

# 9M/2023

Nine-month statement  
30 September 2023



Mobile communications. Internet. TV entertainment.

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Due to the rounding of numbers to one decimal place, arithmetical differences may occur in subtotals and totals.

# Key figures

## Operational key figures

In EUR million/as indicated	9M/2023	9M/2022	Change	
			absolut	relative
Revenues	1,938.8	1,889.1	49.7	2.6%
Gross profit	691.6	657.5	34.1	5.2%
EBITDA	376.1	362.3	13.8	3.8%
Adjusted consolidated profit <sup>1</sup>	191.6	205.6	-14.0	-6.8%
Adjusted earnings per share (in EUR) <sup>1, 2</sup>	1.60	1.72	-0.12	-7.0%

## Subscribers

In '000s	30.9.2023	31.12.2022	Change	
			absolut	relative
Postpaid customers	7,387.8	7,273.7	114.1	1.6%
App-based tariffs <sup>3</sup>	127.0	113.1	13.9	12.3%
freenet TV subscribers (RGU)	612.0	685.6	-73.6	-10.7%
waipu.tv subscribers	1,234.9	970.0	264.9	27.3%
Number of subscribers (total)	9,361.7	9,042.4	319.3	3.5%

## Balance sheet

	30.9.2023	31.12.2022	Change	
			absolut	relative
Equity ratio	41.7%	40.5%	1.2 pp	3.0%
Leverage (x times EBITDA)	1.3	1.5	-0.1	-8.5%

## Cash flow, investments and depreciation

In EUR million	9M/2023	9M/2022	Change	
			absolut	relative
Free cash flow	199.1	187.3	11.9	6.3%
Net investments (CapEx)	-37.2	-39.7	2.5	-6.3%
Depreciation, amortisation and impairment	-213.3	-260.7	47.4	-18.2%
Thereof amortisation of the mobilcom-debitel trademark	-98.5	-145.5	47.0	-32.3%

## Share<sup>4</sup>

As indicated	30.9.2023	31.12.2022	Change	
			absolut	relative
Market value per share (EUR)	22.18	20.42	1.76	8.6%
Market capitalization (EUR million)	2,637	2,428	209.1	8.6%

## Employees

Headcount	30.9.2023	31.12.2022	Change	
			absolut	relative
	3,719	3,660	59.0	1.6%

<sup>1</sup> Adjusted for effects from the amortisation of the "mobilcom-debitel" trademark

<sup>2</sup> Basic and diluted

<sup>3</sup> Incl. subscribers of freenet FUNK and freenet FLEX

<sup>4</sup> XETRA closing price

# Letter to our shareholders

## Dear shareholders,

Having successfully completed the first half of 2023, freenet remains on a very good track to achieve its short- and medium-term growth targets in the second half of 2023. The increase in EBITDA to EUR 500 million in the current financial year and to at least EUR 520 million in 2025 is very realistic. Accordingly, we have also slightly raised the corridor for the expected EBITDA for 2023. We now expect an EBITDA of between EUR 495 and 505 million and a corresponding free cash flow of EUR 260 to 270 million.

Now to the current figures after nine months: We generated an EBITDA of EUR 376.1 million – an increase of 3.8% compared to the same period last year. Free cash flow also increased by 6.3% to EUR 199.1 million. In the nine-month period we were able to increase our customer numbers in the mobile communications segment moderately (+1.7%) and in the TV segment significantly (+11.6%). We will soon be supplying 10 million subscription customers in Germany with TV and mobile communications products at fair prices.

A large number of people trust freenet and rely on us as a contact partner to participate in the advancing digitalisation. Personal, individual service at eye level with the customer is always our priority. This was also recently confirmed by the trade magazine “connect”. In addition, a recent freenet survey confirms: for more complex offers such as a mobile phone contract, three out of four customers want personal advice and not artificial intelligence (AI). That is precisely our strength in the market! People are the focus at freenet, both as customers and as employees.

Nevertheless, we at freenet are also intensively engaged with the use of AI in the company. For example, Antenne Deutschland – an equity investment of our subsidiary Media Broadcast – released Germany's first exclusively AI-moderated radio station in mid-July, heralding a new era in the radio world. The new presenter “kAi” not only acts as a DJ for pop and dance hits from the last ten years, but also gently introduces listeners to the uses and benefits of AI. In parallel, we discuss ways to use AI for appropriate processes throughout the company. Our goal: Help our employees work more efficiently; take tedious work off their hands. Job cuts are explicitly not the focus here! We want to serve even more satisfied customers in the future with almost the same number of employees as today.

In this sense, we see ourselves well equipped to further connect the analogue with the digital world – whether for our customers or our employees. We would be delighted if you would continue to accompany us in this process.

Stay with us.

Sincerely



Christoph Vilanek (CEO)

# Business performance

## Customer development and earnings performance

The number of freenet subscription customers increased by 319.3 thousand to 9,361.7 thousand in the nine-month period of the year (year-end 2022: 9,042.4 thousand), driven by strong growth in TV customers and moderate growth in postpaid customers in mobile communications. Revenues increased by 2.6% to EUR 1,938.8 million compared to the prior-year period (EUR 1,889.1 million) due to the growing customer base.

