

freenet AG

Company presentation

2023

Agenda

- 1 freenet AG
- 2 Business model and segments
- 3 Reasons for investment

freenet AG

Our company at a glance



Our vision

»ALWAYS
THE
RIGHT
CHOICE.

We want to be the right choice for all our stakeholders - our employees, our customers, our partners and our shareholders. We are aware of our responsibility to society, and we take this into account through long-term thinking and sustainability in all our corporate decisions.

Our mission statement

Growth through products, services and customer-centric interaction.



Customer-centric

- Distribution of selected own products or sourced goods serving individual customer requirements
- Any activity is based on deep understanding of data



Digital First

- Both for internal business processes and operations and for the interaction and transaction with customers and all other stakeholders



Demand Driven

- Competent advice addressing customers' needs
- Taking benefit of learnings from customer contacts for product development and innovation



Close

- Making use of the omni-channel platform to serve captive and non-captive channels
- Providing service at all customer touchpoints seamlessly

Our strategy: Growth through digital lifestyle

Digital lifestyle

includes telecommunications, Internet, Energy, TV entertainment, as well as all services, applications and appliances that can be controlled or connected to mobile devices or can be used via an intelligent device. The overall freenet offering is intended to provide customers with a coordinated solution under one umbrella brand.

Growth

through continuous optimisation and expansion of our digital lifestyle product and service portfolio, making consistent use of our established strengths and competencies, existing and new distribution channels and the optimisation over the customer life cycle and all customer contacts.

Key figures 2022

2,556^{mEUR}

REVENUES

478.7^{mEUR}

EBITDA

249.2^{mEUR}

FREE CASH FLOW

660
3,
660
EMPLOYEES

9,042,400

TOTAL SUBSCRIBERS

7,386,800

THEREOF MOBILE CUSTOMERS

1,655,600

THEREOF TV CUSTOMERS

We are constantly evolving

2007

Merger of mobilcom AG and freenet.de AG to form **freenet AG**.

First listing on the Frankfurt Stock Exchange

2009-2011

freenet focuses on its core mobile communications and mobile internet business by **disposing of areas not relevant to the core business** (including web hosting and DSL businesses)

2016

Entry into the TV business with the acquisition of **Media Broadcast** (100%) and **EXARING** (today: 58.6%)

Purchase of 24.56 % in **Sunrise Communications Group AG**, Schweiz

2019

Strategic sales cooperation between Telefónica Deutschland and EXARING for waipu.tv

2022

Internet established as a strategic pillar alongside Mobile and TV entertainment

Brand transformation: Mobile, Internet and TV entertainment united under the umbrella brand freenet

2008

Acquisition of **debitel Group** (100%) by freenet AG and formation of the **largest network-independent service provider** in Germany

2012

Acquisition of **GRAVIS** (100%) and establishment of digital lifestyle (DLS) as a strategic pillar, in addition to mobile communications

2018

Expansion of Management Board to five members by adding the positions of CCO and CCE

Purchase of 9.1% interest in **CECONOMY AG**

Divestment of analogue radio business (Part of Media Broadcast)

2020

Divestment of shares in **Sunrise Communications Group AG**

Strategic cooperation with **Netflix**

2023

Expansion of Management Board to six members by adding the position of CHRO

Executive Board members

ALL SIX BOARD MEMBERS
GREW WITHIN
THE GROUP



Christoph Vilanek
CHIEF
EXECUTIVE
OFFICER

Ingo Arnold
CHIEF
FINANCIAL
OFFICER

Nicole Engenhardt-Gillé
CHIEF
HUMAN
RESOURCES
OFFICER

Stephan Esch
CHIEF
TECHNICAL
OFFICER

Antonius Fromme
CHIEF
CUSTOMER
EXPERIENCE

Rickmann von Platen
CHIEF
COMMERCIAL
OFFICER

Supervisory Board members

SHAREHOLDER REPRESENTATIVES

Marc Tüngler (Chair) ^{1, 2, 4, 5}

Attorney-at-law and Managing Director of the Deutsche Schutzvereinigung für Wertpapierbesitz e.V. (DSW – German Association of Private Shareholders), Düsseldorf, Germany

