platen and Fromme).

The explanations above are again summarised in the following figure:

Figure 3: Determination of the number of shares credited under Programme 3



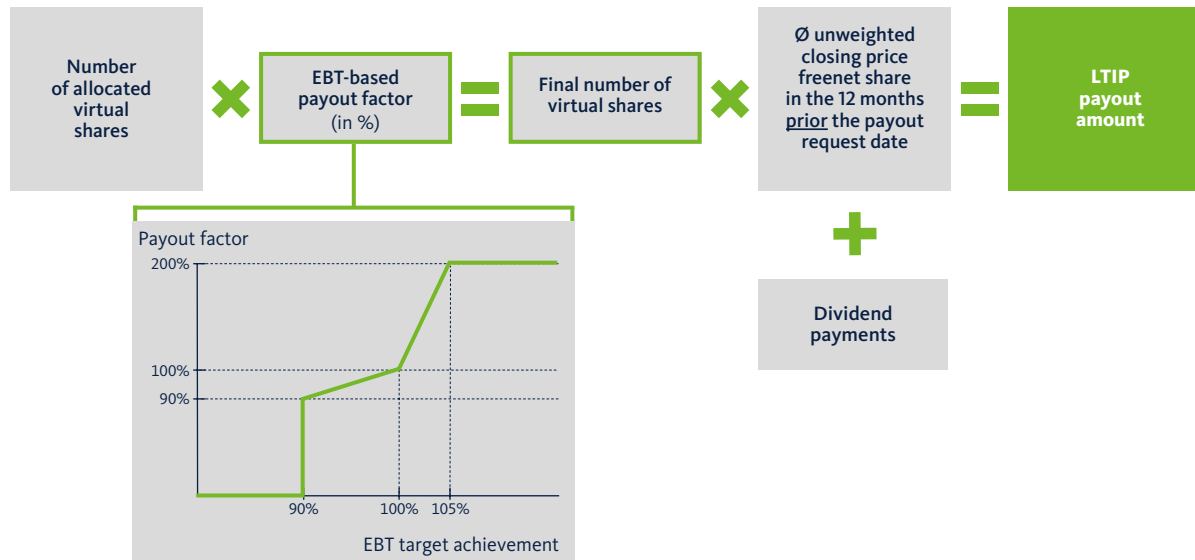
In the case of all payouts from the programme, a beneficiary is entitled to payouts from the LTIP only after adhering to the holding periods and exercise dates, if and to the extent that a certain long-term EBT target is achieved. The applicable reference value for this is Group EBT for 2022 financial year for all Executive Board members except for Mr Esch who are beneficiaries of Programme 3, and Group EBT for financial year 2023 for Mr Esch. If the Group EBT target is achieved precisely, the number of virtual shares credited to the account over several years as described above remains unchanged. If the EBT target is exceeded or missed, the number of virtual shares credited is doubled at most if target achievement is 105 percent of more or, in the worst-case scenario, set to zero if target achievement is 90 percent or less. In each case, a value is linearly interpolated between the aforementioned levels of achievement of the EBT target. The Executive Board member may request that the payout resulting from this be disbursed at the earliest when achievement of the EBT target (for all Executive Board members except for Mr Esch) is determined at the beginning of 2023 (and for Mr Esch at the beginning of 2024), but not before the end of the holding period for the number entered.

About the holding period: Basically the number entered must be held by the Executive Board member for three years as of 1 January of the year in which the virtual shares are entered in the virtual LTIP account. If the service agreement is not extended at the end of the regular service agreement term, the holding period for Messrs Vilanek, Esch and Arnold instead ends at the latest 18 months after the penultimate target period during the service agreement term (i.e. six months after the end of the regular service agreement term) and for Messrs v. Platen and Fromme at the latest 18 months after the last full target period during the service agreement term (i.e. 13 months after the end of the regular service agreement term).

About the exercise period: At the end of the holding period, but no earlier than after achievement of the EBT target is determined, the Executive Board member is entitled during a period of two years to request that the payout amount be disbursed. The payout may also be requested in partial amounts. If no payout is requested or if a payout is not requested within the specified period, the virtual shares concerned expire.

The maximum amount payable in each case is the number of virtual shares payable as calculated in accordance with the aforementioned principles, multiplied by the payout multiplier, plus the dividend. The payout multiplier is the average of the Xetra closing prices on all trading days during the twelve months before the date on which the payout is requested. The Executive Board member can therefore continue to benefit from 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. Irrespective of share price performance, the payout multiplier is in each case capped at 50 euros. The dividend is the sum total of the amounts of the gross dividend per share distributed in the period between the beginning of the holding period for the number entered and the date on which the payout is requested, multiplied by the number of virtual shares payable. When calculating this dividend, however, an amount of 20 euros per virtual share payable may not be exceeded (dividend cap). The last financial year of the service agreement in which Messrs Vilanek and Esch are beneficiaries of Programme 3 (2023 for Mr Vilanek, 2024 for Mr Esch) comes after the year in which the EBT target must be met (2022 for Mr Vilanek, 2023 for Mr Esch). For this last financial year, the crediting of virtual shares depends on achievement of the EBT target. A payout is only possible for this last financial year if the EBT in this last financial year exceeds the EBT of the previous year (the year of the EBT target) by at least 1.5 percent.

Figure 4: Payout conditions under Programme 3



In the event of early termination of the employment relationship, separate provisions apply (which are presented in note 8).

Standard market anti-dilution provisions apply, i.e. in the event of a share split, a share consolidation or a capital increase from retained earnings where new shares are issued, for example, the number of virtual shares in the LTIP virtual account is adjusted accordingly.

The development of the number of virtual shares in Programme 3 in financial year 2022 and in the previous year (2021) is shown in the following overview:

Programme 3	Number of virtual shares 01.01.2022	Addition	Disposal by payout	Number of virtual shares 31.12.2022
Christoph Vilanek	100,161	46,763	0	146,924
Ingo Arnold	38,523	17,986	0	56,509
Stephan Esch	21,416	17,986	0	39,402
Rickmann v. Platen	48,858	7,494	0	56,352
Antonius Fromme	48,858	7,494	0	56,352
	257,816	97,723	0	355,539

Programme 3	Number of virtual shares 01.01.2021	Addition	Disposal by payout	Number of virtual shares 31.12.2021
Christoph Vilanek	44,479	55,682	0	100,161
Ingo Arnold	17,107	21,416	0	38,523
Stephan Esch	0	21,416	0	21,416
Rickmann v. Platen	27,442	21,416	0	48,858
Antonius Fromme	27,442	21,416	0	48,858
	116,470	141,346	0	257,816

The shares added in 2022 are for financial year 2021 and in 2021 are for financial year 2020. At the time this report was prepared, virtual shares had not yet been added to the LTIP virtual account for 2022 financial year. As of the preparation of this remuneration report, the EBT target for 2022 which is relevant for Mr Vilanek, Mr Arnold, Mr v. Platen and Mr Fromme had not yet been determined with final effect through the approval of the consolidated financial statements as of 31 December 2022. Nonetheless, it is assumed that this EBT target was achieved in full, thus doubling the number of virtual shares for these Executive Board members. For 2022 financial year, 232,828 virtual shares are expected to be added for Mr Vilanek (of which 189,876 virtual shares due to the

doubling of the number of shares by virtue of the full achievement of the EBT target for 2022), 56,509 virtual shares for Mr Arnold (solely due to the doubling of the number of shares by virtue of the full achievement of the EBT target for 2022), 16,520 virtual shares for Mr Esch and 56,352 virtual shares for Mr v. Platen and 56,352 virtual shares for Mr Fromme (solely due to the doubling of the number of shares by virtue of the full achievement of the EBT target for 2022).

Programme 4

In Programme 4, a target agreement was signed with Messrs v. Platen and Fromme (also in addition to the annual target agreement) for a five-year term originally corresponding to the term of the new service agreements. This target agreement defines the target achievement for the annual variable remuneration of financial years 2021 (pro-rated from the new Executive Board appointment, from 1 June 2021 onward) to 2026 (pro-rated up to 31 May 2026) based on target parameters. Since the Executive Board service agreements of Mr v. Platen and Mr Fromme have been transitioned to the 2022 remuneration system and Programme 5 has now been granted accordingly to Mr v. Platen and Mr Fromme as of 1 January 2022 (see also our comments on Programme 5 below), Programme 4 has been curtailed, and the STIP remuneration from 1 June 2021 to 31 December 2021 is now the only target parameter.

Basic amounts totalling 169 thousand euros in each case were specified as target remuneration for the beneficiaries for the period from 1 June 2021 to 31 December 2021.

