

H1/2023

Half-year report
30 June 2023



Mobile communications. Internet. TV entertainment.

Contents

01 Key figures

02 To our shareholders

05 Interim Group management report

10 Condensed interim consolidated financial statements

24 Further information

The rounding of numbers to one decimal place may result in differences for subtotals and grand totals shown.

Key figures

Financials

In EUR million/as indicated	H1/2023	H1/2022	Change	
Revenue	1,269.9	1,237.0	33.0	2.7%
Gross profit	460.0	436.8	23.3	5.3%
EBITDA	254.6	240.9	13.6	5.7%
Adjusted consolidated profit ¹	128.4	139.6	-11.2	-8.0%
Adjusted earnings per share (in EUR) ^{1,2}	1.07	1.17	-0.10	-8.3%

Subscribers

In '000s	30.6.2023	31.12.2022	Change	
Postpaid customers	7,362.6	7,273.7	88.9	1.2%
App-based tariffs ³	127.0	113.1	13.9	12.3%
freenet TV subscribers (RGU)	642.0	685.6	-43.6	-6.4%
waipu.tv subscribers	1,153.6	970.0	183.6	18.9%
Number of subscribers (total)	9,285.2	9,042.4	242.7	2.7%

Balance sheet

	30.6.2023	31.12.2022	Change	
Equity ratio (in %)	39.9%	40.5%	-0.6 pp	-1.5%
Leverage (x times EBITDA)	1.51	1.47	0.04	2.5%

Cash flow, investments and depreciation

In EUR million	H1/2023	H1/2022	Change	
Free cash flow	131.5	124.6	6.8	5.5%
Net investments (CapEx)	-25.1	-26.7	1.6	-5.8%
Depreciation, amortisation and impairment	-175.1	-172.9	-2.2	1.3%
Thereof amortisation of the mobilcom-debitel brand	-98.5	-96.3	-2.2	2.3%

Share⁴

	30.6.2023	31.12.2022	Change	
Market value per share (in EUR)	22.98	20.42	2.56	12.5%
Market capitalisation (in EUR million)	2,732	2,428	304.4	12.5%

Employees

	30.6.2023	31.12.2022	Change	
Headcount	3,658	3,660	-2.0	-0.1%

¹ Adjusted for effects from the amortisation of the mobilcom-debitel brand

² Basic and diluted

³ Comprises subscribers of freenet FUNK and freenet FLEX

⁴ Based on XETRA closing price

To our shareholders

Letter to our shareholders

Dear shareholders,

After having made a very strong start to the 2023 financial year, freenet remains on track in the second quarter to achieve both the targets communicated for the current financial year and the medium-term goals set out as part of our freenet 2025 ambition. We expect EBITDA of EUR 480 million to EUR 500 million for 2023, and are seeking to increase this figure to at least EUR 520 million by 2025. After two highly successful quarters at the start of this year, the company generated EBITDA of EUR 254.6 million for the first half of 2023 (prior-year period: EUR 240.9 million). This corresponds to growth of 5.7%. Free cash flow also saw a very positive development, reaching EUR 131.5 million for the first six months of the year (prior-year period: EUR 124.6 million). This fundamental free cash flow strength is also reflected in the dividend payment to our shareholders (+7.0%). In May, our first in-person Annual General meeting since 2019 approved a dividend of EUR 1.68 per share (prior-year period: EUR 1.57) – the highest in freenet’s history. Overall (dividend + share price performance), our shareholders have benefited from an 20.8% increase in value since the start of the year. This means freenet has significantly outperformed the major German indices (MDAX: +9.9%; TecDAX: +9.7%) as well as other listed mobile network operators in Germany. In keeping with our vision, freenet is simply “Always the right choice”!

In addition, our operating business still has plenty of positive news to report during the current year – across all key business areas. In the Mobile Communications business, steady net new customer growth continued along with rising revenues from services. We now have 7,489.5 thousand high-value mobile customers at freenet and continue to maintain our market share of 20% of the German private customer market, with revenue from mobile communications services reaching EUR 840.9 million (prior-year period: EUR 824.0 million).