Table 1: Revenue and earnings figures for freenet AG<sup>1</sup>

In EUR million	9M/2023	9M/2022	Change	
			absolut	relative
<b>Revenues</b>	<b>1,938.8</b>	<b>1,889.1</b>	<b>49.7</b>	<b>2.6%</b>
Mobile communications segment	1,688.1	1,670.4	17.7	1.1%
Service revenues (total)	1,276.3	1,247.9	28.4	2.3%
TV and Media segment	251.8	225.6	26.2	11.6%
Gross profit	691.6	657.5	34.1	5.2%
Overheads	- 315.5	- 295.2	- 20.3	6.9%
<b>EBITDA</b>	<b>376.1</b>	<b>362.3</b>	<b>13.8</b>	<b>3.8%</b>
Adjusted EBIT	261.2	247.1	14.1	5.7%
Financial result	- 19.3	- 9.9	- 9.4	95.8%
Adjusted EBT	241.9	237.2	4.6	1.9%
<b>Adjusted consolidated profit</b>	<b>191.6</b>	<b>205.6</b>	<b>- 14.0</b>	<b>- 6.8%</b>

<sup>1</sup> Earnings figures (EBIT, EBT, consolidated profit) adjusted for effects from the amortisation of the "mobilcom-debitel" trademark.

Revenues in the mobile communications segment were slightly higher than in the prior-year period (EUR 1,670.4 million) at EUR 1,688.1 million. This increase is mainly due to higher service revenues of EUR 1,276.3 million (prior-year period: EUR 1,247.9 million). The main reason for this increase was the growth of the postpaid customer base to 7,387.8 thousand (year-end 2022: 7,273.7 thousand) combined with stable ARPU of EUR 18.0 (prior-year period: EUR 17.9). In contrast, the subdued consumer sentiment in the German retail sector led to a further decline in low-margin revenues from the pure hardware business.

Table 2: Customer development

In '000s	30.9.2023	31.12.2022	Change	
			absolut	relative
Postpaid customers	7,387.8	7,273.7	114.1	1.6%
App-based tariffs <sup>1</sup>	127.0	113.1	13.9	12.3%
<b>Mobile communications segment</b>	<b>7,514.8</b>	<b>7,386.8</b>	<b>128.0</b>	<b>1.7%</b>
freenet TV subscribers (RGU)	612.0	685.6	- 73.6	- 10.7%
waipu.tv subscribers	1,234.9	970.0	264.9	27.3%
<b>TV and media segment</b>	<b>1,846.9</b>	<b>1,655.6</b>	<b>191.3</b>	<b>11.6%</b>
<b>Number of subscribers (total)</b>	<b>9,361.7</b>	<b>9,042.4</b>	<b>319.3</b>	<b>3.5%</b>

<sup>1</sup> Incl. subscribers of freenet FUNK and freenet FLEX

In the TV and media segment, there was a noticeable increase in revenues of 11.6% to EUR 251.8 million (prior-year period: EUR 225.6 million). This is due in particular to the strong growth in waipu.tv subscribers of 264.9 thousand to 1,234.9 thousand (year-end 2022: 970.0 thousand). In addition, the business development of Media Broadcast also has a positive effect. freenet TV revenues remained stable due to the price increase in the second half of 2022, although the decline in freenet TV subscribers continued (30 September: 612.0 thousand; year-end 2022: 685.6 thousand). Overall, the number of subscribers in the TV business increased to 1,846.9 thousand since year-end 2022 (1,655.6 thousand).

The increase in service revenue in both operating segments is also reflected in the development of gross profit. This increased by EUR 34.1 million to EUR 691.6 million compared to the prior-year period (EUR 657.5 million). The improvement in gross profit was generated almost equally by the mobile communications segment and the TV and media segment. As a result, the gross profit margin of the Group improved by 0.9 percentage points to 35.7% (prior-year period: 34.8%).

At EUR 315.5 million, overheads as the difference between gross profit and EBITDA were EUR 20.3 million higher than in the nine-month period of 2022 (EUR 295.2 million). Other operating expenses rose by EUR 17.1 million to EUR 203.2 million (prior-year period: EUR 186.0 million). The main reason for the increase is the significantly intensified marketing measures for waipu.tv (TV and Media segment) in the third quarter of 2023. On the basis of these measures, brand

awareness is to be further increased in order to be able to benefit as much as possible from the discontinuation of the ancillary cost privilege in the middle of next year. The high level of marketing expenses for waipu.tv is to be maintained in the 4th quarter of this year. In addition, higher expenses in the mobile communications segment for customer service (outsourcing costs), travel activities as well as the further training of employees contributed to the increase in other operating expenses. The increase in expenses in the mobile communications segment is mitigated by the continued low level of bad debt allowances of EUR 13.1 million (prior-year period: EUR 16.1 million). As expected, personnel expenses increased by EUR 7.5 million to EUR 168.6 million (prior-year period: EUR 161.2 million), mainly due to salary increases implemented during the year and a one-off inflation compensation bonus of around EUR 2 million for all employees. Other operating income increased by EUR 4.6 million to EUR 38.9 million compared to the prior-year period.