Sabine Christiansen ^{2, 5}

Managing Partner at TV 21 GmbH, Berlin, Germany

Prof. Dr. Kerstin Lopatta ³

Professor of Accounting, Auditing and Sustainability at the University of Hamburg, Germany
Proven financial expert in accounting and auditing
Sustainability officer on the Supervisory Board

Miriam Wohlfarth ⁴

CEO of Banxware GmbH, Berlin, Germany

Thomas Karlovits ¹

CEO and CIO of Blackwall Capital Investment AG, Zug, Switzerland

Robert Weidinger ^{3, 5}

Self-employed auditor, tax advisor and corporate finance consultant, Valley, Germany
Proven financial expert in accounting and auditing

EMPLOYEE REPRESENTATIVES

Knut Mackeprang (Deputy Chair) ^{1, 2, 4}

Corporate lawyer of freenet AG, Büdelsdorf

Claudia Anderleit ²

Head of Human Resources Management and personnel systems, freenet AG, Hamburg
Sustainability officer on the Supervisory Board

Petra Winter ³

Head of Central Tasks, MEDIA BROADCAST GmbH, Berlin

Tobias Marx ⁴

Trade union secretary in Kiel for Schleswig-Holstein

Theo-Benneke Bretsch ¹

Team leader eCommerce Core at freenet DLS GmbH, Büdelsdorf

Frank Suwald ³

Chairman of the Works Council, MEDIA BROADCAST GmbH, Cologne

Composition of committees:

