

# freenet AG

# 2028 Ambition Update

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freenet

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

# freenet's strategy focuses on two segments



## Mobile

- ~10% market share
- >8m Postpaid customers
- All networks
- Multi-brand strategy
- Strong sales channels

**Maintain & grow  
MSP business**



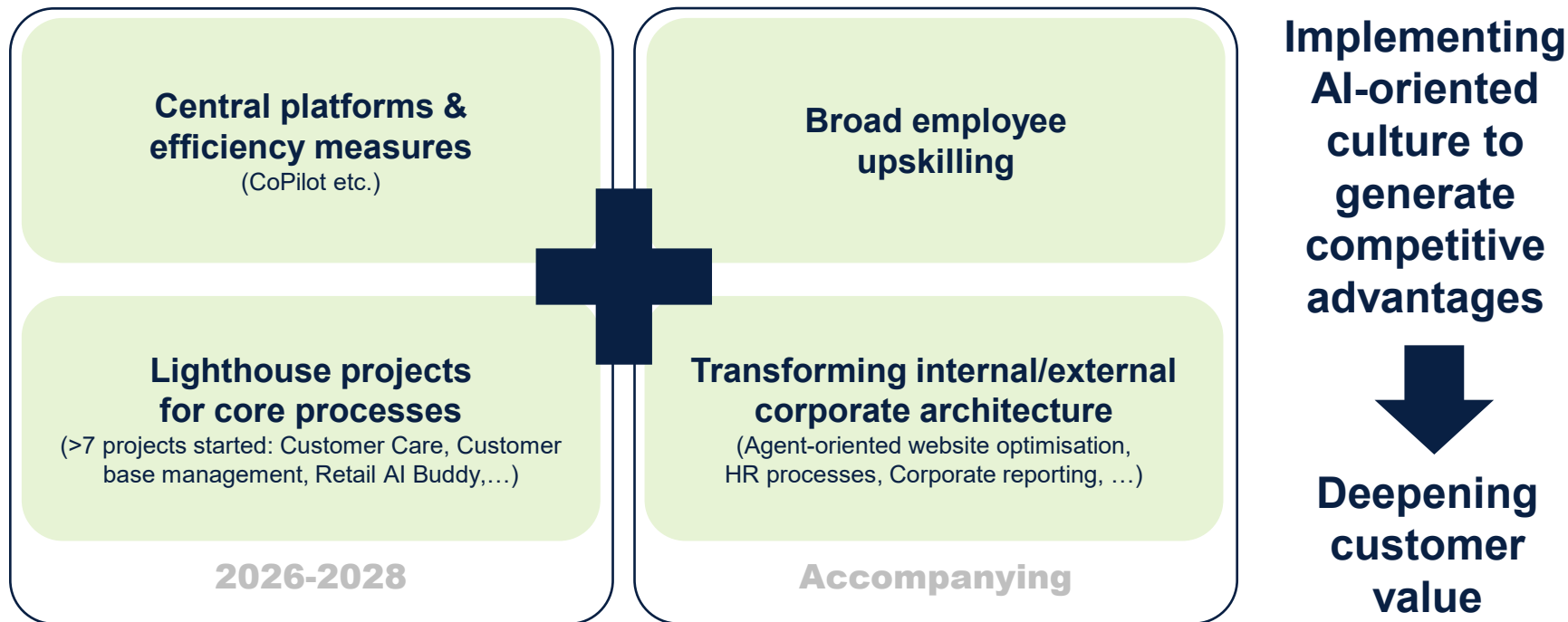
## IPTV

- ~20-25% market share
- ~2m customers
- Highly recommended by customer & press
- Structural change in linear TV access market

**Expanding strong #2  
position in Germany's  
growing IPTV market**

**Scaling  
capabilities  
with an  
AI-first  
operating  
model**

# Transforming freenet to a leading AI Telco



# Taking advantage of our strengths in mobile



<b>Focus</b>	<b>Customer base</b>	<b>Customer acquisition</b>
<b>Lever</b>	All networks Customer Value Management AI-Support	Premium strategy Brandformance Online Channels
<b>Ambition</b>	Churn ▼ Sales-after-service ▲	Conversion ▲ ARPU = / ▲