The basic principles and terms of exercise for Programme 4 generally correspond to those of Programme 3 as outlined above. In contrast to Programme 3, the holding period of three years was increased to four years. Limits on the annual number of shares to be credited, a dividend cap and a maximum payout factor are not specified – instead, the total payout amount from Programme 4 (in relation to the term of the service agreement, not individual payout years) is limited to 400 percent of the basic amount for Programme 4.

The reference value applicable to the EBT target is Group EBT for financial year 2025.

In 2022 financial year, virtual shares were credited to Mr v. Platen and Mr Fromme for the first time for Programme 4, more specifically 12,170 shares in each case, which is therefore also the closing balance for this programme.

Programme 5

In 2022 financial year, in connection with the introduction of the new Executive Board remuneration system, Executive Board members Messrs Arnold, v. Platen and Fromme were granted new long-term variable salary instrument under Programme 5, more specifically from 1 January 2022 to 31 December 2026 for Mr Arnold and from 1 January 2022 to 31 May 2026 for Mr v. Platen and Mr Fromme.

A basic amount was specified as the target remuneration in each beneficiary's service agreement for Programme 5; this basic amount is entered in a virtual account for the Executive Board member in question as a positive amount in accordance with the target achievement explained below, and paid out after the further terms of payout are met, depending on future performance. Virtual shares are entered in the LTIP account on an annual basis (one LTIP tranche per year) at the beginning of the performance period of the LTIP tranche in question. The performance period of each LTIP tranche begins on 1 January, for the first time on 1 January 2022, and lasts four years. The LTIP tranche credited to all beneficiaries as at 1 January 2022 ends at midnight on 31 December 2025 and is designated "Tranche 2022/2025". Basic amounts, in each case per LTIP tranche, totalling 469 thousand euros for Mr Arnold, 435 thousand euros for Mr v. Platen and 435 thousand euros for Mr Fromme were specified as target remuneration for the beneficiaries. The number of virtual shares credited to the Executive Board member's LTIP account as part of an LTIP tranche (the initial number of virtual shares) is calculated by dividing the basic amount by "applicable share price I". Applicable share price I is the average Xetra closing price of freenet shares over the last 60 stock exchange trading days before the start of the performance period concerned.

Figure 5: Crediting of virtual shares to the account under Programme 5



The payout amount to which the Executive Board member is entitled for the LTIP tranche in question is calculated as the product of the final number of virtual shares and “applicable share price II”. The final number of virtual shares is calculated by multiplying the initial number of virtual shares by overall target achievement expressed as a percentage, which

is addressed in greater detail below. Applicable share price II is the average Xetra closing price of freenet shares over the last 60 stock exchange trading days of the performance period concerned, plus the sum total of the amounts of the gross dividend per share disbursed during the performance period.

Figure 6: Payout of virtual shares under Programme 5



The following targets have been set: the EBT target (weighting of 50 percent), the “relative total shareholder return” target (weighting of 30 percent) and sustainability targets (weighting of 20 percent). Overall target achievement is calculated on the basis of the weighted levels of achievement of the individual targets. The payout amount is capped at a maximum of 250 percent of the basic amount of the LTIP tranche concerned. The payout amount per tranche is due for payment within six weeks of the approval of the consolidated financial statements by the Supervisory Board.

EBT serves as an earnings target. The Supervisory Board specifies this every year for each annual tranche, on the basis of the corporate planning. The Supervisory Board determines the level of EBT target achievement on the basis of the audited consolidated financial statements, approved by the Supervisory Board, for the final financial year in the performance period, adjusted for non-recurring items and inorganic effects.

The Supervisory Board also decides on the ESG targets every year for each annual tranche. The Supervisory Board selects the ESG targets on the basis of the following criteria, derived from the company’s materiality analysis: employees, digital responsibility, customer matters, corporate environmental

protection, compliance and integrity as well as supply chain and human rights due diligence. The sustainability targets must be quantifiable and transparent, differ from the targets specified for the STIP and motivate the Executive Board in relation to the company’s long-term development.

Total shareholder return (TSR) as a share price-based target is calculated relative to suitable benchmark indices. The MDAX and STOXX Europe 600 Telecommunications currently serve as benchmark indices. The performance of the freenet share relative to these two benchmark indices is determined by calculating the absolute annual benchmark trend (outperformance) over the four years of the performance period plus a gross dividend per share of freenet AG which is paid out in this period and notionally reinvested. The level of absolute outperformance is determined annually in percentage points (pp) and translated into the corresponding level of annual target achievement in accordance with the target scale for the relative TSR. To determine the overall level of target achievement, the arithmetic average of the annual levels of target achievement is calculated over the four-year performance period for the respective annual tranche.

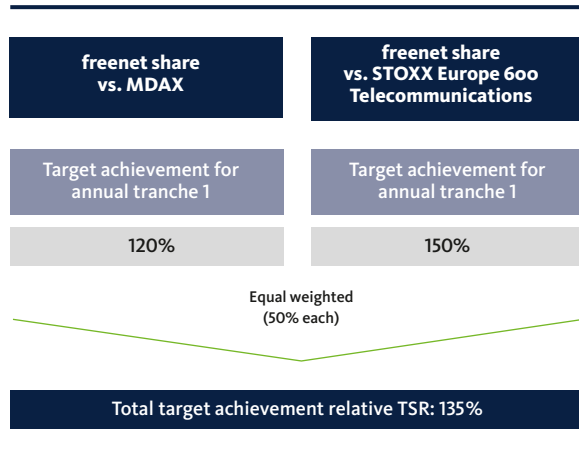
Figure 7: Relative TSR – Illustrative determination of absolute outperformance of the MDAX (Programme 5)

Annual tranche 1							
	TSR freenet	–	TSR MDAX	=	Absolute outperformance in percentage points	=	Target achievement
Year 1	20%	–	25%	=	–5pp	=	90%
Year 2	–5%	–	–20%	=	+15pp	=	130%
Year 3	25%	–	15%	=	+10pp	=	120%
Year 4	30%	–	10%	=	+20pp	=	140%

Equal weighted (25% each)		Target achievement annual tranche 1
		120%

In order to eliminate the impact of possible non-recurring items on individual reporting dates, relative TSR is calculated based on the average share price of the freenet share or the average performance of the respective benchmark indices over the last 60 stock market trading days as of the relevant reporting date. The target achievement of freenet's relative TSR against the respective benchmark index is converted into a target achievement percentage within a range of 0 percent to 200 percent (see below). Finally, to determine the overall target achievement of relative TSR, the target achievement percentages against both benchmark indices are weighted at 50 percent each and added together.

Figure 8: Relative TSR – Illustrative determination of total target achievement (Programme 5)



At the start of the performance period for the respective annual tranche, each year for the earnings target and the sustainability targets the Supervisory Board sets target achievement levels of between 50 and 200 percent as well as the respective minimum and maximum scores. The target achievement levels for the share price target are between 0 and 200 percent. In addition, for the share price target the minimum score is –50 percentage points (corresponding to a 0 percent level of target achievement), the target score is

0 percentage points (corresponding to a 100 percent level of target achievement) and the maximum score is +50 percentage points (corresponding to a 200 percent level of target achievement) of absolute outperformance.

If the minimum score (hurdle) for a target is not exceeded, the level of target achievement for this performance criterion will be 0 percent. If the actual score exceeds the defined maximum score (cap), the level of target achievement will be limited to 200 percent. Target achievement levels between the defined anchor points, i.e. between the minimum and target score and between the target and maximum score – will be calculated by means of linear interpolation.

The respective levels of target achievement for the three LTIP performance criteria will be added up according to their weighting and the overall level of target achievement thus determined.

Programme 5 also includes customary dilution protection provisions as well as the option for the Supervisory Board to reduce the number of recognised virtual shares at their reasonable discretion after prior consultation with the Executive Board member due to extraordinary developments by the end of the relevant performance period/holding period. In the event of breaches of duty or compliance violations, the Supervisory Board can review LTIP payout claims and reduce or reclaim them where appropriate (clawback).

As at 31 December 2022, a total of 58,969 virtual shares were entered in the beneficiaries' virtual accounts under Programme 5 (initial number of virtual shares) – 20,647 for Mr Arnold, 19,161 for Mr v. Platen and 19,161 for Mr Fromme.

