

V. ADDITIONAL INFORMATION ON AGENDA ITEM 9

Under agenda item 9, the Executive Board and Supervisory Board propose that the company should be authorised, in accordance with section 71 (1) no. 8 AktG in line with standard company practice (with the existing authorisation being cancelled), to acquire treasury shares in an amount of up to 10% of the share capital existing at the time of the resolution on 5 May 2022 or – if this figure is lower – the share capital existing at the time at which this authorisation is exercised.

For this purpose, in accordance with section 71 (1) no. 8 in conjunction with section 186 (4) sentence 2 AktG, the Executive Board submits a written report which is published in full in the following:

REPORT REGARDING AGENDA ITEM 9

GENERAL

The existing authorisation to acquire treasury shares in accordance with section 71 (1) no. 8 AktG in line with the resolution of the annual general meeting of 27 May 2020 has been exercised to a large extent. In order to be able to implement share buyback programmes in the next few years, the Executive Board is again to be authorised to acquire treasury shares in accordance with section 71 (1) no. 8 AktG. Accordingly, at the annual general meeting of 5 May 2022, a new authorisation is to be created and the existing authorisation is to be cancelled.

The Supervisory Board can specify that measures as a result of this authorisation can be carried out only with the approval of the Supervisory Board or the approval of a Supervisory Board Committee.

ACQUISITION

With regard to the acquisition of treasury shares, the principle of equal treatment in accordance with section 53a AktG must be safeguarded. The proposed acquisition of the shares via the stock exchange, by way of a public offer to purchase shares, a public invitation to submit offers to sell shares or by the granting of put options to the shareholders takes account of this principle. However, even in the case of such an acquisition, it may become necessary to exclude fractions or not to allocate fractions of put options in order to permit practical processing. Accordingly, any partial put options are disapplied.

If a public offer to purchase shares or a public invitation to submit offer to sell shares is oversubscribed, i.e. more shares are in total offered to the company than are to be purchased by the company, the acceptance must be scaled down on the basis of ratios. The relevant factor is accordingly the ratio of the number of shares offered by individual

shareholders with respect to each other. On the other hand, the total number of shares held by a shareholder who offers the shares for sale is not the decisive factor. This is because only the shares which are offered are available to be purchased. Moreover, it would not be practical for the shareholding of the individual shareholder to be checked. Accordingly, any right of the shareholders to tender their shares is partially disapplied. In addition, in such a case it is possible to provide for preferential acceptance of small quantities of up to 50 tendered shares per shareholder as well as rounding in accordance with commercial principles. The purpose of these options is to avoid fractions for defining the ratios to be acquired and minor residual holdings and thus to facilitate technical processing. Here too, any right of the shareholders for tendering their shares is accordingly partially disapplied.

DISPOSAL AND OTHER UTILISATION

In accordance with the proposed authorisation, the treasury shares acquired by the company can either be retired or resold by way of a public offer to all shareholders in accordance with their percentage shareholding or via the stock exchange. With the two latter possibilities of disposing of the acquired treasury shares, the right of shareholders to equal treatment is also safeguarded when the shares are disposed of. However, in accordance with sections 71 (1) no. 8, 186 (3) AktG, in the following cases, there should be the possibility of disapplying the pre-emption rights of shareholders or the pre-emption rights of shareholders is necessarily disapplied:

- a) Firstly, the Executive Board is authorised, in the event of an offer to all shareholders, to exclude fractions from the pre-emption right in order to achieve round figures. If the pre-emption rights were not to be disappplied with regard to fractions, the technical performance of the disposal and the exercising of the pre-emption right would be much more difficult. The shares which are excluded as fractions from the pre-emption rights of shareholders are either sold via the stock exchange or are otherwise utilised for the company in an optimum manner.
- b) In line with the statutory provision in section 71 (1) no. 8 sentence 5 AktG, the proposed authorisation also specifies that the Executive Board can dispose of the acquired treasury shares in a manner other than via the stock exchange or via an offer to all shareholders if the acquired treasury shares, in line with the provision laid down in section 186 (3) sentence 4 AktG, are sold in return for cash payment for a price which is not significantly lower than the market price

of the shares of the company with the same terms at the time of the disposal. The time of the disposal is defined as the time at which the obligation to transfer shares is entered into, even if this is still conditional. If the transfer is not preceded by a separate obligation, the time of the disposal is defined as the time of the transfer. This is also applicable if the time of the transfer is specified as the relevant time in the obligation agreement. The disposal price for the treasury shares is definitively defined just before the disposal of the treasury shares. This possibility of disposing of treasury shares is limited to 10% of the respective share capital, with due consideration being given to the netting specified in the resolution proposal.