**Anticipated market environment**  
4 networks, prepaid to postpaid shift,  
stable market shares, no ARPU shocks

**Adj. EBITDA  
by 2028:  
+EURm30**  
*(base 2025)*

# Expansion of waipu.tv a 2<sup>nd</sup> core business



**Focus**

**Customer base**

**Cross-monetisation**  
(new revenue streams)

**Lever**

Content aggregation strategy  
Cutting edge platform  
Big screen substitution

Targeting Advertising  
Upselling  
Partnerships

**Ambition**

Subscription revenues ▲

Advertising revenues ▲  
B2P revenues ▲

**Anticipated market environment**

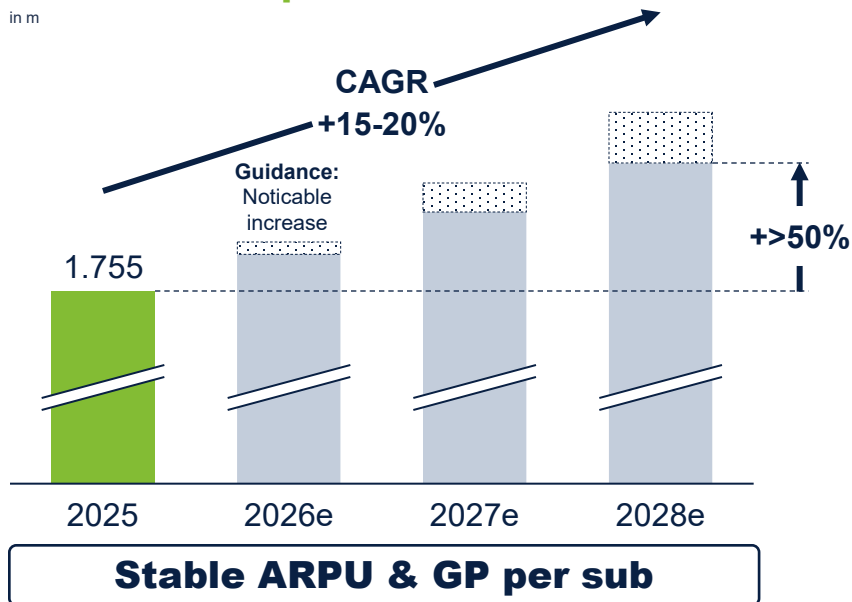
IPTV shift persists, linear TV remains relevant,  
IPTV & VoD complement each other, stable own market share

**Adj. EBITDA  
by 2028:  
≥+EURm85**  
(base 2025)

# New expected growth path for waipu.tv

## Subscriber growth based on expected IPTV market expansion

in m



## Advertising partnerships closed with major German broadcasters



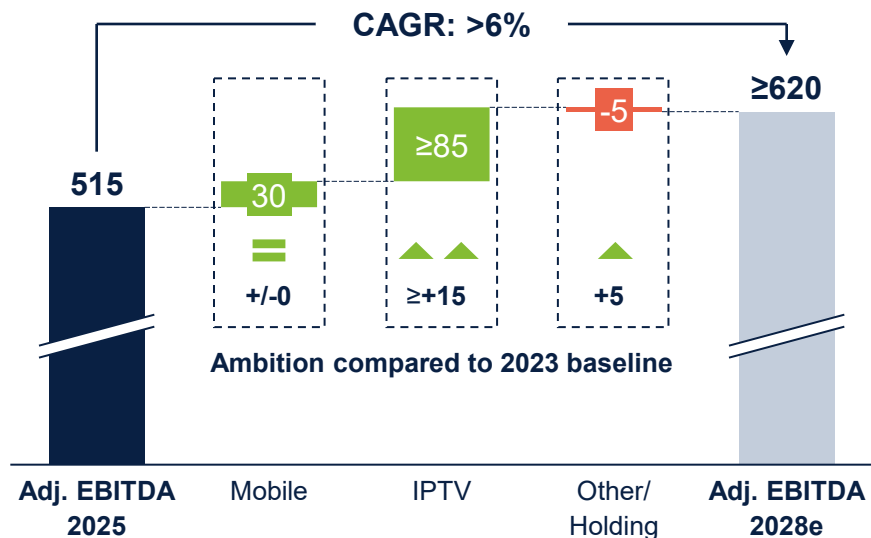
**Driver: subscriber base & ad inventory**