Figure 9: Overview of the parameters of Programme protection 5

LTIP Programme 5	
0% – 200% target achievement	
Type	→ Virtual shares
Performance period/holding period	→ 4 years
Performance criteria	50% → Earnings target: EBT
	30% → Share price target: Relative TSR
	20% → Sustainability targets: ESG – e.g., employees, customers, environmental protection
Starting number	Basic amount ÷ Ø closing price of freenet shares on the last 60 trading days
Total target achievement	(50% × target achievement of the earnings target in %) + (30% × target achievement of the share price target in %) + (20% × target achievement of the sustainability targets in %)
Final number	Starting number of virtual shares of the annual tranche × total target achievement in %
Payout amount	Final number × Ø closing price of freenet shares on the last 60 trading days
Cap at 250% of the basic amount	

4. Remuneration of current Executive Board members in financial years 2022 and 2021

The following table illustrates the remuneration granted and owed to current Executive Board members in financial years 2022 and 2021 as defined in section 162 (1) AktG. The information in the table and how it was determined is explained in detail following the table and supplemented in note 5 with additional information on retirement benefits.

Current members of the Executive Board 2022 remuneration in EUR thousand	Christoph Vilanek	rel. share in %	Ingo Arnold	rel. share in %	Stephan Esch	rel. share in %	Rickmann v. Platen	rel. share in %	Antonius Fromme	rel. share in %	Total	Share of total in %
Fixed salary	1,000	55.2	625	59.6	500	58.8	500	55.7	500	56.0	3,125	56.8
Fringe benefits	15	0.8	9	0.9	18	2.1	12	1.3	8	0.9	62	1.1
Total non-performance-related remuneration	1,015	56.0	634	60.4	518	60.9	512	57.1	508	56.9	3,187	57.9
Short-term variable remuneration (STIP)	797	44.0	415	39.6	332	39.1	385	42.9	385	43.1	2,314	42.1
Short-term variable remuneration (special bonus)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Long-term variable remuneration (LTIP)												
LTIP-Programme 2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
LTIP-Programme 3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
LTIP-Programme 4	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
LTIP-Programme 5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total performance-related remuneration	797	44.0	415	39.6	332	39.1	385	42.9	385	43.1	2,314	42.1
Total remuneration	1,812	100.0	1,049	100.0	850	100.0	897	100.0	893	100.0	5,501	100.0

Current members of the Executive Board 2021 remuneration in EUR thousand	Christoph Vilanek	rel. share in %	Ingo Arnold	rel. share in %	Stephan Esch	rel. share in %	Rickmann v. Platen	rel. share in %	Antonius Fromme	rel. share in %	Total	Share of total in %
Fixed salary	1,000	54.9	500	59.0	500	16.2	500	56.9	500	57.1	3,000	39.9
Fringe benefits	15	0.8	11	1.3	18	0.6	12	1.4	8	0.9	64	0.9
Total non-performance-related remuneration	1,015	55.7	511	60.3	518	16.8	512	58.2	508	58.1	3,064	40.8
Short-term variable remuneration (STIP)	806	44.3	336	39.7	336	10.9	367	41.8	367	41.9	2,212	29.5
Short-term variable remuneration (special bonus)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Long-term variable remuneration (LTIP)												
LTIP-Programme 2	0	0.0	0	0.0	2,236	72.4	0	0.0	0	0.0	2,236	29.8
LTIP-Programme 3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
LTIP-Programme 4	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total performance-related remuneration	806	44.3	336	39.7	2,572	83.2	367	41.8	367	41.9	4,448	59.2
Total remuneration	1,821	100.0	847	100.0	3,090	100.0	879	100.0	875	100.0	7,512	100.0

In calculating the STIP, the same performance criteria were applied for all Executive Board members. The application of the performance criteria met resulted in the following STIP remuneration granted for 2022 and 2021:

Short-term variable remuneration (STIP) Target remuneration and remuneration granted per Executive Board member in € '000s	2022 STIP (100%)	2022 STIP (132.8%)	2021 STIP (100%)	2021 STIP (134.3%)
Christoph Vilanek	600	797	600	806
Ingo Arnold	312	415	250	336
Stephan Esch	250	332	250	336
Rickmann v. Platen	290	385	273	367
Antonius Fromme	290	385	273	367
	1,741	2,314	1,646	2,212

A breakdown of STIP remuneration granted by year of payment is presented in the following overview:

Short-term variable remuneration (STIP) Target remuneration and remuneration granted per Executive Board member in € '000s	Paid in 2022 for 2022	Payable in 2023 for 2022	2022 Total	Paid in 2021 for 2021	Payable in 2022 for 2021	2021 Total
Christoph Vilanek	420	377	797	420	386	806
Ingo Arnold	182	233	415	175	161	336
Stephan Esch	175	157	332	175	161	336
Rickmann v. Platen	169	216	385	191	176	367
Antonius Fromme	169	216	385	191	176	367
	1,115	1,199	2,314	1,152	1,060	2,212

The year of granting for the special bonuses is deemed to be the financial year in which the service giving rise to the remuneration is rendered in full. The short-term variable remuneration does not include special bonuses granted or owed for the 2022 financial year or for the previous year (2021).

Long-term variable remuneration: LTIP

The company reports LTIP remuneration as granted when the work is performed in full and all other conditions precedent and subsequent for exercise are met (e.g. EBT target achievement, holding terms, declarations for exercise, calculation of the share price relevant for payout). The grant date is therefore in the payout year.

In the previous year (2021), cash payments from LTIP Programme 2 amounting to 2,236 thousand euros were made to Mr Esch, which brought Programme 2 to an end. No payouts whatsoever have been made yet from LTIP Programmes 3, 4 and 5 because exercise is not yet possible. The LTIP remuneration in financial year 2022 therefore totalled 0 euros in contrast to 2,236 thousand euros for the previous year.

The following is an overview of the performance criteria that were applied to determine the payout amount for Mr Esch in financial year 2021:

LTIP-Programme 2:						
Payout amount for Mr Esch	for 2015	for 2016	for 2017	for 2018	for 2019	Total
Basic amount (€ '000s)	200.0	200.0	200.0	200.0	200.0	
EBITDA figure (without Sunrise) for 120% target achievement (€ million)	368.0	373.0	381.0	385.0	385.0	
Actual EBITDA figure (without Sunrise) (€ million)	370.0	402.1	409.1	441.2	426.8	
Actual target achievement (in %)	120.0	120.0	120.0	120.0	120.0	
Basic amount multiplier (in %)	200.0	200.0	200.0	200.0	200.0	
Allotment amount (€ '000s)	400.0	400.0	400.0	400.0	400.0	
Relevant share price at allotment (in €)	27.22	29.53	25.24	19.55	16.55	
Number virtual shares credited to the account	14,695	13,546	15,848	20,460	24,169	
Relevant share price at payout (in €)	22.38	22.38	22.38	22.38	22.38	
Dividend amount per virtual share at payout (in €)	6.49	4.94	3.34	1.69	0.04	
Payout amount per virtual share (in €)	28.87	27.32	25.72	24.07	22.42	
Payout amount (€ '000s)	424	370	408	492	542	2,236

5. Retirement benefits for current Executive Board members in financial years 2022 and 2021

Regarding retirement benefits, a total of 1,688 thousand euros (previous year: 1,690 thousand euros) was paid into the occupational pension scheme for active Executive Board members in 2022. Mr Vilanek accounted for 955 thousand euros (previous year: 960 thousand euros) of this amount, Mr Arnold for 100 thousand euros (previous year: 100 thousand euros), Mr Esch for 433 thousand euros (previous year: 430 thousand euros), Mr v. Platen for 100 thousand euros (previous year: 100 thousand euros), and Mr Fromme for 100 thousand euros (previous year: 100 thousand euros). These payments into the occupational pension scheme do not have to be reported as remuneration within the meaning of section 162 AktG, because in the case of these commitments, the Executive Board members have no direct legal claim in respect of the occupational pension scheme or reinsurer, but rather in respect of freenet AG.

The pension expense according to IAS 19 (current and past service cost) amounted to 300 thousand euros in 2022 financial year compared with 900 thousand euros in the previous year. In 2022, Mr Vilanek accounted for 0 euros (previous year: 382 thousand euros) of this amount, Mr Esch for 0 euros (previous year: 218 thousand euros), Mr Arnold for 100 thousand euros (previous year: 100 thousand euros), Mr v. Platen for 100 thousand euros (previous year: 100 thousand euros) and Mr Fromme for 100 thousand euros (previous year: 100 thousand euros). Pension payments have not yet been made to the active Executive Board members. As of 31 December 2022, the present value of the funded obligation for Mr Vilanek amounted to 4,427 thousand euros (previous year: 7,247 thousand euros) and for Mr Esch to 3,829 thousand euros (previous year: 6,446 thousand euros). Due to the nature of the selected commitment, there is no present value for funded obligations for Messrs Arnold, v. Platen and Fromme. As of 31 December 2022, for Mr Vilanek surplus

cover applied in the amount of 1,396 thousand euros (previous year: pension provision of 2,223 thousand euros) as a result of the difference between the present value of the funded obligation and the asset value of the pension liability insurance policy. A pension provision of 251 thousand euros (previous year: 3,292 thousand euros) was recognised for Mr Esch as of 31 December 2022.