In this context, we launched our “Retail 25” project during the second quarter with the aim of seamlessly linking our freenet shops to the freenet online world. We want to combine the best of both worlds to create something that is more than just the sum of its parts. The key phrase here is “Assisted Personal Shopping”. Curious? More information will follow soon. In any case, one thing is clear: retail remains a profitable sales pillar for us!

In the TV and Media segment, waipu.tv celebrated a new record. After our EXARING subsidiary’s IPTV product passed the 1 million subscriber mark in the first quarter of this year, the business recorded net growth of more than 100 thousand customers for the first time during a quarter. As a result, the customer base has now reached 1.2 million – an increase of 18.9% since the start of the year. This shows that waipu.tv has now firmly established itself in Germany and is a market leader when it comes to value for money. The prospects for the business also remain extremely bright, with the right of housing associations and landlords to pass on TV cable charges to tenants set to be eliminated in the middle of next year. This change in legislation affects around 12.5 million households in Germany. According to a recent waipu.tv survey, around half of these users want to cancel their cable connection. The majority of these users are looking to switch to IPTV, especially as the content available on these services is constantly growing. Four HD music channels were among those added to waipu.tv in the second quarter, as well as film channels covering the action, thriller, drama/comedy and science fiction genres.

freenet is also making its debut in the world of sports sponsorship – and given the sustained dominance of Schleswig-Holstein’s top handball clubs in our immediate vicinity, the choice was an obvious one: freenet is now the official partner of the European handball championships, the Men’s EHF EURO 2024, next January. The sponsorship deal includes a strong TV presence, floor stickers and LED perimeter advertising as well as logo and title rights for freenet.

Sustainability is and will understandably remain a key issue for freenet, particularly since Nicole Engenhardt-Gillé was appointed as the new Executive Board member for ESG at the start of the year. We are now working with greater focus and commitment than ever before to create a decisive ESG strategy, with our company dedicating 2023 to training and embedding environmental sustainability and social responsibility into everything we do.

As you can see, we are looking ahead to the next few quarters with plenty of drive and optimism, and look forward to tackling them with you by our side.

We hope you will continue to join us on our journey!

Kind regards,



Christoph Vilanek (CEO)