1 Steering committee

2 Personnel committee

3 Audit committee

4 Mediation committee

5 Nomination committee

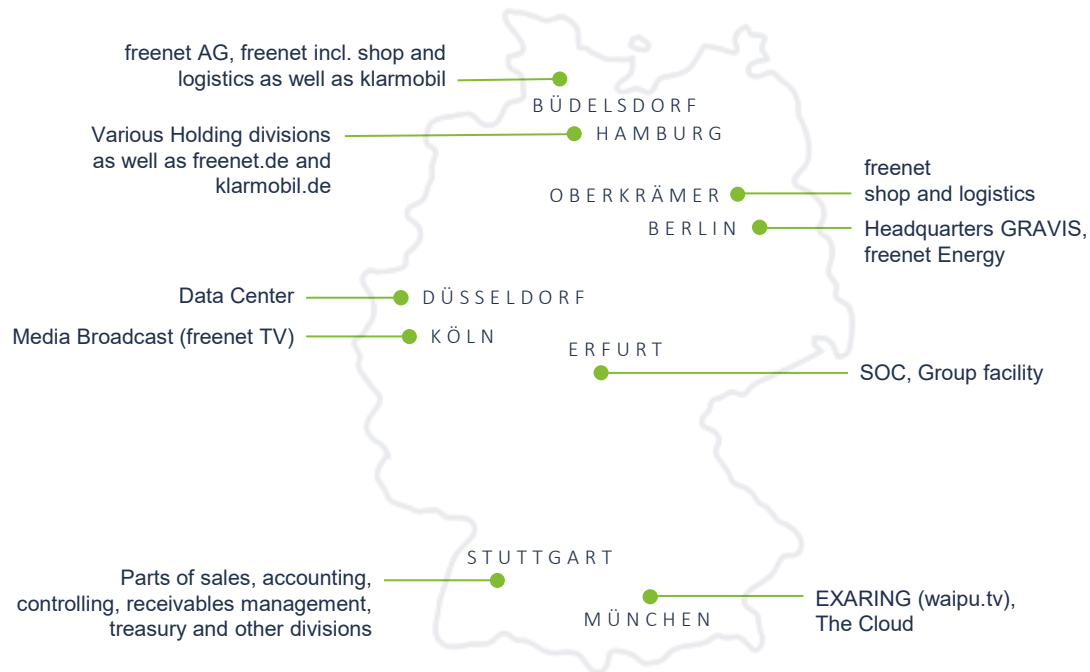
We can be found all over Germany

9 SITES ACROSS
GERMANY

3,660
EMPLOYEES

112
APPRENTICESHIPS

60 NATIONALITIES



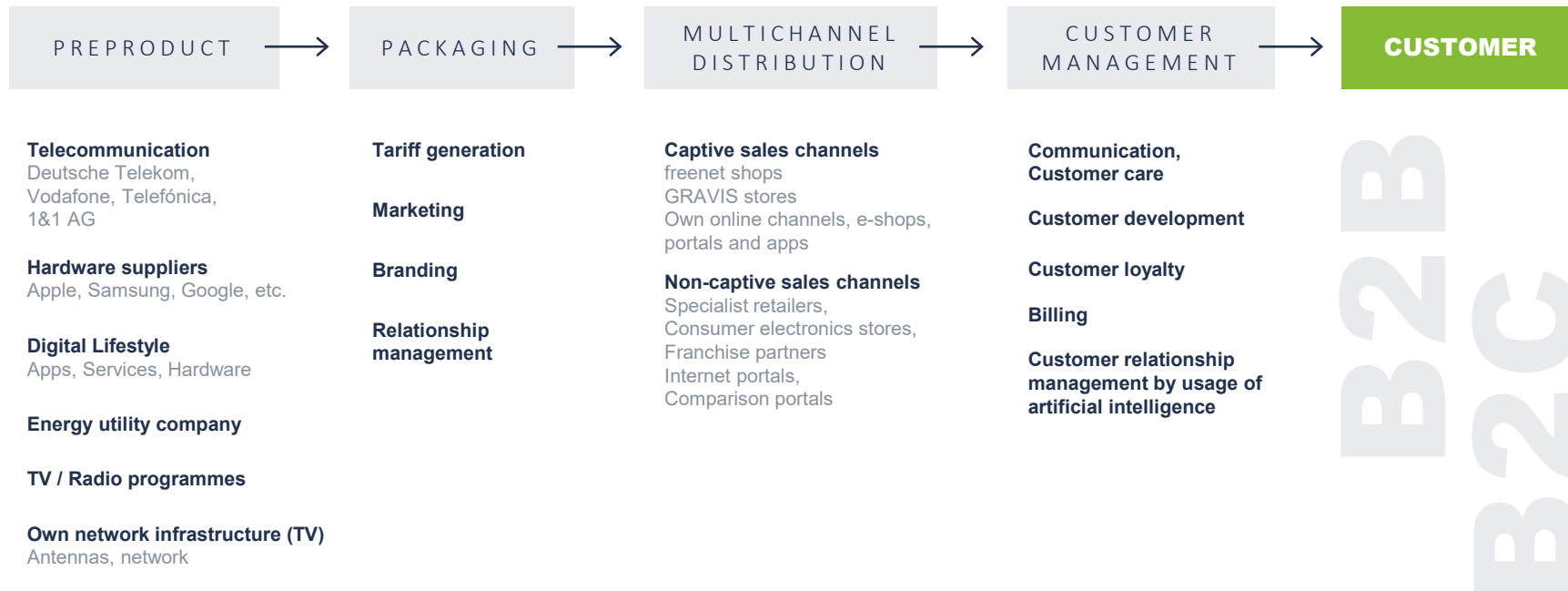
(as of 31.12.2022)

Business model and segments

Experience the digital lifestyle



Consumer-oriented value creation



We address our customers with a tailor-made brand portfolio

Retail

MOBILE COMMUNICATIONS & APPS



TV



DIGITAL LIFESTYLE



Gravis

ENERGY



Wholesale



Typology of business models in the mobile communications industry

MNO

Mobile network operators (MNOs) are companies that generally own and/or control all the characteristics of a telecom value chain in order to provide services to customers.

The specific assets of MNOs are the broadcasting license and the network infrastructure on which the license is used.

MVNO

In comparison to the MNO, virtual network operators (MVNOs) do not have their own wireless network or broadcasting license.

MVNOs generally purchase network capacity from one (or more) MNOs at a wholesale price and offer their own mobile services under the cooperation agreement.