6. Compliance with maximum remuneration for current Executive Board members

The remuneration of currently serving Executive Board members is limited in various ways. On the one hand, caps have been laid down for variable fringe benefits and individual performance-based instruments which in some cases comprise individual limits. On the other hand, the Executive Board service agreements for Messrs v. Platen and Fromme entering into force on 1 June 2021 and the service agreement for Mr Arnold entering into force on 1 January 2022 specify various caps on remuneration that limit the total amount of remuneration that can be granted in a particular financial year in accordance with the requirements of section 87a AktG.

The total value of their fringe benefits is not permitted to exceed a total of 5 percent of their annual salary per financial year (comprising fixed salary, STIP at 100 percent target achievement and the annual basic amount LTIP at 100 percent target achievement).

Regarding the performance-based STIP remuneration instrument, the upper limit is 150 percent of the target amount in each case. All Executive Board members were granted 132.8 percent of the target amount for 2022 and 134.3 percent of the target amount for 2021. Mr Vilanek was granted an STIP payout amounting to 797 thousand euros for 2022 and 806 thousand euros for 2021 out of the maximum possible 900 thousand euros in each case. The STIP remuneration for Mr Arnold amounted to 415 thousand euros for 2022 (out of the maximum possible 469 thousand euros) and 336 thousand

euros for 2021 (out of the maximum possible 375 thousand euros). Mr Esch was granted an STIP payout amounting to 332 thousand euros for 2022 and 336 thousand euros for 2021 out of the maximum possible 375 thousand euros in each case. Messrs v. Platen and Fromme were each granted an STIP remuneration of 385 thousand euros for 2022 and 367 thousand euros for 2021 out of the maximum possible 435 thousand euros for 2022 and 410 thousand euros for 2021.

In addition to the STIP, a special bonus of no more than 50 percent of the fixed salary is possible for extraordinary achievements. For Mr Arnold, Mr v. Platen and Mr Fromme, following the adjustment of their Executive Board service agreements in line with the 2022 remuneration system since September 2022 the option of granting a special bonus is now no longer available. In case of a special bonus, for purposes of compliance with the maximum remuneration limit reference is made to the financial year in which the extraordinary achievement occurred on which the special bonus is based. No special bonuses were granted for 2022 financial year or the previous year (2021).

Virtual shares were credited under the LTIP programme in financial years 2022 (for work accomplished in 2021) and 2021 (for work accomplished in 2020). With regard to Programme 3, in 2022 financial year 46,763 virtual shares were credited for Mr Vilanek (previous year: 55,682 virtual shares) out of a maximum possible 100,000 virtual shares per financial year. In financial year 2022, 17,986 virtual shares from Programme 3 each were credited for Messrs Arnold and Esch (previous year: 21,416 virtual shares each) out of a maximum possible 40,000 virtual shares each per financial year. In financial year 2022, 7,494 virtual shares from Programme 3 each were credited for Messrs v. Platen and Fromme (out of a maximum possible 16,667 virtual shares), and in 2021 financial year 21,416 virtual shares were credited for them (out of a maximum possible 40,000 virtual shares).

In calculating Mr Esch's payout amount of 2,236 thousand euros from Programme 2 in the previous year (2021), the relevant caps for the share price and maximum gross amount per financial year were not exceeded.

For Mr Arnold (in his Executive Board service agreement effective since 1 January 2022) and for Mr v. Platen and Mr Fromme (in their Executive Board service agreements effective since 1 June 2021), the maximum amount of total benefits (fixed salary, fringe benefits, any special bonus, STIP, LTIP, retirement benefit contributions) for a full financial year (in relation to the term of the service agreement, not individual payout years) was set at 3,000 thousand euros each, with effect from 1 January 2022. For the previous year (2021), a maximum remuneration limit of 4,000 thousand euros applied for Mr v. Platen and for Mr Fromme. Since the calculation of these maximum amounts for financial year 2022 and the previous year (2021) is required to include the prorated LTIP amounts, the amount of which is not determined until payout in some

years, no further disclosures can currently be made in this regard; in terms of the provisions of Programmes 4 and 5, however, a contractual agreement was made to reduce payout claims from the LTIP if this is necessary to comply with the maximum remuneration for the relevant financial year.

7. Remuneration and retirement benefits for former Executive Board members for financial years 2022 and 2021

The former Executive Board member Mr Preisig has drawn a retirement pension since 1 December 2022. Mr Preisig's retirement pension entitlement for December 2022, in the amount of 15 thousand euros, was paid out to him in January 2023. No further pension payments arising from the pension commitments have been made to former Executive Board members to date. As at 31 December 2022 the defined benefit obligation (DBO) for Mr Preisig amounted to 4,044 thousand euros (previous year: 5,943 thousand euros). In 2022, 342 thousand euros (2021: 373 thousand euros) were paid into the occupational pension scheme for Mr Preisig. The DBO for other former Executive Board members whose service was more than 10 years ago amounted to 7,059 thousand euros as at 31 December 2022 (individual amounts: 3,320 thousand euros, 2,849 thousand euros and 890 thousand euros) and to 11,725 thousand euros as at 31 December 2021 (individual amounts: 5,435 thousand euros, 4,792 thousand euros and 1,498 thousand euros). As at 31 December 2022 the pension provision for Mr Preisig amounted to 0 euros (previous year: 1,363 thousand euros). For further former members of the Executive Board whose service on the Executive Board ended more than 10 years ago, surplus cover applied in the amount of 538 thousand euros (previous year: pension provision of 4,447 thousand euros) as a result of the difference between the present value of the funded obligation and the asset value of the pension liability insurance policy.

In 2022, 399 thousand euros (individual amounts: 175 thousand euros, 167 thousand euros and 57 thousand euros) were paid into the pension plan for the retirement benefits of these former Executive Board members. In 2021, this amount was 399 thousand euros (individual amounts: 175 thousand euros, 167 thousand euros and 57 thousand euros).

However, the payments into the occupational pension scheme for Mr Preisig and the former Executive Board members whose service was more than 10 years ago do not have to be reported as remuneration within the meaning of section 162 AktG, because in the case of these commitments, the Executive Board members have no direct legal claim in respect of the occupational pension scheme or reinsurer, but rather in respect of freenet AG.

8. Remuneration arrangements in the event of scheduled or early termination of employment

In the event employment is ended as scheduled, i.e. when the term of office ends and the service agreement expires, fixed remuneration and fringe benefit payments also end. Likewise the STIP is only calculated proportionately for the period up to the end of employment and is paid out after the assessment criteria are determined, which may be after the scheduled end of employment.

The performance periods for Programmes 3, 4 and 5 of the LTIP are calculated such that they only run during the term of office and the applicable service agreements. This means that no further claim can be earned from the LTIP following the scheduled end of the term of office or service agreement. Regardless of this, the value of the credited virtual shares may still change depending on the share price during the holding period and up to the payout date. In addition, the holding periods and payout dates may fall after the scheduled end of employment. Therefore, the payout may occur after the scheduled end of employment (see note 3.2 for details).

In the event of early termination of employment, the following commitments have been made:

In the event that the term of office ends early due to revocation and subsequent termination of the service agreement, the member of the Executive Board will receive a settlement, except in cases of termination for good cause pursuant to section 626 of the German Civil Code (Bürgerliches Gesetzbuch – BGB). The amount of the settlement is one-twelfth of the annual fixed salary and annual variable remuneration (STIP) at 100 percent target achievement applicable to the financial year prior to termination for every full month the service agreement would have run to the end of its scheduled term but did not due to the termination. The maximum is 24 twelfths. The same is true in the event the service agreement is cancelled prior to expiration if a new appointment with a new service agreement does not follow, or it is cancelled to avoid termination for good cause.

Multi-year target agreements were concluded with the active Executive Board members for the purpose of granting long-term variable remuneration (LTIP), see note 3.2 “Long-term variable remuneration (LTIP)”, Programmes 3, 4 and 5. If the service agreement ends prematurely due to termination, cancellation or otherwise, or his appointment to the position is revoked, the Executive Board member is entitled to payout of the LTIP virtual account at the time of termination, provided it shows a positive balance.