freenet shares during the period under review

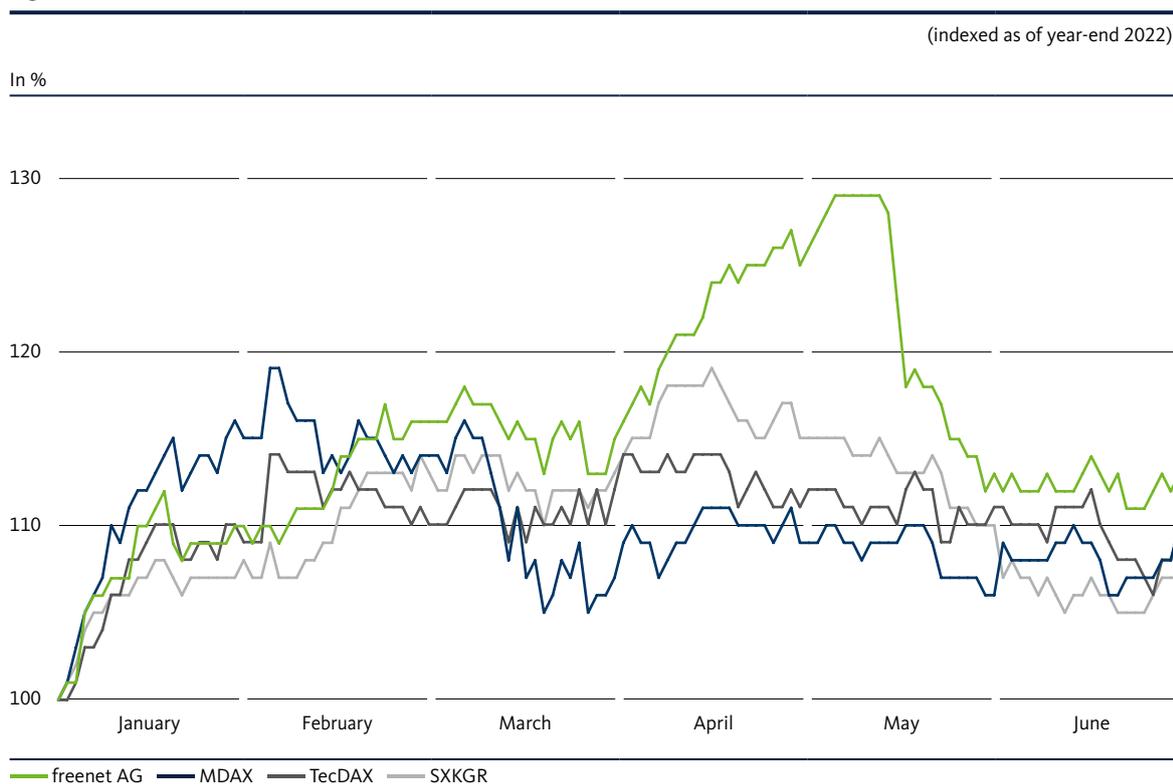
freenet share performance

The freenet share price made a significant gain of 12.5% during the first six months of the year compared to the end of 2022, with this growth increasing to 20.8% when taking the dividend payment into account. The performance of Germany's major leading indices are calculated according to this logic. The two German leading indices MDAX and TecDAX on which freenet is also listed rose by almost 10% compared to the end of 2022, while the SXKGR, which tracks the 32 largest telecommunications companies in Europe, recorded a smaller gain of around 7%. This means freenet shares performed more than twice as well as these benchmarks. freenet also recorded by far the strongest

performance compared to the share prices of other mobile network operators active in the German market. freenet is thus proving to be not only a dependable provider of dividends in challenging times but also a company with growth and price potential. The fast-growing TV and Media segment is a particularly key factor here.

freenet recorded the previous year's annual low of EUR 20.63 on the first XETRA trading day of the year. The share price steadily rose until reaching its annual high to date of EUR 26.42 around a week before the 2023 Annual General Meeting on 17 May. The share price then fell slightly the day after the Annual General Meeting due to the ex-dividend date, finishing the first half of the year at EUR 22.98. As of 30 June 2023, freenet had a market capitalisation of EUR 2.73 billion (year-end 2022: EUR 2.43 billion).

Figure 1: Performance of freenet shares in the first half of 2023 vs. the market

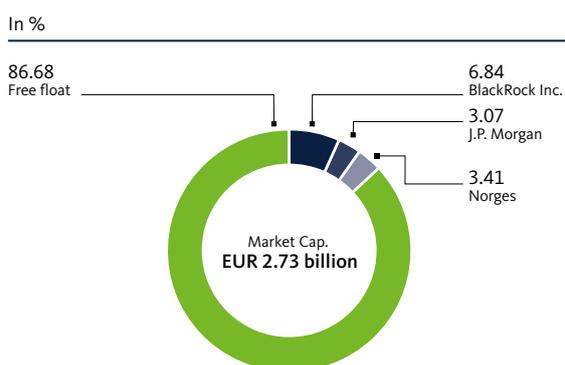


Shareholder structure

As of 30 June 2023, the free float of freenet AG increased to 86.7% compared to the end of 2022 (year-end 2022: 84.8%). This was primarily due to Dimensional Holdings Inc. falling below the threshold of 3% of voting rights, as reported by freenet AG in a voting rights notification on 18 January 2023. As a result, there are three shareholders (year-end 2022: four shareholders) who each account for more than 3% of voting rights in freenet AG as of the reporting date. BlackRock Inc. accounts for the largest share of voting rights at 6.8%, followed by Norges Bank with 3.4% and J.P. Morgan at 3.0%. All three of the aforementioned shareholders held similar shares of voting rights at the end of 2022.

