

Management presentation

Results for Q1 2023

Christoph Vilanek, CEO
Ingo Arnold, CFO

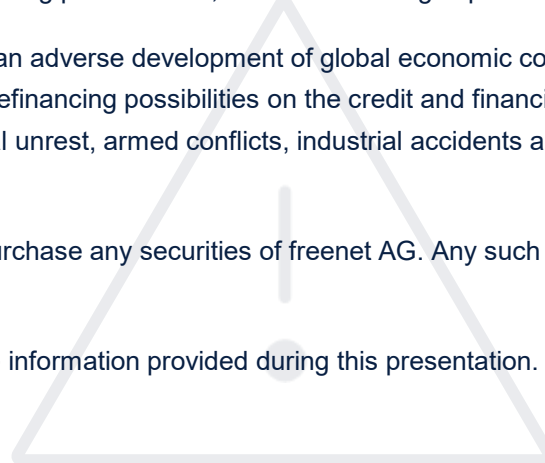
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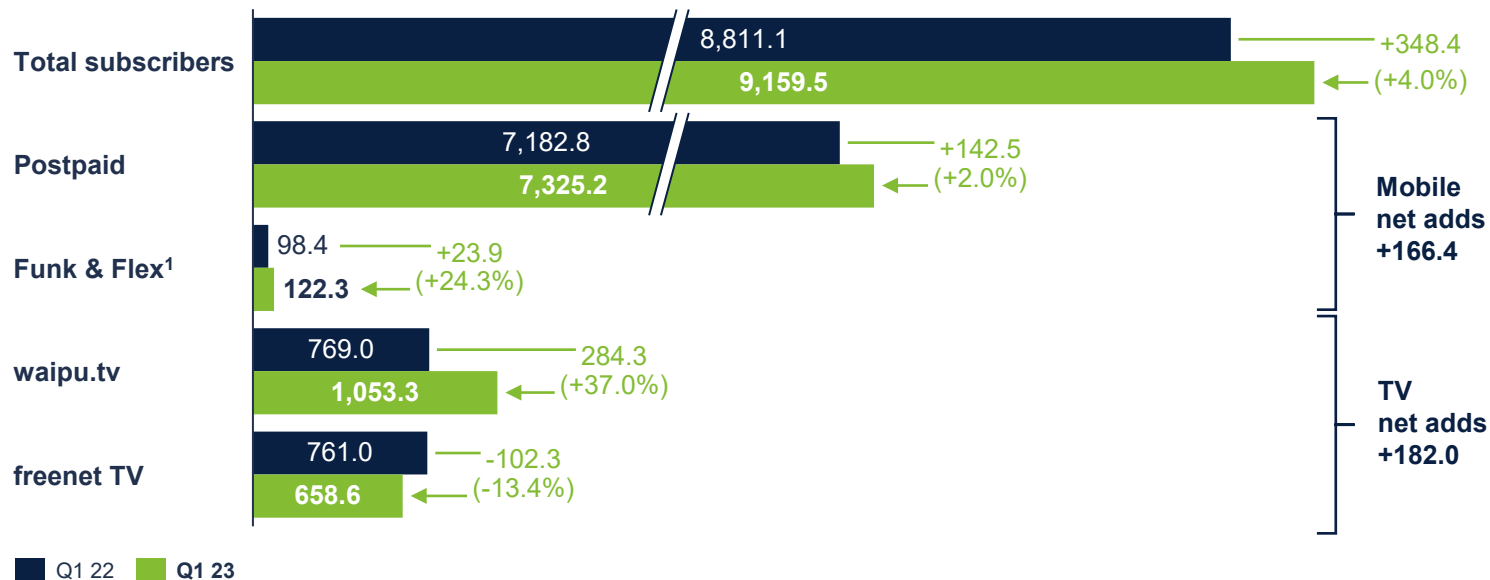
Agenda