In this case, for LTIP Programmes 3 and 4 the number of virtual shares in the LTIP virtual account is increased by the number of virtual shares resulting from the target achievement for the current financial year, prorated up to the date of termination of the service agreement or (if earlier) revocation of the

appointment. However, such an addition is made only if (i) the termination of the service agreement on the part of the company is not for good cause pursuant to section 626 BGB, or that the revocation of his appointment to the position is not connected to the termination of the service agreement on the part of the company, for which there is good cause under section 626 BGB, (ii) the service agreement is terminated by the member of the Executive Board, (iii) the service agreement terminates prematurely due to permanent incapacity to serve, or due to the death of the member of the Executive Board, or (iv) the service agreement is terminated prematurely by mutual consent, provided that the cancellation is not made in order to avoid a termination of the service agreement by the company, for which an important reason pursuant to section 626 BGB exists.

In the case of LTIP Programme 5, for all of the LTIP tranches for which the first year of the performance period has not yet expired as of termination of the service agreement, the entitlements of the Executive Board member will be reduced by one twelfth for each full calendar month between termination of the service agreement coming into effect and the end of the first year of the performance period. This is without prejudice to entitlements relating to LTIP tranches for which the first year of the performance period has expired as of termination of the service agreement coming into effect. In cases where the service agreement is terminated by the company for good cause pursuant to section 626 of the German Civil Code (Bürgerliches Gesetzbuch – BGB), the Executive Board member's appointment to the position is revoked in connection with such termination for good cause or the service agreement is cancelled by mutual consent, in order to avoid termination of the service agreement by the company for good cause, in respect of LTIP Programme 5 all entitlements of this Executive Board member relating to LTIP tranches for which the performance period has not expired as of termination of the service agreement coming into effect shall lapse. This is without prejudice to entitlements relating to LTIP tranches for which the performance period has expired at that time.

9. Other disclosures pursuant to section 162 AktG

Equivalence to the applicable Executive Board remuneration system

The disclosures in the table in note 5 “Remuneration of active Executive Board members for financial years 2022 and 2021” are without exception equivalent to the applicable 2022, 2021, 2018 or 2014 Executive Board remuneration systems, in particular in terms of compliance with the stipulated caps and maximum remuneration. There were no deviations from the Executive Board remuneration system. Especially in the 2022 and 2021 remuneration systems and with regard to STIP and LTIP, the individual variable remuneration instrument serve to further the sustainable, long-term performance of the company already outlined elsewhere in this remuneration report.

Comparative presentation

The following disclosures provide a comparative view of annual changes in Executive Board remuneration, the development of the company's results of operations and the average remuneration of employees (expressed as FTEs):

	2022	Δ 2022– 2021	2021	Δ 2021– 2020	2020	Δ 2020– 2019	2019	Δ 2019– 2018	2018
Executive Board members in office as at 31.12.2022									
Christoph Vilanek (€ '000s)	1,812	–0.5%	1,821	–33.9%	2,754	–61.3%	7,124	432.8%	1,337
Ingo Arnold (€ '000s)	1,049	23.9%	847	–35.8%	1,319	+65.5%	797		
Stephan Esch (€ '000s)	850	–72.5%	3,090	275.4%	823	+13.8%	723	0.1%	723
Rickmann v. Platen (€ '000s)	897	2.1%	879	7.2%	820	+2.9%	797	71.4%	465
Antonius Fromme (€ '000s)	893	2.1%	875	7.1%	817	+2.7%	796	71.6%	464
Former Executive Board members									
Joachim Preisig (€ '000s)	15				559	–75.2%	2,256	125.2%	1,002
Total remuneration of current and former Executive Board members	5,516	–26.6%	7,512	5.9%	7,092	–43.2%	12,493	213.0%	3,991
Earnings KPIs									
Group EBITDA (€ million)	478.7	7.0%	447.3	5.0%	425.9	–0.2%	426.8	–3.3%	441.3
Net income of freenet AG acc. to HGB (€ million)	52.3	–48.8%	102.1	–79.3%	493.6	336.4%	113.1	–78.4%	523.1
Average remuneration of the workforce									
Remuneration of the entire workforce (€ million)	214.1		209.7		221.5		228.0		215.1
Average number of employees (FTEs)	3,047		3,162		3,336		3,583		3,533
Remuneration of the workforce (avg. per FTE in € '000s)	70.3	+5.9%	66.3	–0.1%	66.4	+4.3%	63.6	+4.5%	60.9

All of the Group's employees were included. A simplified procedure was applied to the average number of employees whereby the average was determined from the number of employees on 31 March, 30 June, 30 September and 31 December of a financial year (expressed as FTEs).

Mr Vilanek's remuneration in 2019 includes a payout from his LTIP Programme 2 in the amount of 5,421 thousand euros. In financial year 2020, a special bonus of 1,000 thousand euros was granted to Mr Vilanek and of 500 thousand euros to Mr Arnold. Mr Esch's remuneration in 2021 includes a payout from his LTIP Programme 2 in the amount of 2,236 thousand euros. When disclosing the remuneration for Messrs v. Platen and Fromme in financial year 2018 (and the percentage comparison with 2019), it should be noted that their Executive Board service did not begin until 1 June 2018 and therefore the remuneration only has to be prorated in the table from this date.

Shares and stock options

No shares or stock options have been awarded as remuneration to the currently serving members of the Executive Board or former members of the Executive Board. Regarding the virtual shares awarded, refer to section 3.2 on long-term variable remuneration (LTIP).

Other disclosures pursuant to section 162 AktG

There was no clawback of variable remuneration instruments in the reporting period.

Benefits were neither awarded nor granted to any Executive Board member by a third party for their Executive Board activity in the reporting period.

The Supervisory Board regularly compares the Executive Board's remuneration with a group of other German companies of comparable size or that operate in similar areas. This review takes account of target total remuneration, consisting of basic salary and variable remuneration instruments while taking pension arrangements and fringe benefits into consideration.

The individual target remuneration of an Executive Board member is determined within the company in relation to the remuneration paid to the top level of management and the overall workforce of the freenet AG in Germany, together with the development of this remuneration over time. The Supervisory Board has defined the top level of management for this purpose. It consists of division managers who report directly to the individual Executive Board members. In the event of significant shifts in the relationships between the remuneration of the Executive Board and the comparison groups, the Supervisory Board reviews the causes of this and, if there are no objective reasons, makes adjustments to Executive Board remuneration where appropriate. The personnel committee and Supervisory Board can consult independent external advisors to review the appropriateness of the remuneration. Where there is a need to change the remuneration system for the Executive Board as a result of this advice or for other reasons, the personnel committee submits appropriate amendment proposals to the Supervisory Board for resolution. Significant changes are also presented to the Annual General Meeting for resolution.

C. Supervisory Board disclosures

1. Remuneration structure

The remuneration of the Supervisory Board approved by the 2021 Annual General Meeting, stipulated in the Articles of Association and applicable as of 1 January 2021 consists of three instruments:

- Base remuneration
- Attendance fees
- Remuneration depending on membership and chairpersonship of Supervisory Board committees

The Supervisory Board's members receive from the company fixed base remuneration of 50,000 euros for each full financial year of their Supervisory Board membership.

The chairperson of the Supervisory Board receives double this amount, the vice chairperson one-and-a-half times this amount.

In addition, every Supervisory Board member receives an attendance fee of 1,000 euros for each Supervisory Board or committee meeting that he/she attends. Several meetings on one day are only remunerated once.

Members of the audit committee receive additional annual remuneration of 15,000 euros each for being members of this committee. Members of other committees – with the exception of the mediation committee – receive additional remuneration of 10,000 euros per committee for being members of these committees. The chairperson of each committee receives double this amount. Remuneration for chairpersonship and membership of the committees only applies if the committees meet to fulfil their duties at least once during the financial year in question.

Members of the Supervisory Board are also reimbursed for their necessary expenses.

2. Remuneration of the members of the Supervisory Board for financial years 2022 and 2021

Individualised figures for financial years 2022 and 2021 are shown in the following tables.