The current shareholder structure of freenet AG is shown at fn.de/shareholders.

Figure 2: Shareholder structure according to the WpHG as of 30 June 2023



Analysts

The number of sell-side analysts who regularly publish reports and recommendations on freenet rose to 17 as of 30 June 2023 (year-end 2022: 15), reflecting increased interest in freenet shares from the capital markets. Thirteen analysts rate the stock as a Buy, four advise a Hold, and no analysts have issued a Sell recommendation. One analyst raised their recommendation from Sell to Hold compared to the end of 2022. Two analysts initiated coverage by advising a Buy on the stock. The average target price across all the analysts was EUR 28.39, an increase of 10% compared to the end of 2022 (EUR 25.88). This means that, on average, analysts of freenet shares see price potential of around 24% based on the share price as of 30 June 2023. The highest target price

was issued by Goldman Sachs at EUR 33.00 (year-end 2022: EUR 30.00), while the lowest came from UBS at EUR 23.00 (year-end 2022: EUR 15.60).

For the latest analyst estimates on freenet shares, visit fn.de/analysts.

Figure 3: Distribution of analysts' recommendations and avg. target price as of 30 June 2023

Absolute figures



2023 Annual General Meeting

On 17 May 2023, the Annual General Meeting of freenet AG returned to the Congress Center Hamburg (CCH) for the first time since 2019 due to the end of the pandemic in Germany. Around 42% (previous year: 40%) of share capital was represented at the event, with approximately 350 shareholders in attendance (prior-year period: 733 virtually).

The Annual General Meeting confirmed the dividend proposal of EUR 1.68 per outstanding share, thus enabling freenet to maintain dividend continuity with a 7.0% increase and distribute almost EUR 200 million to its shareholders for the 2022 financial year. The Annual General Meeting also confirmed all other agenda items.

For detailed voting results, visit fn.de/agm.

Interim Group management report

Customer figures and results of operations

The number of freenet subscribers rose by 242.7 thousand to 9,285.2 thousand in the first six months of the year (year-end 2022: 9,042.4 thousand), driven by strong growth in TV customers. Revenue increased by 2.7% year-on-year to EUR 1,269.9 million (prior-year period: EUR 1,237.0 million).

Table 1: Revenue and earnings figures for freenet AG¹

In EUR million	H1/2023	H1/2022	Change	
Revenue	1,269.9	1,237.0	33.0	2.7%
Mobile Communications segment	1,104.9	1,092.1	12.7	1.2%
Revenue from services (total)	840.9	824.0	16.9	2.1%
TV and Media segment	165.9	148.7	17.2	11.6%
Gross profit	460.0	436.8	23.3	5.3%
Overhead	-205.5	-195.8	-9.6	4.9%
EBITDA	254.6	240.9	13.6	5.7%
Adjusted EBIT	177.9	164.3	13.6	8.3%
Financial result	-13.4	-4.0	-9.4	n/a
Adjusted EBT	164.5	160.3	4.2	2.6%
Adjusted consolidated profit	128.4	139.6	-11.2	-8.0%

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

At EUR 1,104.9 million, revenue in the Mobile Communications segment was up slightly on the prior-year period (EUR 1,092.1 million). This increase is primarily due to higher revenue from services in the first half of 2023 totalling EUR 840.9 million (prior-year period: EUR 824.0 million). The main reason for this rise was the growth of the postpaid customer base to 7,362.6 thousand (year-end 2022: 7,273.7 thousand) together with stable ARPU of EUR 17.8 (prior-year period: EUR 17.8). By contrast, subdued consumer sentiment in the German retail sector caused a further decline in the low-margin revenue from freenet's pure hardware business. Overall, revenue in the Mobile Communications segment remained stable as expected.