- 1 Business C. Vilanek, CEO
- 2 Financials I. Arnold, CFO
- 3 Q&A

Impressive customer growth over 12 months

Subscribers as of 31st March

in '000s (end of period) / as indicated

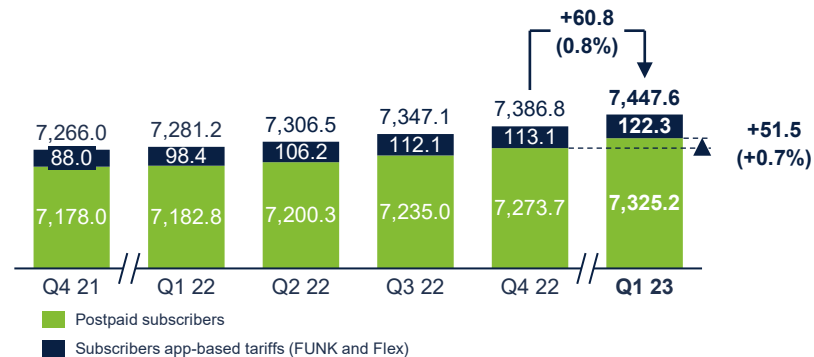


¹ ARPU and profitability comparable to postpaid contracts, but not yet counted within postpaid base

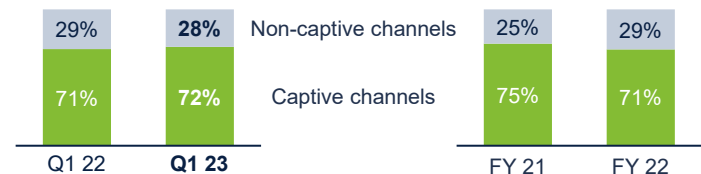
Mobile starts 2023 with good net adds

Mobile subscriber development

in '000s (end of period)



Captive channels solidify at around 70%



Highlights in Q1 23

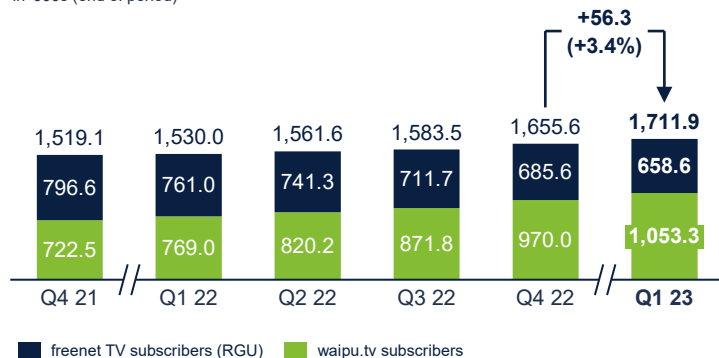
- Good net add performance:
 - +60.8 k total mobile subscribers
 - +51.5 k postpaid customers
- Good service hotline performance confirmed (Connect mobile network test)
- Retail 2025:** introduction of exclusively cashless payment in freenet shops and GRAVIS stores – more to come (APS – Assisted Personalized Shopping)
- freenet Internet: DSL expands portfolio since January

Retail 2025

waipu.tv exceeding one million subscribers

TV subscribers

in '000s (end of period)



Operational highlights in Q1 23

waipu.tv

- Strongest start into a year since its foundation (>80 k subs)
- Clearly exceeding the one million subscriber mark in Q1 23
- New partnerships and channels: NBC Universal Global Networks, women's sports channel DAZN Rise, Circus TV and two VoD providers

freenet TV

- Customer decline: Revenues remain roughly stable due to price hike
- First testing of hybrid offers to keep customers in freenet hemisphere

Media Broadcast – B2B (inkl. DAB+)

- Broadcasting of first professional TV production (football match) over a private 5G network
- Continuous network expansion: tender won from Antenne Bayern for continued FM feed and investments in digital audio transformation

MEDIA
BROADCAST

waipu  **.tv**

Outlook Q2-Q4 2023

Mobile Communications

2023

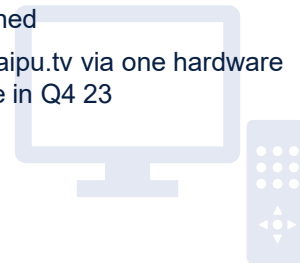
- **Prioritizing service quality:** Enhanced customer experience by support of technology-based interactions (e.g., AI)
- **Retail 2025:** Realignment of freenet shops under the premise to fully integrate the online world into the retail world (APS)
- **freenet Internet:**
 - Cable and fibre as technology offers expected to come in H2 23
 - Price increase to 35 EUR in Q3 23 likely