Remuneration for financial year 2022 in € '000s	Base remuneration	rel. share in %	Attendance fees	rel. share in %	Committee remuneration	rel. share in %	Total	rel. share in %
Active members								
Knut Mackeprang ¹	75.0	69.4	13.0	12.0	20.0	18.5	108.0	100.0
Claudia Anderleit ¹	50.0	70.4	11.0	15.5	10.0	14.1	71.0	100.0
Marc Tüngler	83.0	65.1	13.0	10.2	31.5	24.7	127.5	100.0
Robert Weidinger	50.0	54.3	12.0	13.0	30.0	32.6	92.0	100.0
Sabine Christiansen	50.0	70.4	11.0	15.5	10.0	14.1	71.0	100.0
Thomas Reimann ¹	50.0	66.7	10.0	13.3	15.0	20.0	75.0	100.0
Theo-Benneke Bretsch ¹	50.0	89.3	6.0	10.7	0.0	0.0	56.0	100.0
Bente Brandt ¹	50.0	67.6	9.0	12.2	15.0	20.3	74.0	100.0
Gerhard Huck ¹	50.0	73.5	8.0	11.8	10.0	14.7	68.0	100.0
Prof. Dr. Kerstin Lopatta	32.8	64.8	8.0	15.8	9.8	19.4	50.6	100.0
Thomas Karlovits	32.8	70.7	7.0	15.1	6.6	14.2	46.4	100.0
Miriam Wohlfarth	32.8	89.1	4.0	10.9	0.0	0.0	36.8	100.0
	606.4	69.2	112.0	12.8	157.9	18.0	876.3	100.0
Former members								
Thorsten Kraemer	17.3	94.5	1.0	5.5	0.0	0.0	18.3	100.0
Prof. Dr. Helmut Thoma	34.6	79.5	2.0	4.6	6.9	15.9	43.5	100.0
Fränzi Kühne	17.3	94.5	1.0	5.5	0.0	0.0	18.3	100.0
	69.2	86.4	4.0	5.0	6.9	8.6	80.1	100.0
Total	675.6	70.6	116.0	12.1	164.8	17.2	956.4	100.0

¹ Employee representative in accordance with section 7 (1) clause 1 no. 1 Co-determination Act (Mitbestimmungsgesetz – MitbestG) of 4 May 1976.

Remuneration for financial year 2021 in € '000s	Base remuneration	rel. share in %	Attendance fees	rel. share in %	Committee remuneration	rel. share in %	Exceeding maximum remuneration	rel. share in %	Total	rel. share in %
Active members										
Prof. Dr. Helmut Thoma	100.0	62.5	9.0	5.6	60.0	37.5	- 9.0	- 5.6	160.0	100.0
Knut Mackeprang ¹	75.0	72.8	8.0	7.8	20.0	19.4	0.0	0.0	103.0	100.0
Claudia Anderleit ¹	50.0	74.6	7.0	10.4	10.0	14.9	0.0	0.0	67.0	100.0
Thorsten Kraemer	50.0	76.9	5.0	7.7	10.0	15.4	0.0	0.0	65.0	100.0
Marc Tüngler	50.0	58.8	10.0	11.8	25.0	29.4	0.0	0.0	85.0	100.0
Robert Weidinger	50.0	56.2	9.0	10.1	30.0	33.7	0.0	0.0	89.0	100.0
Sabine Christiansen	50.0	64.1	8.0	10.3	20.0	25.6	0.0	0.0	78.0	100.0
Thomas Reimann ¹	50.0	67.6	9.0	12.2	15.0	20.3	0.0	0.0	74.0	100.0
Fränzi Kühne	50.0	92.6	4.0	7.4	0.0	0.0	0.0	0.0	54.0	100.0
Theo-Benneke Bretsch ¹	50.0	92.6	4.0	7.4	0.0	0.0	0.0	0.0	54.0	100.0
Bente Brandt ¹	50.0	67.6	9.0	12.2	15.0	20.3	0.0	0.0	74.0	100.0
Gerhard Huck ¹	50.0	76.9	5.0	7.7	10.0	15.4	0.0	0.0	65.0	100.0
Total	675.0	69.7	87.0	9.0	215.0	22.2	- 9.0	- 0.9	968.0	100.0

¹ Employee representative in accordance with section 7 (1) clause 1 no. 1 Co-determination Act (Mitbestimmungsgesetz – MitbestG) of 4 May 1976.

3. Maximum remuneration

The remuneration arrangement applicable from 1 January 2021 onward stipulates that the total remuneration of a Supervisory Board member may not exceed 160 thousand euros per year (maximum remuneration).

The Supervisory Board remuneration for the 2022 financial year and for the previous year (2021) presented in note 2 in each case falls within the maximum remuneration permitted, as it does not exceed the annual cap of 160 thousand euros. Compliance with the cap of 160 thousand euros, which was mathematically exceeded by Prof Dr Thoma for the previous year (2021), was achieved by reducing his payout to the maximum remuneration permitted in accordance with the provision in the articles of association.

4. Other disclosures pursuant to section 162 AktG

The information in the table in note 2 “Remuneration of the members of the Supervisory Board for financial years 2022 and 2021” corresponds without exception to the applicable remuneration system as presented in note 1 “Remuneration structure”. In the reporting period, no deviations occurred from the applicable remuneration systems for the Supervisory Board.

The following disclosures provide a comparative view of annual changes in Supervisory Board remuneration, the development of the company's results of operations and the average remuneration of employees (expressed as FTEs):

	2022	Δ 2022– 2021	2021	Δ 2021– 2020	2020	Δ 2020– 2019	2019	Δ 2019– 2018	2018
Supervisory Board members in office as at 31.12.2022									
Knut Mackeprang (€ '000s)	108	+4.9%	103	+7.3%	96	+88.2%	51	–50.0%	102
Claudia Anderleit (€ '000s)	71	+6.0%	67	+3.1%	65	+85.7%	35	–48.5%	68
Marc Tüngler (€ '000s)	128	+50.0%	85	+23.2%	69	+86.5%	37	–46.4%	69
Robert Weidinger (€ '000s)	92	+3.4%	89	+23.6%	72	+67.4%	43	–41.9%	74
Sabine Christiansen (€ '000s)	71	–9.0%	78	+20.0%	65	+85.7%	35	–47.8%	67
Thomas Reimann (€ '000s)	75	+1.4%	74	+8.8%	68	+78.9%	38	–43.3%	67
Theo Benneke-Bretsch (€ '000s)	56	+3.7%	54	–15.6%	64	+88.2%	34	–15.0%	40
Bente Brandt (€ '000s)	74	0.0%	74	+8.8%	68	+78.9%	38	–11.6%	43
Gerhard Huck (€ '000s)	68	+4.6%	65	0.0%	65	+85.7%	35	–16.7%	42
Prof. Dr. Kerstin Lopatta (€ '000s)	51								
Thomas Karlovits (€ '000s)	46								
Miriam Wohlfarth (€ '000s)	37								
Former Supervisory Board members									
Thorsten Kraemer (€ '000s)	18	–71.8%	65	0.0%	65	+85.7%	35	–48.5%	68
Prof. Dr. Helmut Thoma (€ '000s)	44	–72.8%	160	+21.2%	132	+83.3%	72	–50.0%	144
Fränzi Kühne (€ '000s)	18	–66.1%	54	–15.6%	64	+88.2%	34	–46.9%	64
Ronny Minak (€ '000s)									26
Michael Stephan (€ '000s)									26
Gesine Thomas (€ '000s)									25
Total remuneration of current and former Supervisory Board members	956	–1.2%	968	+8.4%	893	+83.4%	487	–47.4%	925
Earnings KPIs									
Group EBITDA (€ million)	478.7	+7.0%	447.3	+5.0%	425.9	–0.2%	426.8	–3.3%	441.3
Net income of freenet AG acc. to HGB (€ million)	52.3	–48.8%	102.1	–79.3%	493.6	336.4%	113.1	–78.4%	523.1
Average remuneration of the workforce									
Remuneration of the entire workforce (€ million)	214.1		209.7		221.5		228.0		215.1
avg. number of employees (FTEs)	3,047		3,162		3,336		3,583		3,533
Remuneration of the workforce (avg. per FTE in € '000s)	70.3	+5.9%	66.3	–0.1%	66.4	+4.3%	63.6	+4.5%	60.9

See our statement on Executive Board remuneration under section B, note 9 for information on the calculation of the average number of employees and of employee remuneration.

No shares or stock options have been awarded as remuneration to the currently serving members of the Supervisory Board or former members of the Supervisory Board.

There was no clawback of any variable remuneration instrument in the reporting period.

Benefits were neither awarded nor granted to any Supervisory Board member by a third party for their Supervisory Board activity in the reporting period.

Part 2: Auditor's Report

To freenet AG, Büdelsdorf

We have audited the remuneration report of freenet AG, Büdelsdorf, for the financial year from January 1 to December 31, 2022 including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktengesetz: German Stock Corporation Act].