Due to the constant overheads ratio in relation to gross profit, EBITDA increased by 3.8% to EUR 376.1 million compared to the same period last year (prior-year period: EUR 362.3 million). The EBITDA margin at Group level improved slightly by 0.2 percentage points to 19.4% (prior-year period: 19.2%). The mobile communications segment contributed EUR 305.5 million to EBITDA in the nine-month period of 2023 (prior-year period: EUR 292.4 million), the TV and media segment EUR 85.9 million (prior-year period: EUR 83.1 million) and the other/holding segment EUR -15.3 million (prior-year period: EUR -13.3 million).

Depreciation, amortisation and impairment decreased by EUR 47.4 million to EUR 213.3 million compared to the nine-month period of 2022. The sharp decrease results exclusively from the “mobilcom-debitel” trademark, which is fully amortised by 30 June 2023 in connection with the realignment of the group's brand strategy. After an amortisation of EUR 145.5 million was carried out in the nine months of 2022, the scheduled amortisation of the remaining brand value of EUR 98.5 million was carried out by 30 June 2023 (carrying amount as at 30 June 2023: EUR 0). Since the third quarter of this year, there has been no further amortisation of the trademark right.

The earnings figures below EBITDA (EBT and consolidated profit) are shown below adjusted for effects resulting from the amortisation of the “mobilcom-debitel” trademark in order to improve comparability with the prior-year period.

The financial result developed by EUR 9.4 million to EUR -19.3 million compared to the nine-month period of 2022 (EUR -9.9 million), mainly due to the dividend of EUR 5.5 million from the equity investments in CECONOMY AG received in the same period of the previous year (9M/2023: EUR 0) as well as interest income from present value adjustments on provisions for restoration obligations due to the sharp rise in interest rates reported in the same period of the previous year. The higher interest rate level manifested itself in a slight increase in interest expenses for the variable-interest promissory note loans in the current year 2023.

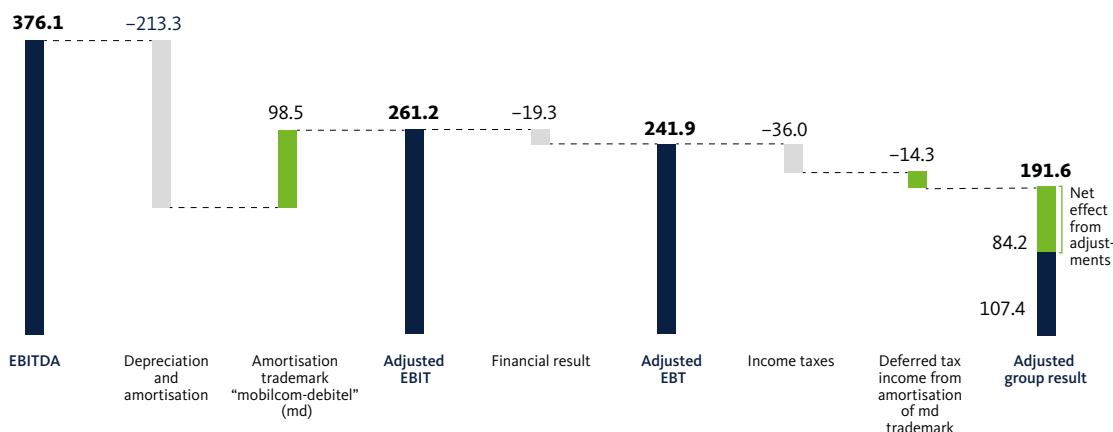
Due to the effects described above, the adjusted EBT amounts to EUR 241.9 million. Compared to the previous year, this represents an increase of EUR 4.6 million (prior-year period: EUR 237.2 million).

In the nine-month period of 2023, income tax expenses of EUR 36.0 million were reported (prior-year period: EUR 10.5 million). Current tax expenses of EUR 27.0 million (prior-year period: EUR 31.4 million) and deferred tax expenses of EUR 9.0 million (prior-year period: deferred tax income of EUR 20.9 million) were recognised. Deferred tax income of EUR 14.3 million prior-year period: EUR 21.1 million) resulted from the complete amortisation of the mobilcom-debitel trademark by 30 June 2023. This amount is to be compared with the amortisation value of EUR 98.5 million in the course of determining the adjusted consolidated profit. The deferred tax expenses in the nine-month period of 2023 are mainly attributable to write-downs on deferred income tax assets on tax loss carryforwards and on temporary differences between the carrying amounts of assets in accordance with IFRS and tax law.

In total, the adjusted consolidated profit after nine months of 2023 amounts to EUR 191.6 million (prior-year period: EUR 205.6 million).

Figure 1: Reconciliation of EBITDA to adjusted consolidated profit in the nine-month period of 2023

In EUR million



## Assets and financial position

Total assets/total equity and liabilities as at 30 September 2023 amount to EUR 3,311.2 million and decreased by EUR 317.5 million compared to 31 December 2022 (EUR 3,628.7 million).

On the assets side, non-current assets decreased by EUR 195.0 million to EUR 2,658.1 million (year-end 2022: EUR 2,853.1 million). On the one hand, the reduction in intangible assets by EUR 119.4 million to EUR 196.6 million (year-end 2022: EUR 316.0 million) is mainly due to the amortisation of the mobilcom-debitel trademark in the amount of EUR 98.5 million by 30 June 2023. On the other hand, lease assets decreased by EUR 39.2 million to EUR 311.3 million as at 30 September 2023 (year-end 2022: EUR 350.5 million), mainly due to scheduled depreciation. In addition, contract acquisition costs decreased slightly by EUR 9.7 million to EUR 265.1 million (year-end 2022: EUR 274.8 million) as a result of lower marketing of mobile contracts through indirect sales channels.