TV and Media

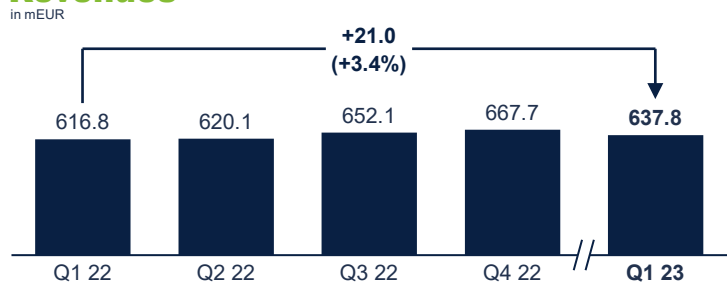
2023

- **waipu.tv:**
 - Deutsche Glasfaser: Migration of existing customers in Q2 23 and Q3 23
 - Investment into brand recognition to prepare expansion and Jun 24 fall of „Nebenkostenprivileg“
 - Consolidating value-for-money proposition
- **freenet TV:**
 - Hybrid stick project launched
 - Dualplay of freenet TV/ waipu.tv via one hardware solution expected to come in Q4 23



Group: EBITDA +8.5% yoy driven by Gross Profit

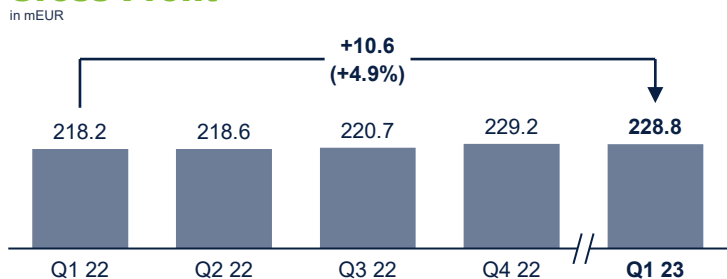
Revenues



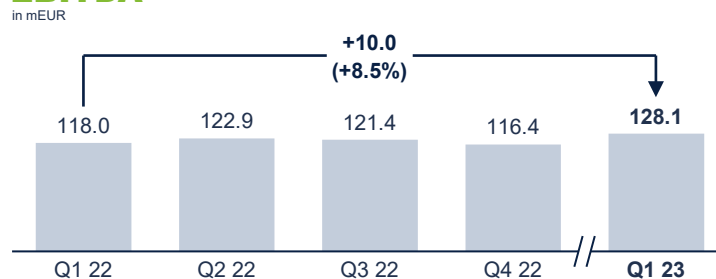
Q1 23 vs. Q1 22

- Revenues at 637.8 mEUR +3.4% yoy (Q1 22: 616.8 mEUR), mainly due to increased service revenues in both segments
- Rising high-margin service revenues are also reflected in the development of gross profit. Gross profit up +4.9% yoy to 228.8 mEUR (Q1 22: 218.2 mEUR)
- EBITDA increases +8.5% yoy to 128.1 mEUR (Q1 22: 118.0 mEUR) with almost unchanged overhead costs