SERVICE-PROVIDER

Service providers usually enter into a wholesale contract with one (or more) MNOs from whom tariffs are purchased in bulk (retail-minus). Service providers sell both MNO tariffs and their own tariffs. The customer relationship remains with the service provider, who takes over all services (customer management, billing, marketing, etc.).

RESELLER

Resellers usually have a cooperation agreement with one (or more) MNOs for the distribution of mobile phone tariffs. The tariffs are resold to end customers with or without hardware components and devices.

Resellers receive a commission payment for their sales performance.



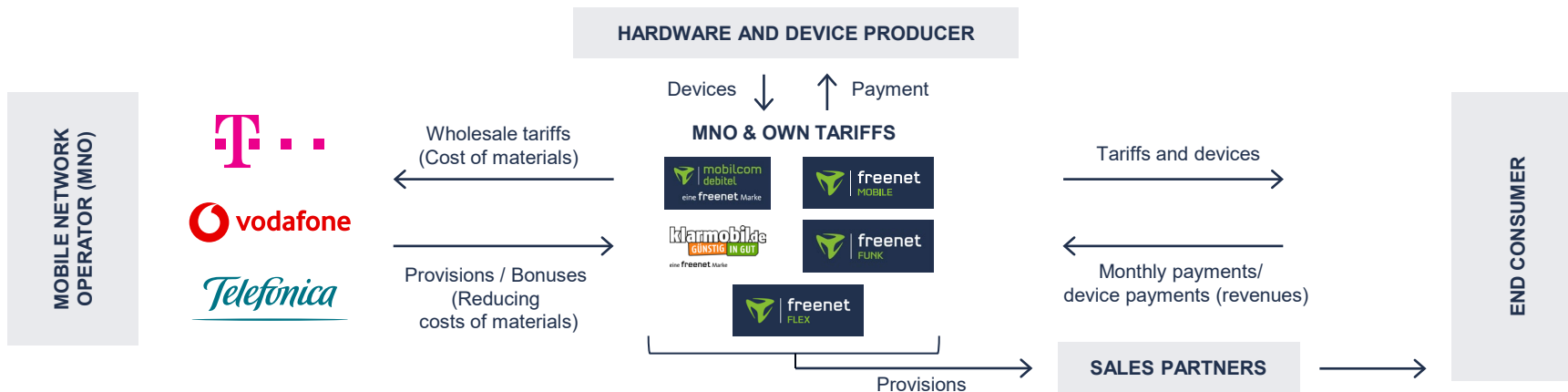
Unique business model with high barriers to entry

freenet is a ...

MNO?	→	NO	→	Doesn't own the infrastructure, complete MNO tariff portfolio available
MVNO?	→	NO	→	No obligation to pay for reserved network capacities
RESELLER?	→	NO	→	Customer relationship remains with freenet/revenues do not only consist of provisions
SERVICE PROVIDER?	→	YES	→	High flexibility in the sale of MNO tariffs and the composition of its own tariffs on all MNO networks; direct customer relationship

FREENET HAS A UNIQUE AND SUSTAINABLE BUSINESS MODEL IN MOBILE PHONE INDUSTRIES

Mobile communications in the service provider model



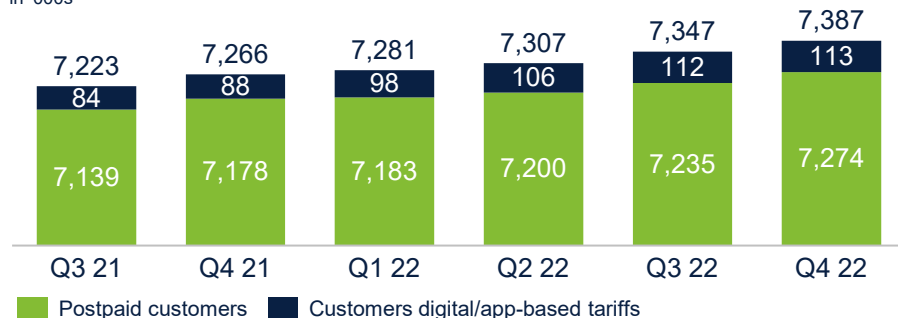
- freenet is the **only mobile service provider** to offer tariffs (data and voice) from all **three German mobile network operators**
- Tariff portfolio includes both **original tariffs of the network operators** as well as its **own tariffs**
- **Customer relationship** (contract, billing, service) takes place in its own name and for its own accounts, opportunity for customer development