Current assets fell by EUR 122.5 million to EUR 653.1 million as of the reporting date (year-end 2022: EUR 775.6 million). The decisive factor was the decrease in liquid assets by EUR 81.0 million to EUR 97.0 million (year-end 2022: EUR 178.0 million). This change resulted primarily from the dividend payment of EUR 199.7 million made in May 2023 and the scheduled repayment of a promissory note loan from 2016 in the amount of EUR 78.5 million, while free cash flow of EUR 199.1 million has been generated to date. The decrease in trade receivables by EUR 35.9 million to EUR 260.5 million (year-end 2022: EUR 296.3 million) resulted mainly from payments received for receivables from network operators.

Table 3: Condensed balance sheet of freenet AG

In EUR million	30.9.2023	31.12.2022	Change absolut	Change relative
Non-current assets	2,658.1	2,853.1	-195.0	-6.8%
Current assets	653.1	775.6	-122.5	-15.8%
<b>Assets</b>	<b>3,311.2</b>	<b>3,628.7</b>	<b>-317.5</b>	<b>-8.7%</b>
Equity	1,381.3	1,469.2	-87.9	-6.0%
Non-current liabilities	808.7	1,052.9	-244.2	-23.2%
Current liabilities	1,121.3	1,106.6	14.7	1.3%
<b>Equity and liabilities</b>	<b>3,311.2</b>	<b>3,628.7</b>	<b>-317.5</b>	<b>-8.7%</b>
<b>Equity ratio</b>	<b>41.7%</b>	<b>40.5%</b>	<b>1.2 pp</b>	<b>3.0%</b>

On the equity and liabilities side, equity decreased by EUR 87.9 million to EUR 1,381.3 million as at 30 September 2023 (year-end 2022: EUR 1,469.2 million). With consolidated profit of EUR 107.4 million, the reduction is mainly due to the dividend payment of EUR 199.7 million. The equity ratio rose from 40.5% at the end of December 2022 to 41.7% at the end of September 2023 and remains well above the threshold defined by freenet of at least 25%.

The decrease in financial liabilities by EUR 74.8 million to EUR 434.8 million (year-end 2022: EUR 509.6 million) results from the repayment of a promissory note loan in the nominal amount of EUR 78.5 million in the second quarter. Lease liabilities decreased by EUR 47.9 million to EUR 370.7 million as at the reporting date (year-end 2022: EUR 418.6 million), mainly due to scheduled repayments. Including lease receivables, net lease liabilities amounted to EUR 326.4 million as at 30 September 2023 (year-end 2022: EUR 373.8 million). In addition, other liabilities and accruals decreased by EUR 39.7 million to EUR 537.9 million, primarily due to the realisation through profit or loss of accrued bonuses and premium claims received from network operators.

The leverage in relation to the net financial liabilities shown in Table 4 is 1.3 at the end of September 2023, below the level at the end of 2022 (1.5) and well below the maximum limit of 3.0 defined by freenet.

**Table 4: Development of net financial liabilities and leverage**

In EUR million	30.9.2023	31.12.2022	Change	
			absolut	relative
Non-current financial liabilities	227.0	393.4	-166.5	-42.3%
+ Current financial liabilities	207.8	116.1	91.7	78.9%
+ Net lease liabilities	326.4	373.8	-47.4	-12.7%
- Liquid assets	97.0	178.0	-81.0	-45.5%
<b>= Net financial liabilities</b>	<b>664.1</b>	<b>705.3</b>	<b>-41.1</b>	<b>-5.8%</b>
<b>= Leverage</b>	<b>1.3</b>	<b>1.5</b>	<b>-0.1</b>	<b>-8.5%</b>
- Equity investments	76.9	68.1	8.7	12.8%
= Adjusted net financial liabilities	587.3	637.1	-49.9	-7.8%
= Adjusted leverage	1.2	1.3	-0.1	-10.7%

## Cash flows

Compared to the prior-year period, cash flow from operating activities increased by EUR 6.8 million to EUR 299.0 million in the nine-month period 2023 (prior-year period: EUR 292.2 million). The increase is mainly due to the EUR 13.8 million rise in EBITDA in this period, while the main factors reducing cash flow from operating activities were the previous year's effect in connection with the dividend received from the CECON-OMY equity investment (9M/2023: EUR 0; 9M/2022: EUR 5.5 million) and the EUR 1.6 million higher aggregate increase in net working capital (net current assets) and contract acquisition costs compared to the previous year.