Table 2: Customer development

In '000s	30.6.2023	31.12.2022	Change	
Postpaid customers	7,362.6	7,273.7	88.9	1.2%
App-based tariffs ¹	127.0	113.1	13.9	12.3%
Mobile Communications segment	7,489.5	7,386.8	102.8	1.4%
freenet TV subscribers (RGU)	642.0	685.6	-43.6	-6.4%
waipu.tv subscribers	1,153.6	970.0	183.6	18.9%
TV and Media segment	1,795.6	1,655.6	140.0	8.5%
Number of subscribers (total)	9,285.2	9,042.4	242.7	2.7%

¹ Comprises subscribers of freenet FUNK and freenet FLEX

The TV and Media segment recorded significant revenue growth of 11.6% to EUR 165.9 million (prior-year period: EUR 148.7 million). This is due in particular to the marked increase of 183.6 thousand in waipu.tv subscribers to 1,153.6 thousand (year-end 2022: 970.0 thousand), with Media Broadcast's performance also having a positive impact. The continuing decline in freenet TV subscribers to 642.0 thousand (year-end 2022: 685.6 thousand) slowed in the second quarter for the first time in years, contributing to the stable revenue performance of freenet TV. Overall, the number of subscribers in the TV business rose to 1,795.6 thousand in the first six months of 2023 (year-end 2022: 1,655.6 thousand).

The increase in service revenues seen in both segments is also reflected in gross profit, which rose by EUR 23.3 million to EUR 460.0 million compared to the same period in 2022 (EUR 436.8 million). The gross profit margin improved slightly by 0.9 percentage points to 36.2% (prior-year period: 35.3%).

Overhead costs as the difference between gross profit and EBITDA at EUR 205.5 million were up EUR 9.6 million compared to the first six months of 2022 (EUR 195.8 million). Other operating expenses increased by EUR 6.3 million to EUR 130.3 million (prior-year period: EUR 124.1 million) as a result of higher customer service costs (outsourcing costs), higher travel expenses and continuing development for employees as well as higher marketing expenses in the TV and Media segment. Conversely, consistently low loss

allowances recognised on receivables totalling EUR 7.6 million (prior-year period: EUR 11.5 million) in the Mobile Communications segment had a positive impact on other operating expenses. Personnel expenses also increased by EUR 5.0 million to EUR 111.2 million (prior-year period: EUR 106.2 million), primarily as a result of salary adjustments and a one-off inflation compensation bonus for all employees totalling around EUR 2 million.

Due to the increase in profitability, EBITDA was up 5.7% year-on-year to EUR 254.6 million (prior-year period: EUR 240.9 million). The Mobile Communications segment contributed EUR 205.0 million to EBITDA (prior-year period: EUR 195.2 million) in the first half of 2023, the TV and Media segment EUR 59.2 million (prior-year period: EUR 54.3 million) and the Other/Holding segment EUR –9.7 million (prior-year period: EUR –8.6 million). The Group-wide EBITDA margin improved by 0.6 percentage points to 20.0% (prior-year period: 19.5%).

Depreciation, amortisation and impairment losses increased by EUR 2.2 million to EUR 175.1 million compared with the first half of 2022, solely because amortisation of the mobilcom-debitel brand in connection with the realignment of the freenet Group's brand strategy in the prior-year period was only recognised on a pro rata basis (from 5 January 2022). Having already been amortised by EUR 194.7 million in 2022 financial year, the remaining brand value of EUR 98.5 million was amortised in the first half of 2023.