Responsibilities of the Executive Directors and the Supervisory Board

The executive directors and the supervisory board of freenet AG are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts including the related disclosures stated in the remuneration report. The procedures selected depend on the auditor's judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report including the related disclosures. The objective of this is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive directors and the supervisory board, as well as evaluating the overall presentation of remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, based on the findings of our audit, the remuneration report for the financial year from January 1 to December 31, 2022, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

Reference to an Other Matter – Formal Audit of the Remuneration Report according to § 162 AktG

The audit of the content of the remuneration report described in this auditor's report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

Restriction on use

We issue this auditor's report on the basis of the engagement agreed with freenet AG. The audit has been performed only for purposes of the company and the auditor's report is solely intended to inform the company as to the results of the audit. Our responsibility for the audit and for our auditor's report is only towards the company in accordance with this engagement. The auditor's report is not intended for any third parties to base any (financial) decisions thereon. We do not assume any responsibility, duty of care or liability towards third parties; no third parties are included in the scope of protection of the underlying engagement. § 334 BGB [Bürgerliches Gesetzbuch:

German Civil Code], according to which objections arising from a contract may also be raised against third parties, is not waived.

Hamburg, March 10, 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

gez. Niklas Wilke
Wirtschaftsprüfer
(German Public Auditor)

gez. ppa. Harald van Voorst
Wirtschaftsprüfer
(German Public Auditor)

III. Documents for the annual general meeting, publications on the website of the company

The approved consolidated financial statements and the group management report, the adopted annual financial statements and the management report of freenet AG for financial year 2022, the explanatory report of the Executive Board regarding the disclosures in accordance with sections 289a, 315a HGB, the report of the Supervisory Board for financial year 2022 and the proposal of the Executive Board regarding the appropriation of net retained profits, as well as the remuneration report for financial year 2022, which has been included in its entirety above, are available for inspection via the website of

our company at <https://www.fn.de/hv> from the time at which the Annual General Meeting is convened up to the time at which the Annual General Meeting is concluded. The documents will also be made available at the Annual General Meeting of freenet AG.

The information and documents additionally specified in section 124a AktG will also be available on the company's website at <https://www.fn.de/hv> from the day on which the Annual General Meeting is convened.

IV. Total number of shares and voting rights

At the time the Annual General Meeting is convened, the share capital of the company amounts to 118,900,598 euros, comprising 118,900,598 registered no-par-value shares (shares), each of which confer one vote. The total number of shares carrying voting rights of freenet AG in accordance with section 124a sentence 1 no. 4 AktG and section 49 (1)

sentence 1 no. 1 German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) amounts to 118,900,598 at the time the annual general meeting is convened. The above total number comprises 50,000 treasury shares currently held, which do not confer any voting rights to the company in accordance with section 71b AktG.

V. Prerequisites for attending the annual general meeting and exercising the voting rights

1. Entry in the share register

In relation to the company, a person is deemed to be a shareholder only if he/she is entered in the share register. Accordingly, only the shareholders who are entered in the share register on the day of the Annual General Meeting and who have also registered in due time are authorised to attend the Annual General Meeting and exercise their voting rights. Regarding the transfer of shares in the share register, refer to the section "Free disposal and technical record date" under item V.4.

2. Registration

Attendance at the Annual General Meeting and the exercising of voting rights is restricted to shareholders who have registered with the company no later than by the end of 10 May 2023, midnight (CEST) at the address:

freenet AG annual general meeting
c/o ADEUS Aktienregister-Service-GmbH
Postfach 57 03 64
22772 Hamburg

or by e-mail at hv@freenet.ag,

or by using the password-protected Online Service for the Annual General Meeting on the Internet at <https://www.fn.de/agm-service>

If the registration is received in due time, admission tickets for the Annual General Meeting will be sent to the shareholders. Unlike the registration, the admission ticket is not a prerequisite for attending the Annual General Meeting; its purpose is merely to simplify the procedure for the admission checks to the Annual General Meeting.

3. Online Service

The Online Service is available to shareholders at [fn.de/agm-service](https://www.fn.de/agm-service) after entering their shareholder number and a corresponding personal access password. The shareholder number and access password required for registration with the Online Service will be sent to the shareholders together with the other documents. Shareholders who have registered for electronic dispatch of the invitation to the Annual General Meeting by setting their own access password use this access password instead of the personal access password. Further information on the registration procedure is provided on the form sent together with the letter of invitation and on the website mentioned above. After registration for the Annual General Meeting in due time, the Online Service will be available for making

changes to the order of admission tickets, postal voting or issuing proxies and instructions.

Special conditions for using our Online Service apply to registration for the Annual General Meeting by intermediaries within the meaning of section 67a (4) AktG – i.e. in particular credit institutions and investment firms – and persons within the meaning of section 135 (8) AktG – these include, in particular, shareholder associations and proxy advisors. Details are provided on the website mentioned above.

4. Free disposal and technical record date

The shares are not blocked as a result of registration for the Annual General Meeting. The shareholders can therefore continue to freely dispose of their shares even after they have registered. Solely the number of shares recorded in the share register on the day of the Annual General Meeting is relevant for attendance and voting rights. This number will be equivalent to the number resulting from the transfer applications received by the company by the final day of registration. Applications for transfers in the share register which are received between 11 May 2023 and 17 May 2023 (both dates inclusive) will not be processed and taken into account until after the Annual General Meeting of 17 May 2023. The technical record date is therefore 10 May 2023, midnight (CEST).

VI. Procedure for voting by proxy

Shareholders may appoint an intermediary (e.g. a credit institution), a shareholder association, a proxy advisor or another person of their choice as proxies for exercising their voting rights. Shareholders who wish to grant such proxy powers must themselves be authorised to attend the Annual General Meeting. They must therefore be entered in the share register on the day of the Annual General Meeting and must have registered in due time and in due form to attend the Annual General Meeting (see the sections V.1. and V.2. “Entry in the share register” and “Registration” above).

Text form is sufficient for granting, revoking and showing evidence of proxy powers unless a stricter form is required by law; section 135 AktG is not affected. The admission ticket contains a form which can be used for granting the proxy powers. If the proxy powers are granted to an intermediary (e.g. a credit institution), a shareholder association, a proxy advisor or another person within the meaning of section 135 (8) AktG, the requirements regarding proxy powers, in the absence of special provisions in the articles of association, are based on the statutory provisions in section 135 AktG, i.e., the proxy must be recorded in a verifiable manner, and are governed by the particular characteristics of the respective authorised

representatives, information about which has to be obtained from these parties.

Intermediaries (e.g. credit institutions), shareholder associations, proxy advisors and other persons within the meaning of section 135 (8) AktG may exercise voting rights for shares which are not owned by them but for which they have been registered as the holder in the company's share register only on the basis of an authorisation issued by the shareholder for which the regulations regarding proxy powers are applicable accordingly.

As a service for our shareholders who are authorised to attend the Annual General Meeting, we continue to offer an arrangement whereby such shareholders can be represented at the Annual General Meeting by a company-appointed proxy. Proxy powers and instructions for exercising the voting rights must be granted to this proxy; however, the proxy is not permitted to exercise other shareholder rights. The proxy is obliged to vote as instructed. However, it must be borne in mind that the proxy is not able to receive instructions, either before or during the Annual General Meeting, regarding procedural motions or motions or nominations submitted for the first

time at the Annual General Meeting. Proxies are permitted to exercise voting rights only in relation to those agenda items for which they received instructions from the shareholders. If a vote is taken on agenda items, motions and nominations for which the proxy has not received instructions for exercising the voting rights, they will abstain from voting in each case.

Authorisations and instructions to the proxy appointed by the company must have been received by 16 May 2023, midnight (CEST) – with the name of the person submitting the declaration – in writing or otherwise in text form – at the [address](#):

freenet AG annual general meeting
c/o ADEUS Aktienregister-Service-GmbH
Postfach 57 03 64
22772 Hamburg

or by [e-mail](mailto:hv@freenet.ag) at hv@freenet.ag, or by using the [Online Service](#) at fn.de/agm-service

Proxy powers and instructions may also be revoked or amended as specified above if received by 16 May 2023, midnight (CEST). In the event of conflicting proxies and instructions or revocations or amendments, the most recent proxy and instruction or revocation or amendment received by the company in due time shall apply. Moreover, shareholders or authorised

representatives appearing at the Annual General Meeting may also authorise the proxy appointed by the company to exercise their voting right at the Annual General Meeting; authorised representatives must consider whether their legal relationship with the shareholder whom they represent permits them to granted such proxy powers.

The granting of proxy powers, the revocation of such powers and evidence of authorisation may be provided in the form specified above. Persons authorised may also show evidence of their authorisation by personally presenting the proxy authorisation that specifies the name of the person granting the proxy powers.

Shareholders can also exercise their rights in the Annual General Meeting in person even after they have granted proxy powers. Personal appearance is deemed to be a revocation of proxy powers previously granted.