The possibility of selling treasury shares as described above is in the interest of the company and the shareholders since, as a result of selling shares for instance to institutional investors, it is possible for additional domestic and international shareholders to be gained. The company is also enabled to adjust its equity and bring it into line with the respective business requirements and to respond quickly and in a flexible manner to favourable situations on the market. The shareholders' interests in relation to assets and voting rights are safeguarded. In view of the low volume of max. 10%, the shareholders do not suffer any disadvantage, as the shares sold subject to the disapplication of the pre-emption right of shareholders are only permitted to be sold for a price which is not significantly lower than the market price of the shares of the company at the time of the sale. Interested shareholders are therefore able to acquire via the stock exchange a number of shares necessary for maintaining their percentage of external shares at conditions which are essentially equivalent.

- c) The company is also to have the opportunity of being able to offer treasury shares as a consideration within the framework of business combinations and in the case of acquisitions (including indirect acquisitions) of companies, parts of companies or equity interests or other assets including real estate and receivables (including receivables due from the company – also dividends receivable – or due from subsidiaries).

The price for which treasury shares are used in this case depends on the specific circumstances of the individual case and also on the specific time. For the purpose of fixing the price, the Executive Board will focus on the interests of the company and, where possible, the market price.

The acquisition of equity interests, companies or parts of companies is in the interest of the company if the acquisition is likely to consolidate or strengthen the market position of the freenet Group or if it will enable the company to break into new areas of operation or facilitate this process. In the other cases of the acquisition of assets including real estate and receivables, the granting of shares is in the interest of the company if the acquired assets are beneficial for the activity of the company or are advantageous for the financial position, net assets or results of operations of the company and an acquisition in return for cash payment is not possible or is not possible subject to reasonable conditions.

In order to be able to take account of a legitimate interest of the vendors or the company in relation to payment (possibly also proportionate payment) in the form of shares of the company for such acquisitions in a timely and flexible manner, it is necessary, if there is no possibility or intention of using authorised capital, for the Executive Board to be authorised to use treasury shares with shareholders' pre-emption rights being disapplied. Because the volume of treasury shares will be limited and because the shares are to be issued for a price which, where possible, is linked to the market price, interested shareholders have the possibility of acquiring additional shares via the stock exchange subject to essentially the same conditions at a time which is closely linked with a disposal of treasury shares which is carried out for the above-mentioned purposes of the acquisition of a company, part of company or equity interest or which is otherwise carried out and for which the shareholder pre-emption rights are disapplied.

In view of the above considerations, and in the opinion of the Executive Board, the proposed authorisation for using treasury shares is in the interest of the company and may, in individual cases, justify disapplying the pre-emption rights of shareholders. The specific decision to disapply the shareholders' pre-emption rights must be taken by the Executive Board, with due consideration being given to the interests of the company in relation to the specific measure, the necessity of (partial) granting of shares and the valuation of the shares and the consideration.

- d) The company should also be given the opportunity of offering treasury shares for purchase to persons who are or were in an employment or work relationship which companies of the freenet Group (with the exception of members of the governing bodies of the company), or to transfer treasury shares to such persons.

The way in which employees and members of the governing bodies of downstream companies identify with their company is of considerable importance for motivation and commitment. The need to maintain or boost motivation and commitment is therefore in the interest of the company. Issues of shares to such persons can make a contribution in this respect. This is also applicable for former employees and members of the governing bodies of downstream companies, e.g. if the commitment is provided during the activity of such persons for the period after they no longer work for the company. The Executive Board should therefore be enabled to take advantage of this opportunity.

It is in the nature of things that the shares must not be offered to such persons at the current market price, and instead might have to be offered at a discount to the market price in order to achieve the desired effect. The Executive Board will therefore assess the conditions for the offer of shares to such persons, in each case giving due consideration to this aspect, and will base its decision on the interests of the company.

- e) The company should also be given the opportunity of using treasury shares for fulfilling option or conversion rights or option or conversion obligations or a right to delivery of shares of the company by means of using bonds issued by the company or a downstream Group company on the basis of an authorisation of the annual general meeting.

The proposed resolution does not create a new or further authorisation for issuing bonds. The only purpose of the proposed resolution is to provide the company with the opportunity of using treasury shares instead of the otherwise specified conditional capital for meeting option or conversion rights or option or conversion obligations or rights to delivery of shares of the company which have been established on the basis of other authorisations of the annual general meeting, if this, following an assessment carried out by the Executive Board, is in the interest of the company. Option or conversion rights or option or conversion obligations or rights to delivery of shares which can be considered for servicing by treasury shares on the basis of the proposed authorisation are based on (i) bonds which will be issued in future on the basis of the authorisation for issuing option and/or convertible bonds adopted by the annual general meeting on 27 May 2020 as well as (ii) bonds which are issued on the basis of a future authorisation of the annual general meeting.

REPORTING

The Executive Board will always carefully assess whether the utilisation of the authorisation and the disapplication of pre-emption rights are in the interest of the company and its shareholders. The Executive Board will report to the annual general meeting regarding any use of the authorisation.