- freenet sells **Postpaid-, Prepaid- and No-Frills tariffs with hardware or SIM-only** under premium and discount brands
- **Indirect contribution to the expansion of network infrastructure** in Germany via usage charges to MNOs
- **Strategic focus:** Obtaining long-term and valuable postpaid customers (24-month contracts)

Focusing on long-term customer relationships

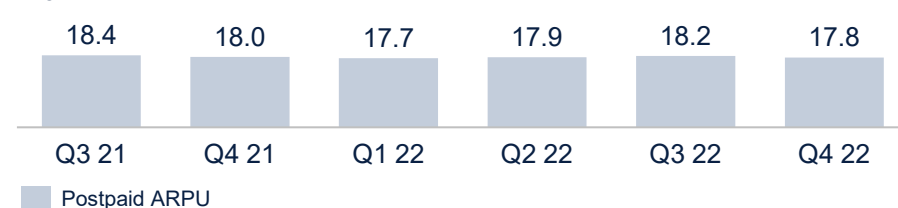
Mobile subscribers

in '000s



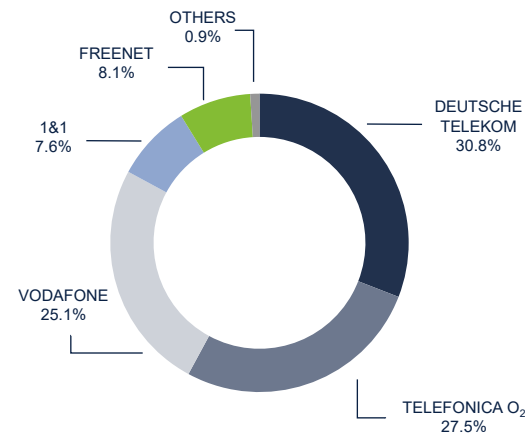
Mobile postpaid ARPU

in EUR



Mobile market shares

(as of October 2022, estimate)

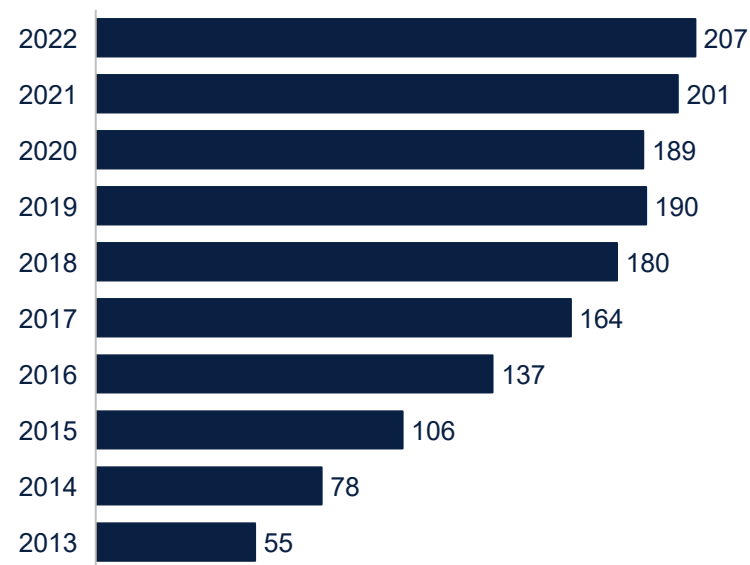


Source: VATM.

Digital lifestyle products complete our mobile communications portfolio

Strong growth of digital lifestyle revenues

mEUR



SECURITY & DATA

- Norton Security & Junior Security
- mobilcom-debitel cloud
- Insurance for mobile devices

ENTERTAINMENT

- TV & Video on demand products
- Audio books and magazines
- Music streaming

SMART CARE & SPORTS

- Online fitness
- Fitness tracker

SMART HOME

- Heating control
- Video monitoring & home security

Transfer of success factors to the segment TV and Media

WHO?