Gross Profit

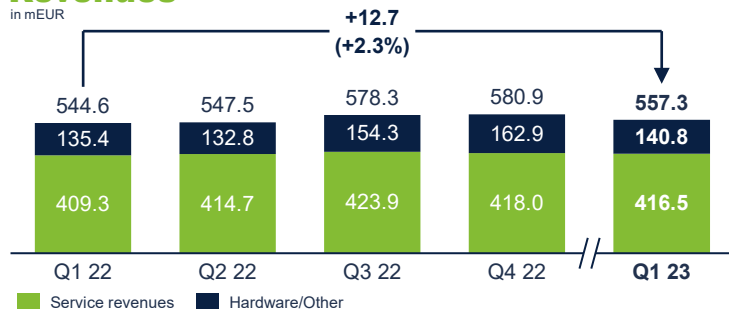


EBITDA

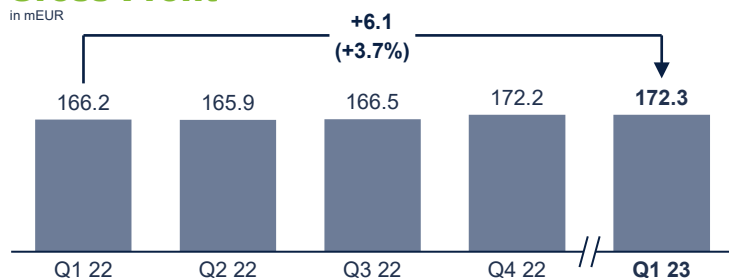


Mobile: Steady growth of EBITDA

Revenues



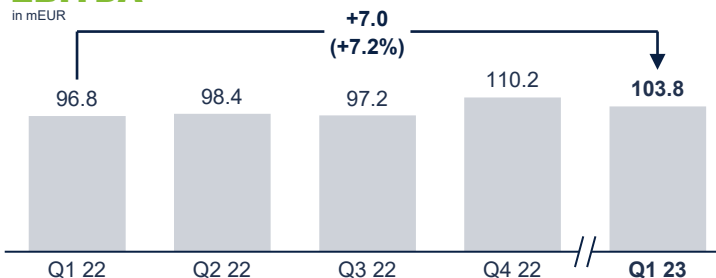
Gross Profit



Q1 23 vs. Q1 22

- Revenues exceed prior year (+2.3% yoy) due to higher service and DLS revenues; SR share remains high at 74.7% (Q1 22: 75.1%)
- Gross profit increases +3.7% yoy to 172.3 mEUR (Q1 22: 166.2 mEUR) on the back of high-margin revenues. Gross profit margin at 30.9% (Q1 22: 30.5%)
- Mobile EBITDA up +7.2% yoy to 103.8 mEUR (Q1 22: 96.8 mEUR) amid high-margin revenues and strong cost control

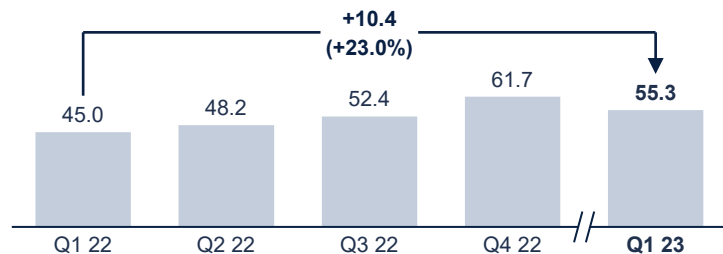
EBITDA



Mobile: DLS revenues on track

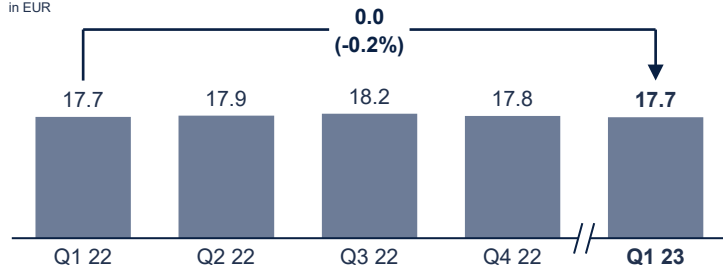
Digital lifestyle (DLS) revenues

in mEUR



ARPU (Postpaid)

in EUR

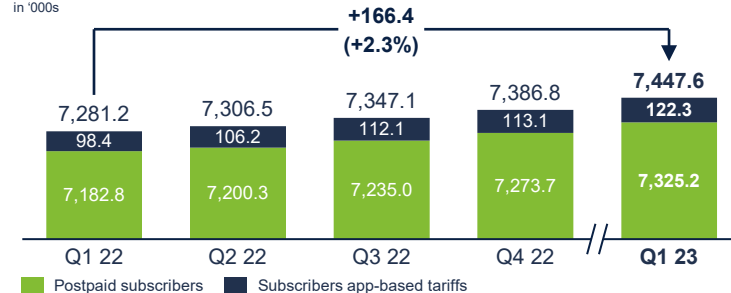


Q1 23 vs. Q1 22

- DLS revenues return to normal level after slow start into 2022; up +23.0% yoy to 55.3 mEUR (Q1 22: 45.0 mEUR)
- Postpaid ARPU stable (as expected)
- Moderate growth of high-value mobile subscriber base (+2.3% yoy to 7,447.6 k) explains SR uptake