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

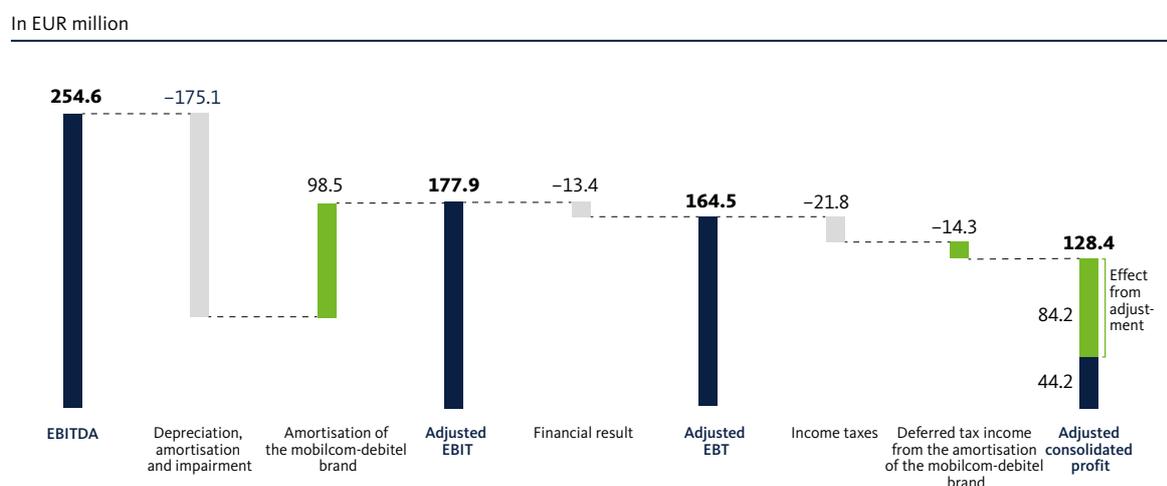
The financial result fell by EUR 9.4 million compared with the first half of 2022 (EUR –4.0 million) to EUR –13.4 million, mainly due to the dividend of EUR 5.5 million received in the prior-year period from the investment in CEECONOMY AG (H1/2023: EUR 0) and the interest income recognised in the prior-year period from present value adjustments on provisions for dismantling obligations as a result of the sharp rise in interest rates.

Due to the effects explained above, adjusted earnings before tax (adjusted EBT) amounted to EUR 164.5 million. This represents an increase of EUR 4.2 million (prior-year period: EUR 160.3 million).

Income tax expenses of EUR 21.8 million (prior-year period: EUR 6.8 million) were reported in the first half of 2023. This includes current tax expenses of EUR 17.1 million (prior-year period: EUR 20.8 million) and deferred tax expenses of EUR 4.7 million (prior-year period: EUR 14.0 million in deferred tax assets). Deferred tax income of EUR 14.3 million (prior-year period: EUR 13.9 million) resulted from the amortisation of the mobilcom-debitel brand in the first half of 2023. When calculating adjusted consolidated profit, this amount is offset against the amortisation of the mobilcom-debitel brand in the amount of EUR 98.5 million. Deferred tax expenses in the first half of 2023 are mainly attributable to amortisation of deferred tax assets on tax loss carryforwards and to temporary differences between the carrying amounts of assets under IFRS and tax law.

In the first half of 2023, this gives adjusted consolidated profit of EUR 128.4 million (prior-year period: EUR 139.6 million).

Figure 4: Reconciliation of EBITDA to adjusted consolidated profit in the first half of 2023



Net assets and financial position

Total assets/total equity and liabilities amounted to EUR 3,316.3 million as of 30 June 2023, a decrease of EUR 312.4 million compared with 31 December 2022 (EUR 3,628.7 million).

On the assets side, non-current assets fell by EUR 156.4 million to EUR 2,696.7 million (year-end 2022: EUR 2,853.1 million). This trend is partly attributable to a decrease in intangible assets by EUR 112.1 million to EUR 203.9 million (year-end 2022: EUR 316.0 million), mainly as a result of the EUR 98.5 million amortization of the mobilcom-debitel brand. In addition, lease assets fell by EUR 30.2 million to EUR 320.3 million as of 30 June 2023, mainly as a result of depreciation (year-end 2022: EUR 350.5 million).