WHAT?

WHY?

MEDIA BROADCAST



- Established and respected provider of infrastructure within the broadcasting and media industry
- Offers stationary and mobile TV access anywhere and anytime via DVB-T2-transmitter network
- Operates the digital Radio DAB+ all over Germany
- CapEx-light due to the rental of passive infrastructure
- Long-term B2B-revenues in combination with stable B2C-revenues (freenet TV) – gained through freenet's sales power
- Future proofed platform for DTT- and IP-content
- At home, mobile and on the road

EXARING AG



- Provider of the first fully-integrated platform for IP entertainment services, based on a dedicated, Germany-wide fibreoptic network
- Customer approach by offering in-home IP entertainment via a fast network, with high quality and an intuitive user interface
- CapEx-light due to the renting of IP- fibreoptics infrastructure
- Popular and expandable platform for aggregations of media content (BILD TV, ADAC TV,...)
- "Dynamic Ad Substitution" and Web-2-TV-Service
- Future-proofed, integrated, CapEx-light B2C TV-solution with 1:1-customer relationships

Controlling its own infrastructure in TV and Media segment

MEDIA BROADCAST

Sole provider of DVB-T2-HD in Germany



freenet TV RGU*

Transport of radio- and TV-signals, as well as other broadcasting solutions

DISTRIBUTION
VIA ...

SALES PLATFORM



ONLINE & OTHER
OFFLINE
CHANNELS

EXARING AG

IPTV-provider with dedicated fibreoptic infrastructure and coverage of 23 million households



waipu.tv subscribers

Dynamic Ad Substitution
Web-2-TV Service

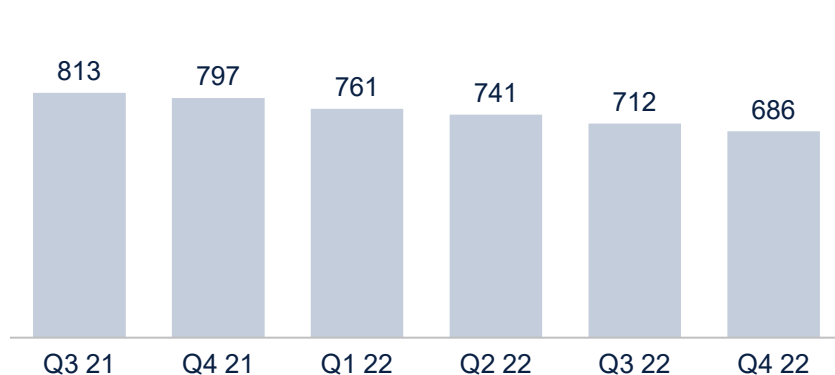
DISTRIBUTION
VIA ...

* Revenue Generating Unit

TV and Media – consistent focus on sustainable customer relationships

freenet TV customers (RGU¹)

in '000s

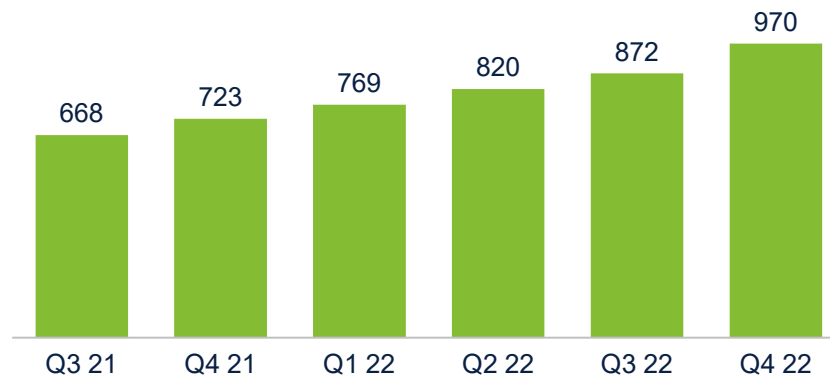


- Profit-oriented control in digital terrestrial television
- Focus on profitability-oriented management of business, i.e. price adjustments, cost sensitivity and low investments to maintain stable EBITDA and cash contributions