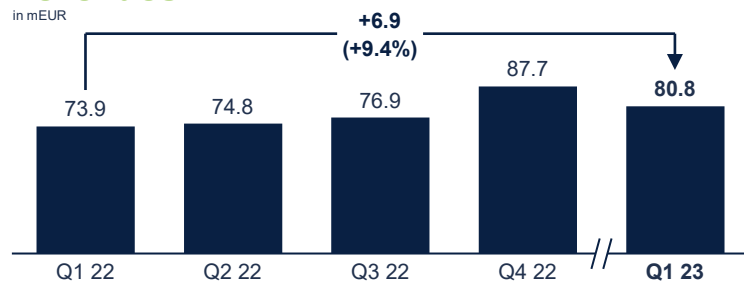
High-value mobile subscriber base

in '000s

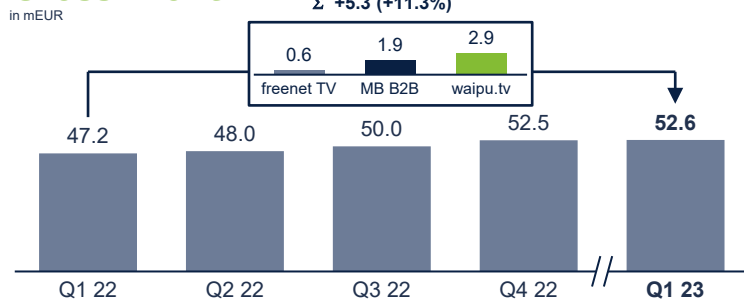


TV and Media: EBITDA rises double digit despite accelerated customer growth

Revenues



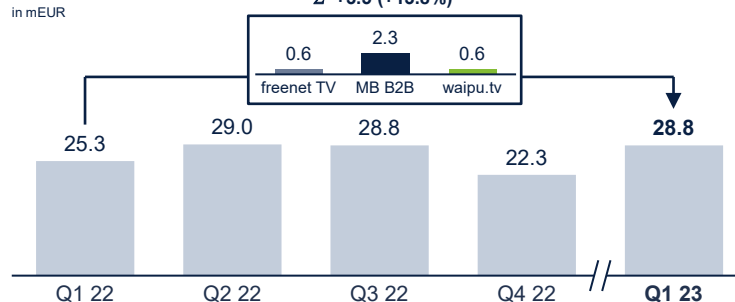
Gross Profit



Q1 23 vs. Q1 22

- Revenues increase by +9.4% yoy to 80.8 mEUR (Q1 22: 73.9 mEUR) driven by strong customer growth of waipu.tv
- Gross profit up +11.3% yoy to 52.6 mEUR (Q1 22: 47.2 mEUR) reflects high value contribution from customer growth
- EBITDA reflects investments into growth at the level of waipu.tv; only up +13.8% yoy to 28.8 mEUR (Q1 22: 25.3 mEUR)