Current assets fell by EUR 156.0 million to EUR 619.7 million as of the reporting date (year-end 2022: EUR 775.6 million), with liquid assets decreasing by EUR 98.5 million to EUR 79.6 million as of the reporting date (year-end 2022: EUR 178.0 million) being the main reason. This change mainly resulted from the dividend payment of EUR 199.7 million made on 22 May 2023, the scheduled repayment of a 2016 promissory note loan in the amount of EUR 78.5 million, plus the EUR 50.0 million drawdown on the revolving credit facility, and the free cash flow of EUR 131.5 million generated in the first half of 2023. The EUR 47.6 million decrease in trade receivables to EUR 248.7 million (year-end 2022: EUR 296.3 million) was mainly due to payments received for receivables from network operators resulting from annual bonuses for the 2022 billing period.

Table 3: Condensed balance sheet of freenet AG

In EUR million	30.6.2023	31.12.2022	Change	
Non-current assets	2,696.7	2,853.1	-156.4	-5.5%
Current assets	619.7	775.6	-156.0	-20.1%
Assets	3,316.3	3,628.7	-312.4	-8.6%
Equity	1,323.1	1,469.2	-146.1	-9.9%
Non-current liabilities	819.6	1,052.9	-233.3	-22.2%
Current liabilities	1,173.6	1,106.6	67.1	6.1%
Equity and liabilities	3,316.3	3,628.7	-312.4	-8.6%
Equity ratio	39.9%	40.5%	-0.6 pp	-1.5%

On the equity and liabilities side, equity fell by EUR 146.1 million to EUR 1,323.1 million as of 30 June 2023 (year-end 2022: EUR 1,469.2 million). With consolidated profit coming in at EUR 44.2 million, this change is mainly attributable to the EUR 199.7 million dividend payment. The equity ratio decreased slightly from 40.5% at the end of December 2022 to 39.9% at the end of June 2023, still clearly exceeding the target of at least 25% defined by freenet.

The decrease in borrowings by EUR 28.1 million to EUR 481.5 million (year-end 2022: EUR 509.6 million) is attributable to the repayment of a promissory note loan tranche in the nominal amount of EUR 78.5 million. The short-term drawdown on the revolving credit facility in the amount of EUR 50.0 million had an offsetting effect. Other liabilities and deferrals decreased by EUR 50.9 million to EUR 526.7 million, mainly due to the cash realisation

of deferred bonuses and premium rights received from network operators. Furthermore, lease liabilities fell by EUR 36.5 million to EUR 382.1 million as of the reporting date, primarily as a result of scheduled repayments (year-end 2022: EUR 418.6 million). Factoring in the lease receivables, net lease liabilities as of 30 June 2023 amounted to EUR 341.9 million (year-end 2022: EUR 373.8 million).

Leverage based on the net debt shown in table 4 was 1.51 at the end of June 2023, on the level seen at the end of 2022 (1.47) and well below the limit of 3.0 defined by freenet.

Table 4: Net debt and leverage of freenet AG

In EUR million	30.6.2023	31.12.2022	Change	
Long-term borrowings	226.9	393.4	-166.5	-42.3%
Short-term borrowings	254.6	116.1	138.5	119.2%
Net lease liabilities	341.9	373.8	-31.9	-8.5%
Liquid assets	79.6	178.0	-98.5	-55.3%
= Net debt	743.8	705.3	38.5	5.5%
= Leverage	1.51	1.47	0.04	2.5%
Equity investments	79.1	68.1	10.9	16.0%
Adjusted net debt	664.7	637.1	27.6	4.3%
Adjusted leverage	1.35	1.33	0.02	1.4%

Cash flows

Cash flows from operating activities increased by EUR 4.0 million year-on-year to EUR 198.9 million in the first half of 2023 (prior-year period: EUR 194.9 million). In addition to a EUR 13.6 million increase in EBITDA, lower tax payments (H1/2023: EUR 11.4 million; H1/2022: EUR 14.6 million) had a positive impact in this context. The main factors reducing the increase in cash flow from operations were the aggregate year-on-year increase of EUR 6.9 million in net working capital (net current assets) and contract acquisition costs as well as the prior-year effect related to the dividend received from CECONOMY (H1/2023: EUR 0; H1/2022: EUR 5.5 million).