**Table 5: Liquidity indicators of freenet AG**

In EUR million	9M/2023	9M/2022	Change	
			absolut	relative
Cash flow from operating activities (1)	299.0	292.2	6.8	2.3%
Cash flow from investing activities	-39.2	-100.9	61.6	-61.1%
Net investments (CapEx) (2)	-37.2	-39.7	2.5	-6.3%
Cash flow from financing activities	-340.8	-320.4	-20.4	6.4%
Cash outflows for the repayment of lease liabilities (3)	-62.6	-65.2	2.6	-4.0%
<b>Net change in cash funds</b>	<b>-81.0</b>	<b>-129.0</b>	<b>-48.0</b>	<b>-37.2%</b>
<b>Free cash flow (1)+(2)+(3)</b>	<b>199.1</b>	<b>187.3</b>	<b>11.9</b>	<b>6.3%</b>

The cash flow from investing activities amounted to EUR -39.2 million in the nine-month period of 2023 compared to EUR -100.9 million in the same period of 2022. This development is mainly due to the payments made in the prior-year period (2022) as a result of short-term time deposits with a term of more than three months in the amount of EUR 50.0 million as well as payments to the former shareholders of The Cloud Group in the amount of EUR 10.0 million. Net investments (CapEx) decreased by EUR 2.5 million to EUR 37.2 million compared to the nine-month period of 2022 (EUR 39.7 million) and were financed entirely from own funds.



The cash flow from financing activities developed in the nine-month period of 2023 compared to the same period in 2022 from EUR –320.4 million to EUR –340.8 million. The higher outflows from financing activities are mainly due to a higher redemption of promissory notes (9M/2023: EUR 78.5 million; 9M/2022: EUR 50.0 million), while the effects of the increased dividend payment in 2023 (9M/2023: EUR 199.7 million; 9M/2022: EUR 186.6 million) and the share buyback programme in 2022 (9M/2023: EUR 0; 9M/2022: EUR 14.7 million) almost offset each other.

Free cash flow of EUR 199.1 million was generated in the nine-month period of 2023, an increase of EUR 11.9 million (6.3%) compared to the same period in 2022 (EUR 187.3 million). Excluding the Ceconomy dividend received in 2022, free cash flow increased by EUR 17.4 million (9.6%).

## Statement on the guidance for business performance

In the 3rd quarter of 2023, there were no significant changes with regard to the risks and opportunities of future business performance. The risks and opportunities to which freenet is exposed in the course of its ongoing business activities are presented in the 2022 Annual report (p. 41 et seq.) as well as in the 2023 Half-year report (p. 9) and continue to apply in principle.

Against this backdrop and the good business performance in the past nine months of this year as well as the positive outlook for the operating business in the last quarter of 2023, the Executive Board is slightly raising the guidance for EBITDA given in the 2022 Annual report (p. 51 et seq.). In addition, the corridor for free cash flow is narrowed to the upper end of the initial guidance. The Executive Board now expects EBITDA of between EUR 495 million and EUR 505 million and free cash flow of between EUR 260 million and EUR 270 million for the 2023 financial year.

Table 6: Guidance for business performance

Financial performance indicators	2022 Reference value	2023 Guidance (23.2.2023)	Confirmed 2023 Guidance (3.5.2023)	Confirmed 2023 Guidance (3.8.2023)	Increased 2023 Guidance (8.11.2023)	Guidance change	9M/2023
In EUR million/as indicated							
Revenues	2,556.7	stable performance	stable performance	stable performance	stable performance	→	1,938.8
EBITDA	478.7	480–500	480–500	480–500	495–505	↑	376.1
Free cash flow	249.2	250–270	250–270	250–270	260–270	→	199.1
Postpaid ARPU (in EUR)	17.9	stable performance	stable performance	stable performance	stable performance	→	18.0

Non-financial performance indicators	2022 Reference value	2023 Guidance (23.2.2023)	Confirmed 2023 Guidance (3.5.2023)	Confirmed 2023 Guidance (3.8.2023)	Confirmed 2023 Guidance (8.11.2023)	Guidance change	30.9.2023
In '000s							
Postpaid customer base	7,273.7	moderate growth	moderate growth	moderate growth	moderate growth	→	7,387.8
freetnet TV subscribers (RGU)	685.6	noticeable decrease	noticeable decrease	noticeable decrease	noticeable decrease	→	612.0
waipu.tv subscribers	970.0	significant growth	significant growth	significant growth	significant growth	→	1,234.9

- ↑ above previous guidance
- unchanged from previous guidance
- ↓ below previous guidance

Büdeltsdorf, 8 November 2023

freetnet AG  
 The Executive Board

Christoph Vilanek  
 (CEO)

Ingo Arnold  
 (CFO)

Nicole Engenhardt-Gillé  
 (CHRO)

Stephan Esch  
 (CTO)

Antonius Fromme  
 (CCE)

Rickmann v. Platen  
 (CCO)

# Selected financial information\*

## Consolidated income statement

In EUR million/as indicated	9M/2023	9M/2022
<b>Revenues</b>	<b>1,938.8</b>	<b>1,889.1</b>
Other operating income	38.9	34.3
Other own work capitalised	17.4	17.7
Cost of materials	-1,247.2	-1,231.6
Personnel expenses	-168.6	-161.2
Other operating expenses	-203.2	-186.0
Thereof: Result from impairment losses on financial assets and contractual assets	-13.1	-16.1
Thereof: excluding result from impairment losses on financial assets and contractual assets	-190.1	-170.0
<b>EBITDA<sup>1</sup></b>	<b>376.1</b>	<b>362.3</b>
Depreciation, amortisation and impairment	-213.3	-260.7
<b>EBIT<sup>2</sup></b>	<b>162.7</b>	<b>101.6</b>
Result of equity-accounted investments	-1.9	-1.1
Interest and similar income	4.3	4.9
Interest and similar expenses	-21.9	-17.4
Other financial result	0.2	3.8
<b>Financial result</b>	<b>-19.3</b>	<b>-9.9</b>
<b>EBT</b>	<b>143.4</b>	<b>91.7</b>
Income taxes	-36.0	-10.5
<b>Consolidated profit</b>	<b>107.4</b>	<b>81.2</b>
Consolidated profit attributable to shareholders of freenet AG	105.7	79.9
Consolidated profit attributable to non-controlling interests	1.7	1.3
<b>Earnings per share (EPS), basic and diluted (in EUR)</b>	<b>0.89</b>	<b>0.67</b>
Weighted average number of shares outstanding, basic and diluted (in millions)	118.9	119.0