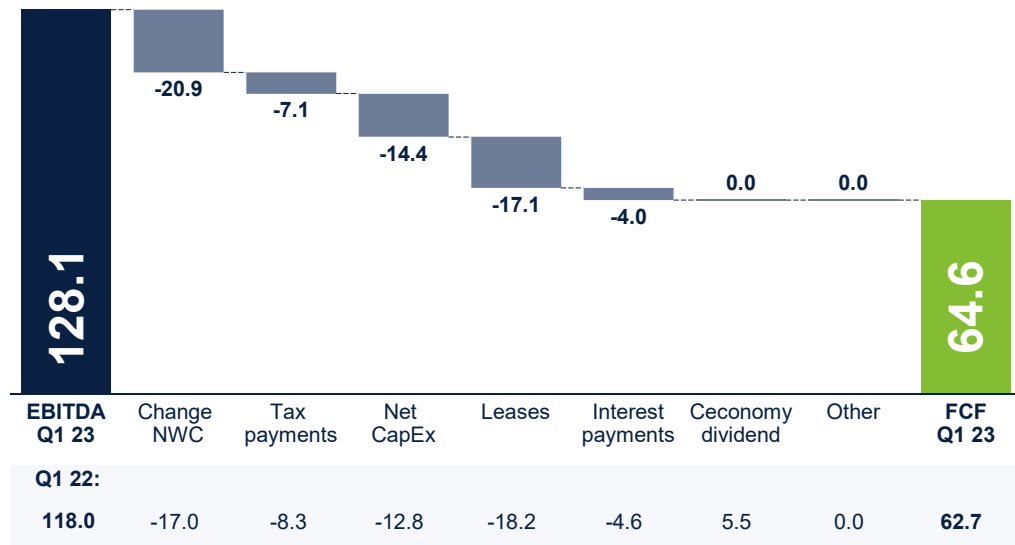
EBITDA



FCF outperforms EBITDA growth

EBITDA-to-FCF bridge

in mEUR

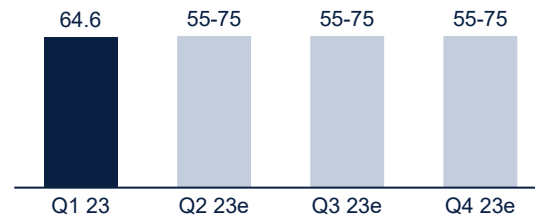


Q1 23 vs. Q1 22

- NWC affected by further reduction of the factoring programme
- CapEx higher mainly due to the further expansion of the DAB+ broadcasting network (Δ 1.9 mEUR)
- FCF like-for-like (i.e., w/o Ceconomy dividend) up by 13.0% (Q1 22: 57.2 mEUR)

FCF quarterly breakdown

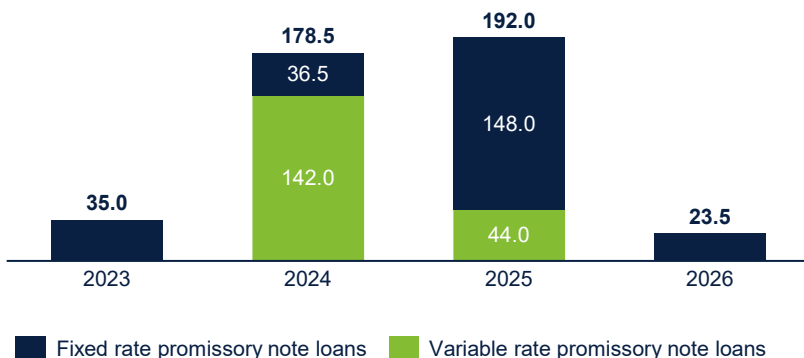
in mEUR



Balance sheet under control: High equity ratio and low leverage

Maturity structure as of 31 March 2023

in mEUR



∑ 429.0 bank debt (gross) – 163.8 cash = 265.2 bank debt (net)

- Roughly 43% of promissory note loans have variable interest rates and are subject to interest rate risk
- Impact of interest rate changes cushioned by cash holdings
- Partly refinancing at “investment grade level” in Q3 23 very likely, but on higher market interest level
- KPIs capital structure:

43.1 %

Equity ratio
(lower limit: >25%)

1.3 x

Leverage
(Upper limit: ≤3.0)

0.6 x

Leverage
(Bank debt (only))

Guidance 2023 reiterated after Q1 results

Financial guidance

in mEUR/ as indicated



■ Revenue

**Results
2022**

2,556.7

**Guidance
2023**

stable

■ EBITDA

478.7

480 - 500

■ Free cash flow

249.2

250 - 270

Subscriber guidance

in '000s



■ Postpaid customers
(w/o app-based tariffs)

7,273.7

Moderate
growth

■ waipu.tv subscribers

970.0

Significant
growth

■ freenet TV subscribers (RGU)

685.6

Noticeable
decrease

Management Q&A

For further questions please contact:

Investor Relations & ESG Reporting

+49 (0)40 513 06 778

ir@freenet.ag

[IR website](#)

Upcoming events:

5 May Virtual RS

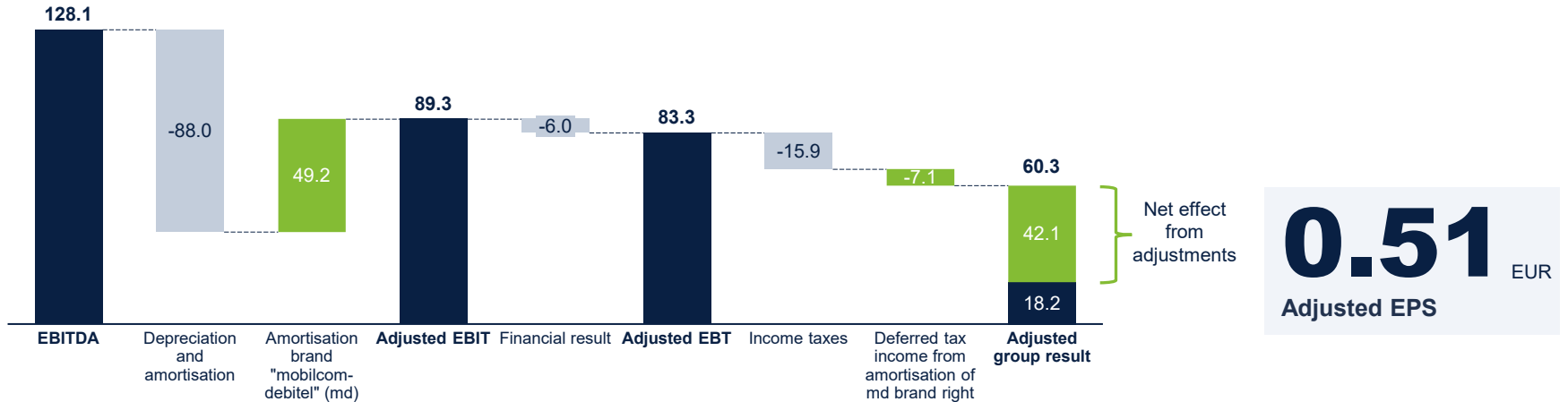
17 May AGM

[IR events](#)

Adjusted earnings figures excluding mobilcom-debitel brand amortisation

Reconciliation for Q1 2023

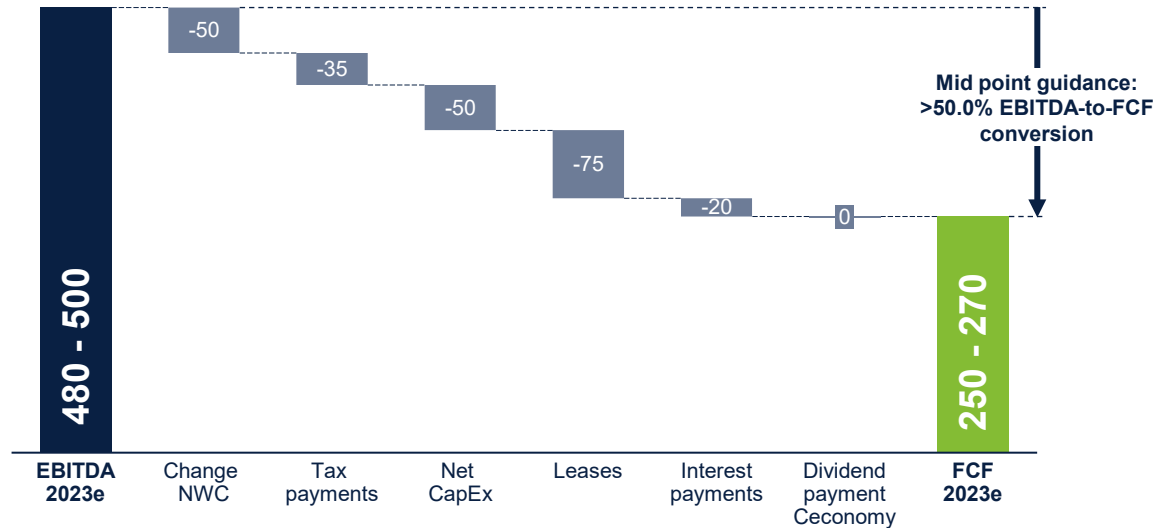
in mEUR



EBITDA-to-FCF bridge 2023

EBITDA-to-FCF bridge 2023

in mEUR



FCF quarterly breakdown

in mEUR



Even quarterly distribution without major deviations expected in FY 2023