If a shareholder authorises more than one person, the company may refuse to accept one or several of them.

The shareholders also receive details regarding attendance at the Annual General Meeting, and regarding the granting of proxy powers and issuing of instructions together with the admission ticket.

VII. Procedure for postal voting

Subject to the following conditions, shareholders may also cast their votes without attending the Annual General Meeting, either in writing by using the postal voting form included on the admission ticket, or by way of electronic communication (postal voting). Voting by postal vote is also possible via the Online Service at the website specified above.

Article 13 (1) of the company's articles of association stipulates that only those shareholders are authorised to exercise their voting right by postal vote who are recorded in the share register and who have registered in due time with the company for attending the Annual General Meeting (see above, sections V.1. and V.2. "Entry in the share register" and "Registration").

Postal votes may be sent to the company, and can also be revoked, at the [address](#)

freenet AG annual general meeting
c/o ADEUS Aktienregister-Service-GmbH
Postfach 57 03 64
22772 Hamburg

or by [e-mail](mailto:hv@freenet.ag) at hv@freenet.ag,

or by using the [Online Service](#) at fn.de/agm-service, provided such vote or revocation has been sent by 16 May 2023, midnight (CEST). In the event of conflicting postal votes, or revocations or amendments, the most recent postal vote, or revocation or amendment received by the company in due time shall apply.

Shareholders who have already submitted a postal vote and wish to attend the Annual General Meeting in person or wish to vote through a proxy and represent the corresponding shares, may do so. However, this is deemed to be a revocation of the votes cast by postal voting with regard to the respective shares.

VIII. Information on the use of the online service when voting by proxy or by postal vote

After registration for the Annual General Meeting in due time, the Online Service will be available for shareholders until 16 May 2023, midnight (CEST) for making changes to proxies granted and instructions issued, and to postal voting. When using the Online Service for the Annual General Meeting, no instructions may be issued and no postal votes may be cast on any votes on any procedural motions, countermotions, nominations and other motions, unless these have been made available or announced in advance of the Annual General Meeting in accordance with the statutory provisions, or if they are

presented for the first time at the Annual General Meeting. Likewise, the Online Service may not be used for requests to speak or ask questions at the Annual General Meeting, nor may motions be submitted or objections to resolutions of the Annual General Meeting be raised.

Further information is provided on the registration form sent together with the letter of invitation and on the website mentioned above.

IX. Motions, nominations, information rights

1. Supplementary motions to the agenda (section 122 (2) AktG)

Shareholders who are recorded in the share register and whose shares together account for a proportionate amount of 500,000 euros may demand that items be placed on the agenda and published in the Federal Gazette and on the Internet at <https://www.fn.de/hv/>. Every request for a new agenda item must be accompanied by an explanation of the reasons therefor or a proposed resolution. Applicants are required to provide evidence that they are holders of an adequate number of shares for the legally required minimum ownership period of 90 days and that they will hold these shares up to the point at which the decision regarding the motion is taken (sections 122 (2), 122 (1) sentence 3, 121 (7) AktG as well as section 70 AktG).

Such a demand must be addressed to the company's Executive Board and have been received by the company by the end of 16 April 2023, midnight (CEST) in writing at the [address](#):

freenet AG
Executive Board
HV-Management
Deelbögenkamp 4
22297 Hamburg

or by [e-mail](#) including the name of the applicant and a qualified electronic signature at: hv@freenet.ag.

Where notice is required, any requests to add items to the agenda not provided in the invitation to the meeting will be published in Germany's Legal Gazette, the Bundesanzeiger, promptly upon receipt of the request. They will also be published on the Internet at

<https://www.fn.de/hv/>

and made available to shareholders there.

2. Countermotions and nominations by shareholders (sections 126 (1), 127 AktG)

Each shareholder of the company shall have the right even prior to the Annual General Meeting to submit countermotions to proposals of the Executive Board and/or the Supervisory Board concerning certain items of the agenda and nominations. Such countermotions and nominations will be made available – together with the name of the shareholder, any justification which is to be made available and any statement from the company's management – at

<http://www.fn.de/hv>

provided that the following conditions are met:

Countermotions and nominations must have been received by the company by no later than 2 May 2023, midnight (CEST).

freenet AG
Executive Board
HV-Management
Deelbögenkamp 4
22297 Hamburg

or by [e-mail](#) at hv@freenet.ag.

Motions sent to any other address or received late will not be considered.

A countermotion need not be made accessible by the company if one of the exclusion criteria as specified in section 126 (2) sentence 1 AktG is satisfied. The reasons for submitting the countermotion also does not have to be made accessible if it has more than 5,000 characters.

Nominations for the election of the auditor of the financial statements do not have to be made accessible by the company if one of the exclusion criteria as specified in sections 127 sentence 1, 126 (2) AktG are satisfied. Nominations for the election of the auditor of the financial statements are also not made accessible if they do not contain the name, occupation and place of residence of the person nominated (section 127 sentence 3 in conjunction with section 124 (3) sentence 4 AktG). In all other respects, the requirements for making countermotions accessible shall apply accordingly.

This shall not affect every shareholder's right to submit countermotions regarding the various agenda items or to propose nominations during the Annual General Meeting even without having provided the company with prior notification.

Countermotions and nominations, even if they were published before the Annual General Meeting at the request of shareholders, can only be considered at the Annual General Meeting if they are submitted orally.

X. Data protection

Data protection information for shareholders is included in the annex to this invitation.

Büdelndorf, April 2023

freenet AG
The Executive Board

3. Shareholders' right to obtain information (section 131 (1) AktG)

At the Annual General Meeting, every shareholder and shareholder representative may demand information concerning affairs of the company from the Executive Board if the information is necessary for reaching a proper assessment of an agenda item. The right to obtain information also extends to the company's legal and business relationships with affiliates and the situation of the Group, and to the companies included in the consolidated financial statements (section 131 (1) AktG). Subject to certain conditions, the Executive Board may refuse to provide the requested information (section 131 (3) AktG).

According to article 15 (4) of the articles of association, the chair of the Annual General Meeting may set a reasonable time limit in regards to shareholders' right to ask questions and speak at the Annual General Meeting.

4. Further explanations regarding shareholders' rights

Further explanations regarding the rights of shareholders in accordance with sections 122 (2), 126, 127, 131 AktG as well as restrictions of these rights are available on the Internet at <https://www.fn.de/hv/>.

Annex – Data protection information for shareholders

freenet AG, Hollerstraße 126, 24782 Büdelsdorf, Germany, processes personal data of the shareholders (name and first name, address, e-mail address, number of shares, class of share, type of share and number of admission ticket, proxy recipient) as well as personal data of the shareholder representatives on the basis of applicable data protection laws. The processing of personal data is legally necessary for attending the Annual General Meeting of freenet AG. The legal basis for such processing is article 6 (1) sentence 1 c) of the European General Data Protection Regulation (GDPR) in conjunction with sections 67, 118 et seq. AktG.

Additionally, data processing activities required for the organisation of the virtual annual general meeting may be performed on the basis of overriding legitimate interests (Art. 6 (1) sentence 1 f) GDPR). Insofar as shareholders do not provide their personal information themselves, as a general rule, freenet AG receives this from the custodian bank.

The service providers commissioned by freenet AG for the purpose of holding the Annual General Meeting process the shareholders' personal data exclusively in accordance with the instructions of freenet AG and only to the extent necessary for executing the commissioned service. All employees of freenet AG and the employees of the commissioned service providers who have access to and/or process shareholders' personal data are obliged to treat this data confidentially. Personal data of shareholders or shareholder representatives attending the Annual General Meeting will also be provided to all of the shareholders and shareholder representatives attending the Annual General Meeting as permitted by statutory provisions (in particular the list of participants, section 129 AktG).

freenet AG deletes the personal data of shareholders in accordance with statutory provisions, in particular if the personal data is no longer required for the original purposes of collection or processing, the data is no longer required in connection with any administrative or court proceedings and there are no statutory requirements to store such data.

Under the legal requirements, shareholders have the right to obtain information about their processed personal data and to request the correction or deletion of their personal data or the restriction of processing. Shareholders also have the right to lodge a complaint with the supervisory authorities.

To the extent that Art. 6 (1) sentence 1 f) GDPR is the legal basis for the processing of personal data, shareholders and shareholder representatives also have a right to object under the statutory conditions.

For comments and queries regarding the processing of personal data, shareholders can contact the data protection officer of freenet AG at:

freenet AG
Data Protection Officer
Hollerstraße 126
24782 Büdelsdorf

E-mail: datenschutz@freenet.ag