<sup>1</sup> EBITDA represents earnings before depreciation, amortisation and impairment, financial result and income taxes.

<sup>2</sup> EBIT represents earnings before financial result and income taxes.

\* This nine-month report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The Group has implemented all accounting standards that were mandatory at the reporting date. Please refer to the notes to the consolidated financial statements as at 31 December 2022 (page 108 et seq.) for information on the principles and methods used in the consolidated accounting.

## Consolidated balance sheet

<b>Assets</b> In EUR million	<b>30.9.2023</b>	<b>31.12.2022</b>
<b>Non-current assets</b>		
Intangible assets	196.6	316.0
Lease assets	311.3	350.5
Goodwill	1,382.4	1,382.4
Property, plant and equipment	130.0	134.2
Equity-accounted investments	0.3	0.1
Deferred income tax assets	122.2	132.2
Trade receivables	44.9	45.7
Other receivables and other assets	91.4	99.1
Other financial assets	113.9	118.1
Contract acquisition costs	265.1	274.8
	<b>2,658.1</b>	<b>2,853.1</b>
<b>Current assets</b>		
Inventories	68.4	91.1
Current income tax assets	0.5	0.4
Trade receivables	260.5	296.3
Other receivables and other assets	157.7	158.6
Other financial assets	69.1	51.2
Liquid assets	97.0	178.0
	<b>653.1</b>	<b>775.6</b>
<b>Total assets</b>	<b>3,311.2</b>	<b>3,628.7</b>
<b>Equity and liabilities</b> In EUR million	<b>30.9.2023</b>	<b>31.12.2022</b>
<b>Equity</b>		
Share capital	118.9	118.9
Capital reserve	567.5	567.5
Accumulated other comprehensive income	-168.2	-172.5
Consolidated net retained profits	867.0	960.9
<b>Equity attributable to shareholders of freenet AG</b>	<b>1,385.1</b>	<b>1,474.7</b>
Non-controlling interests in equity	-3.8	-5.5
	<b>1,381.3</b>	<b>1,469.2</b>
<b>Non-current liabilities</b>		
Lease liabilities	292.1	336.5
Other liabilities and accruals	102.1	119.8
Other financial liabilities	69.8	86.7
Financial liabilities	227.0	393.4
Pension provisions	60.2	61.8
Other provisions	57.5	54.7
	<b>808.7</b>	<b>1,052.9</b>
<b>Current liabilities</b>		
Lease liabilities	78.6	82.0
Trade accounts payable	296.3	331.2
Other liabilities and accruals	435.9	457.8
Other financial liabilities	30.6	46.2
Current income tax liabilities	52.5	46.8
Financial liabilities	207.8	116.1
Other provisions	19.7	26.5
	<b>1,121.3</b>	<b>1,106.6</b>
<b>Total equity and liabilities</b>	<b>3,311.2</b>	<b>3,628.7</b>

## Consolidated statement of cash flows

In EUR million	9M/2023	9M/2022
<b>Earnings before interest and taxes (EBIT)</b>	<b>162.7</b>	<b>101.6</b>
<b>Adjustments</b>		
Depreciation, amortisation and impairment of non-current assets	213.3	260.7
Dividends received from equity investments	0.0	5.5
Losses from the disposal of non-current assets	0.5	0.2
Increase in net working capital not attributable to investing or financing activities	- 64.4	- 45.0
Cash inflows from the redemption of financial assets from leases	10.7	10.7
Capitalization of contract acquisition costs	- 207.6	- 213.5
Amortisation of contract acquisition costs	217.2	205.5
Taxes paid	- 22.7	- 21.8
Income from interest and other financial result	3.8	0.2
Interest paid	- 14.6	- 11.7
<b>Cash flow from operating activities</b>	<b>299.0</b>	<b>292.2</b>
Cash outflows for investments in property, plant and equipment and intangible assets	- 39.7	- 42.5
Cash inflows from the disposal of intangible assets and property, plant and equipment	2.4	2.8
Cash outflows for the acquisition of subsidiaries	0.0	- 10.0
Cash inflows from the sale of equity-accounted companies	0.4	0.4
Cash outflows into equity of equity-accounted investments	- 2.1	- 1.3
Cash outflows to acquire other equity investments	- 0.2	- 0.2
Change related to the investment of cash (term of more than 3 months)	0.0	- 50.0
<b>Cash flow from investing activities</b>	<b>- 39.2</b>	<b>- 100.9</b>
Cash outflows to company owners and minority shareholders	- 199.7	- 186.6
Cash outflows for the acquisition of treasury shares	0.0	- 14.7
Cash outflows for the acquisition of minority interests	0.0	- 3.9
Cash outflows for the repayment of financial liabilities	- 78.5	- 50.0
Cash outflows for the repayment of lease liabilities	- 62.6	- 65.2
<b>Cash flow from financing activities</b>	<b>- 340.8</b>	<b>- 320.4</b>
<b>Net change in cash funds</b>	<b>- 81.0</b>	<b>- 129.0</b>
Cash funds at the beginning of the period	178.0	286.3
Cash funds at the end of the period	97.0	157.3