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# 2028 financial ambition (updated)

## Adj. EBITDA bridge (rebased to 2025)

EURm



## Remarks on updated 2028 ambition

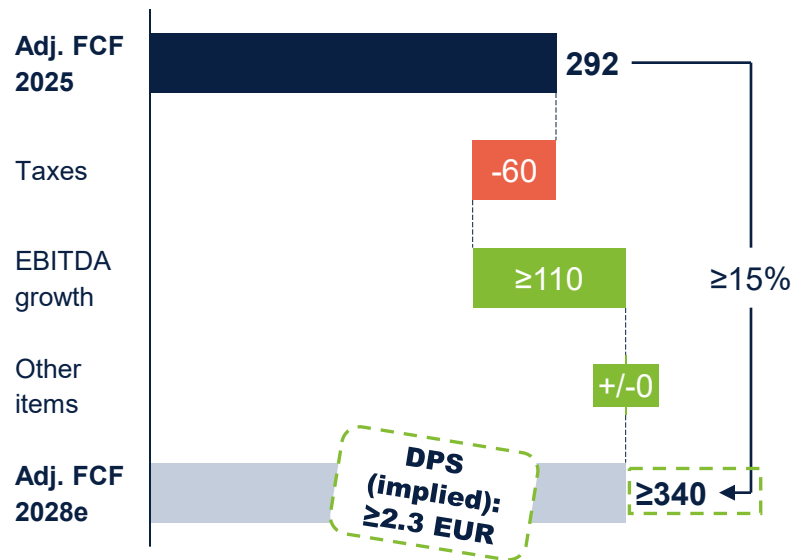
- Mobile initiatives launched in 2025/2026 will gradually take full effect by 2028
- Gap from a single MNO agreement assumed due to conservatism (Q4 25: EURm -12.9) may increase in 2026 to in total EURm 50.0 per year (continuing until 2028); however, this is still subject to discussion
- Negotiations with partners to revive freenet energy and freenet Internet are promising; low revenue growth assumed
- IPTV outlook based on historical performance and validated market benchmarks
- Growth assumptions for waipu.tv are based on the existing partnership framework; potential new partnerships not yet reflected
- AI-supported efficiency measures to structurally flatten the cost curve will be gradually integrated
- No M&A or other inorganic growth is included in the plan

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# 2028 free cash flow ambition updated

## Adj. FCF bridge (rebased 2025)

in EURm



## Capital allocation priorities

### 1<sup>st</sup> Dividend

- 2026-2028: Minimum DPS of EUR 2.0 or
- 80% adj. FCF (whichever is higher)

### 2<sup>nd</sup> Growth

- Strategic investments into Mobile and IPTV
- M&A: mainly customer acquisition

### 3<sup>rd</sup> SBB/Debt relief

- SBB: situational decision
- Debt relief: No need, high equity ration, low leverage

# What freenet will stand for in 2028



## Mobile

- Growing customer base
- AI-first operating model
- Steady profitability

**Highly cash-generating**



## IPTV

- Up to 3m customers
- Targeted advertising as additional revenue stream
- EURm  $\geq 120$  adj. EBITDA

**Strong 2<sup>nd</sup> core business**



## Solid equity investment

- Low leverage
- High equity ratio
- Growing adj. FCF
- 80% dividend payout

**Healthy balance sheet**