¹ RGU = revenue generating unit

waipu.tv subscribers

in '000s



- IPTV in a subscription model
- Steady growth of revenue-generating customer base
- Positive monthly EBITDA contribution since May 2020

Equity story

Our reasons for investment



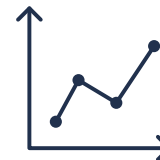
Clear profile on the capital market for long-term oriented investors



**EXPERIENCED
MANAGEMENT**



**LONG-TERM AND
SUSTAINABLE CORE BUSINESS
WITH SIGNIFICANT MARKET SHARE**



**HIGH CASH CONVERSION RATE
(EBITDA TO FREE CASH FLOW)**



**ATTRACTIVE FREE CASH FLOW
ORIENTED DIVIDEND POLICY**



**GROWTH POTENTIAL IN THE
FIELD OF TV AND MEDIA**

freenet is aware of its responsibility...

RESPONSIBILITY TO OUR STAKEHOLDERS

Sustainable and responsible action is part of our corporate culture and the core of our success and its sustainability. Our actions are primarily guided by economic principles, as economic success is a prerequisite for reliable and measurable value creation for all our stakeholders.

RESPONSIBILITY FOR A DIGITAL LIFE

For us, enabling a digital lifestyle and supporting dialogue also means taking responsibility for transparent and secure handling of sensitive customer data. Data security and data protection are essential for our business and are our focus areas, due to the high degree of digitalisation in our industry.

RESPONSIBILITY TO OUR ENVIRONMENT

Conserving resources and using energy sparingly are part of ensuring our competitiveness. For us, the digitalisation of processes is an opportunity to reduce resource and energy consumption, in light of the goal of sustainable reduction of CO₂ emissions.



Multi-year overview of key financials (1/2)

in mEUR/ as indicated	2022 ¹	2021	2020
Operations			
Revenues	2,556.7	2,556.3	2,576.2
Gross profit	886.7	853.4	862.1
EBITDA	478.7	447.3	425.9
EBITDA CAGR (Reference year 2020)	6.0%		
EBIT (adjusted)	324.1	250.0	263.0
EBT (adjusted)	308.7	218.1	217.5
Consolidated profit (adjusted)	248.8	191.2	561.0
Earnings per share in EUR (adjusted) ²	2.07	1.62	4.44
Dividend per share in EUR (adjusted)	1.68 ³	1.57	1.65
Balance Sheet			
Total equity and liabilities	3,628.7	3,952.4	4,505.6
Equity	1,469.2	1,638.9	1,821.1
Equity ratio in %	40.5%	41.5	40.4

¹ Earnings figures (EBIT, EBT, net profit) adjusted for effects from the amortisation of the "mobilcom-debitel" brand right.

² Diluted and basic.

³ The dividend will be paid subject to the adoption of a resolution at the Annual General Meeting.

Multi-year overview of key financials (2/2)

In mEUR/ as indicated	2022 ¹	2021	2020
Finances and investments			
Free cash flow	249.2	234.4	237.3
Net investments (CapEx)	-60.0	-45.1	-46.2
Net debt	705.3	788.4	740.6
Adjusted net debt	637.1	664.7	555.8
Debt ratio	1.5	1.8	1.7
Adjusted debt ratio	1.3	1.4	1.3
Customer-related key figures			
Postpaid ARPU in EUR	17.9	18.1	18.2
Postpaid customers in million	7.274	7.178	7.079
freenet TV subscribers in '000s (RGU)	685.6	796.6	901.9
waipu.tv subscribers in '000s	970.0	722.5	572.5

¹ Earnings figures (EBIT, EBT, net profit) adjusted for effects from the amortisation of the "mobilcom-debitel" brand right..