## Composition of cash funds

In EUR million	30.9.2023	30.9.2022
Liquid assets	97.0	157.3
<b>Cash funds</b>	<b>97.0</b>	<b>157.3</b>

## Composition of free cash flow

In EUR million	9M/2023	9M/2022
Cash flow from operating activities	299.0	292.2
Cash outflows for investments in property, plant and equipment and intangible assets	- 39.7	- 42.5
Cash inflows from the disposal of intangible assets and property, plant and equipment	2.4	2.8
Cash outflows for the repayment of lease liabilities	- 62.6	- 65.2
<b>Free cash flow</b>	<b>199.1</b>	<b>187.3</b>

## Segment report

### 1 January to 30 September 2023

In EUR million	Mobile communications	TV and media	Other/ holding	Elimination of intersegment revenues and expenses	Total
<b>Third-party revenues</b>	<b>1,678.2</b>	<b>243.0</b>	<b>17.6</b>	<b>0.0</b>	<b>1,938.8</b>
Intersegment revenues	9.9	8.8	12.2	- 30.9	0.0
Total revenues	1,688.1	251.8	29.8	- 30.9	1,938.8
<b>Cost of materials to third parties</b>	<b>- 1,153.6</b>	<b>- 82.0</b>	<b>- 11.6</b>	<b>0.0</b>	<b>- 1,247.2</b>
Intersegment cost of materials	- 17.3	- 7.6	- 0.5	25.4	0.0
Total cost of materials	- 1,170.9	- 89.7	- 12.0	25.4	- 1,247.2
<b>Segment gross profit</b>	<b>517.2</b>	<b>162.1</b>	<b>17.8</b>	<b>- 5.5</b>	<b>691.6</b>
Other operating income	38.8	0.6	2.9	- 3.4	38.9
Other own work capitalised	11.5	4.5	1.3	0.0	17.4
Personnel expenses	- 100.1	- 43.0	- 25.6	0.0	- 168.6
Other operating expenses	- 161.9	- 38.4	- 11.7	8.9	- 203.2
Result from impairment losses on financial assets and contractual assets	- 12.8	- 0.5	0.2	0.0	- 13.1
Excluding result from impairment losses on financial assets and contractual assets	- 149.1	- 37.9	- 12.0	8.9	- 190.1
<b>Total overheads<sup>1</sup></b>	<b>- 211.7</b>	<b>- 76.3</b>	<b>- 33.1</b>	<b>5.5</b>	<b>- 315.5</b>
Thereof intersegment allocation	- 6.2	- 0.8	1.5	5.5	
<b>Segment EBITDA</b>	<b>305.5</b>	<b>85.9</b>	<b>- 15.3</b>		<b>376.1</b>
Depreciation, amortisation and impairment					- 213.3
<b>EBIT</b>					<b>162.7</b>
Financial result					- 19.3
Income taxes					- 36.0
<b>Consolidated profit</b>					<b>107.4</b>
Consolidated profit attributable to shareholders of freenet AG					105.7
Consolidated profit attributable to non-controlling interests					1.7
<b>Net cash investments</b>	<b>17.7</b>	<b>16.4</b>	<b>3.1</b>		<b>37.2</b>

<sup>1</sup> Overheads are defined as the difference between gross profit and EBITDA and include the items operating income, other own work capitalised, personnel expenses and other operating expenses.

## 1 January to 30 September 2022

In EUR million	Mobile communications	TV and media	Other/ holding	Elimination of intersegment revenues and expenses	Total
<b>Third-party revenues</b>	<b>1,657.2</b>	<b>217.3</b>	<b>14.6</b>	<b>0.0</b>	<b>1,889.1</b>
Intersegment revenues	13.2	8.3	12.0	- 33.6	0.0
Total revenues	1,670.4	225.6	26.6	- 33.6	1,889.1
<b>Cost of materials to third parties</b>	<b>- 1,155.7</b>	<b>- 69.0</b>	<b>- 6.9</b>	<b>0.0</b>	<b>- 1,231.6</b>
Intersegment cost of materials	- 16.2	- 11.3	- 0.6	28.1	0.0
Total cost of materials	- 1,171.9	- 80.3	- 7.4	28.1	- 1,231.6
<b>Segment gross profit</b>	<b>498.5</b>	<b>145.3</b>	<b>19.2</b>	<b>- 5.5</b>	<b>657.5</b>
Other operating income	34.3	0.5	1.4	- 1.9	34.3
Other own work capitalised	11.7	4.9	1.0	0.0	17.7
Personnel expenses	- 97.5	- 40.7	- 22.9	0.0	- 161.2
Other operating expenses	- 154.6	- 26.8	- 12.0	7.3	- 186.0
Result from impairment losses on financial assets and contractual assets	- 15.6	- 0.4	- 0.1	0.0	- 16.1
Excluding result from impairment losses on financial assets and contractual assets	- 139.0	- 26.3	- 12.0	7.3	- 170.0
<b>Total overheads<sup>1</sup></b>	<b>- 206.1</b>	<b>- 62.1</b>	<b>- 32.4</b>	<b>5.5</b>	<b>- 295.2</b>
Thereof intersegment allocation	- 4.9	- 0.7	0.1	5.5	
<b>Segment EBITDA</b>	<b>292.4</b>	<b>83.1</b>	<b>- 13.3</b>		<b>362.3</b>
Depreciation, amortisation and impairment					- 260.7
<b>EBIT</b>					<b>101.6</b>
Financial result					- 9.9
Income taxes					- 10.5
<b>Consolidated profit</b>					<b>81.2</b>
Consolidated profit attributable to shareholders of freenet AG					79.9
Consolidated profit attributable to non-controlling interests					1.3
<b>Net cash investments</b>	<b>19.6</b>	<b>11.9</b>	<b>8.3</b>		<b>39.7</b>

<sup>1</sup> Overheads are defined as the difference between gross profit and EBITDA and include the items operating income, other own work capitalised, personnel expenses and other operating expenses.

# Further information

## Quarterly overview

### Consolidated income statement

In EUR million	Q3/2022	Q4/2022	Q1/2023	Q2/2023	Q3/2023
<b>Revenues</b>	<b>652.1</b>	<b>667.7</b>	<b>637.8</b>	<b>632.1</b>	<b>668.8</b>
Other operating income	11.0	15.2	11.3	12.9	14.7
Other own work capitalised	6.5	7.3	6.1	5.7	5.6
Cost of materials	- 431.4	- 438.4	- 409.1	- 400.9	- 437.3
Personnel expenses	- 54.9	- 68.5	- 54.5	- 56.7	- 57.4
Other operating expenses	- 62.0	- 66.9	- 63.6	- 66.7	- 72.8
Result from impairment losses on financial assets and contractual assets	- 4.3	- 5.1	- 2.1	- 5.6	- 5.3
Excluding result from impairment losses on financial assets and contractual assets	- 57.7	- 61.8	- 61.5	- 61.1	- 67.5
<b>EBITDA</b>	<b>121.4</b>	<b>116.4</b>	<b>128.1</b>	<b>126.5</b>	<b>121.5</b>
Depreciation, amortisation and impairment	- 87.8	- 88.6	- 88.0	- 87.1	- 38.3
<b>EBIT</b>	<b>33.6</b>	<b>27.8</b>	<b>40.1</b>	<b>39.4</b>	<b>83.3</b>
Result of equity-accounted investments	- 0.5	- 0.8	- 0.4	- 1.2	- 0.3
Interest and similar income	1.1	1.6	1.1	1.1	2.2
Interest and similar expenses	- 6.1	- 6.3	- 6.7	- 7.5	- 7.7
Other financial result	- 0.3	0.0	0.0	0.2	0.0
<b>Financial result</b>	<b>- 5.9</b>	<b>- 5.6</b>	<b>- 6.0</b>	<b>- 7.4</b>	<b>- 5.9</b>
<b>EBT</b>	<b>27.7</b>	<b>22.2</b>	<b>34.1</b>	<b>32.0</b>	<b>77.4</b>
Income taxes	- 3.8	- 21.6	- 15.9	- 6.0	- 14.2
<b>Consolidated profit</b>	<b>23.9</b>	<b>0.7</b>	<b>18.2</b>	<b>26.0</b>	<b>63.2</b>
Consolidated profit attributable to shareholders of freenet AG	23.4	- 0.6	18.0	24.9	62.9
Consolidated profit attributable to non-controlling interests	0.5	1.2	0.2	1.2	0.3

### Free cash flow

In EUR million	Q3/2022	Q4/2022	Q1/2023	Q2/2023	Q3/2023
Cash flow from operating activities	97.3	103.5	99.6	99.4	100.0
Cash outflows for investments in property, plant and equipment and intangible assets	- 14.1	- 20.4	- 14.9	- 11.8	- 12.9
Cash inflows from the disposal of intangible assets and property, plant and equipment	1.0	0.1	0.5	1.1	0.8
Cash outflows for the repayment of lease liabilities	- 21.6	- 21.2	- 20.6	- 21.8	- 20.3
<b>Free cash flow</b>	<b>62.6</b>	<b>62.0</b>	<b>64.6</b>	<b>66.8</b>	<b>67.7</b>



## Financial calendar

Date	Event
29 February 2024	Publication of the preliminary figures for the 2023 financial year
28 March 2024	2023 Annual report
8 May 2024	Annual general meeting 2024 in Hamburg
16 May 2024	2024 Quarterly statement
8 August 2024	2024 Half-year report
8 November 2024	2024 Nine-month statement

All dates are subject to possible changes. The current status of the financial calendar is available at [fn.de/calendar](https://fn.de/calendar). Further information on freenet and the share is available at [fn.de/investors](https://fn.de/investors).

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The nine-month statement is also available in English.  
In case of doubt, the German version shall prevail.



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