Guidance 2023 confirms financial ambition 2025

Financial guidance

in EURm



	Results 2022	Initial Guidance 2023	Updated Guidance 2023	
■ Revenue	2,556.7	stable	stable	
■ EBITDA	478.7	480 - 500	495 - 505	+2% vs. initial mid-point
■ Free cash flow	249.2	250 - 270	260 - 270	+2% vs. initial mid-point

Subscriber guidance

in '000s

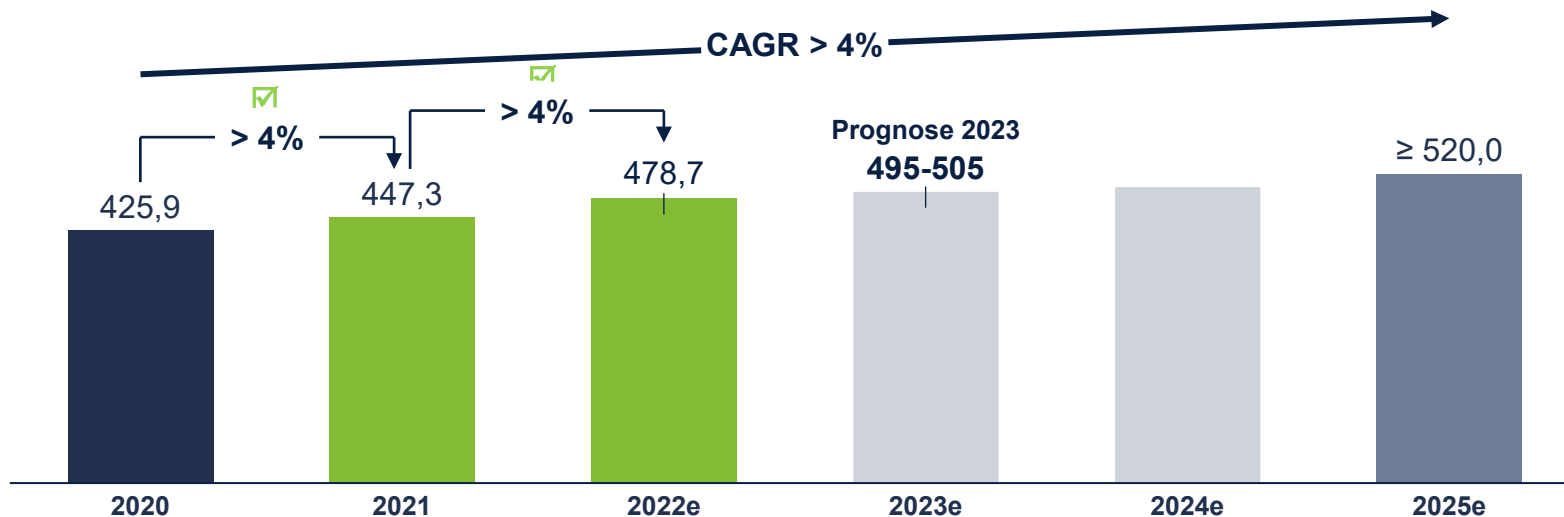


■ Postpaid customers (w/o app-based tariffs)	7,273.7	moderate growth	moderate growth
■ waipu.tv subscribers	970.0	significant growth	significant growth
■ freenet TV subscribers (RGU)	685.6	noticeable decrease	noticeable decrease

FINANCIAL AMBITION 2025

Course from 2021 will be maintained in 2022, 2025 ambition unchanged

in mEUR



Clear promise to the capital market

Largest network-independent mobile service provider in Germany with a diversified portfolio of complementary digital lifestyle products. For 25 years, the most important core competence of freenet is sophisticated "Customer Experience Management", which was successfully transferred to the TV and Media business, namely to Media Broadcast (DVB-T2 HD) und EXARING (OTT IPTV).

REASONS TO INVEST

- Long-term contracts and visible and predictable revenues
- Customer ownership, a secure basis for up- and cross-selling activities
- Innovative TV products driving organic growth
- Reliable CapEx-light strategy
- Experienced Management Board

PROMISES TO INVESTORS

- EBITDA and Free Cashflow (FCF) predictable in the long-term and without seasonality or cyclicity
- High Cash Conversion Rate (FCF vs. EBITDA)
- Shareholder-friendly dividend policy



Mobilfunk.
Internet.
TV-Entertainment.

freenet AG

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Further information

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