Table 5: Liquidity indicators of freenet AG

In EUR million	H1/2023	H1/2022	Change	
Cash flows from operating activities (1)	198.9	194.9	4.0	2.1%
Cash flows from investing activities	-26.9	-37.4	10.6	-28.2%
Net investments (CapEx) (2)	-25.1	-26.7	1.6	-5.8%
Cash flows from financing activities	-320.5	-298.8	-21.8	7.3%
Cash repayments of lease liabilities (3)	-42.4	-43.6	1.3	-2.9%
Net change in cash funds	-148.5	-141.3	-7.2	5.1%
Free cash flow (1)+(2)+(3)	131.5	124.6	6.8	5.5%

Cash flows from investing activities amounted to EUR -26.9 million in the first half of 2023 compared to EUR -37.4 million in the prior-year period. This change is mainly attributable to the payment of EUR 10.0 million made to the former shareholders of The Cloud Group in the prior-year period. Net cash investments (net CapEx) decreased by EUR 1.6 million to EUR 25.1 million compared to the first half of 2022 (EUR 26.7 million). The investments were financed entirely out of the company's retained earnings.

Cash flows from financing activities changed from EUR -298.8 million in the first six months of 2022 to EUR -320.5 million in the first six months of 2023. The higher level of financing activities is mainly due to the repayment of a promissory note loan tranche (H1/2023: EUR 78.5 million; H1/2022: EUR 50.0 million), while the effects of the increased dividend payment (H1/2023: EUR 199.7 million; H1/2022: EUR 186.6 million) and the share buyback programme in 2022 (H1/2023: EUR 0; H1/2022: EUR 14.7 million) almost offset each other.

Free cash flow of EUR 131.5 million was generated in the first half of 2023, representing an increase of EUR 6.8 million compared with the same period in 2022 (EUR 124.6 million). Excluding the CECONOMY dividend received in 2022, free cash flow increased by EUR 12.4 million, reflecting the positive EBITDA trend.

Report on opportunities and risks

Since the beginning of the financial year, there have been no significant changes in relation to the opportunities and risks associated with future business development. The opportunities and risks to which freenet is exposed as part of its ongoing business activities are described in detail in the 2022 Annual Report ([page 41 et seq.](#)) and continue to apply in principle.

For more information on the current economic environment and developments in the mobile communications and the TV/video market, please refer to the disclosures on customer trends and on net assets, financial position and results of operations.

The level of competition for marketing Apple products is always high and has risen further over the course of the year, resulting in price pressure for the marketing of Gravis devices and accessories. Conducting an ongoing analysis of customer preferences and market trends and constantly improving our own product range and customer experience should help to minimise any negative impact on revenue, EBITDA and free cash flow. Highly competitive markets continue to represent a medium risk for freenet.

freenet's variable-interest borrowings are subject to interest rate risks. The underlying EURIBOR rose more sharply than expected in the first half of 2023. We expect interest rates to remain high and changes in market interest rates in the second half of the year. This now represents a medium risk for freenet, even though its impact on net interest expense and free cash flow is low.

As of 30 June 2023, there were still no risks in the category "high". In addition, no risks have been identified which, either individually or in combination with other risks, could endanger the continued existence of freenet as a going concern. The potential effects on the current financial year continue to be qualified as minor.

Report on expected developments

In the first half of 2023, there have been no significant changes in relation to the risks and opportunities associated with future business performance. Against this backdrop, the Executive Board confirms the guidance for the current financial year as published in the 2022 Annual Report ([page 51 et seq.](#)).

Table 6: Change in guidance

Financial performance indicators In EUR million/as indicated	2022 reference value	Guidance for 2023 (23.2.2023)	Confirmed guid- ance for 2023 (3.5.2023)	Confirmed guid- ance for 2023 (3.8.2023)	Change in guidance	H1/2023
Revenue	2,556.7	Stable performance	Stable performance	Stable performance	→	1,269.9
EBITDA	478.7	480–500	480–500	480–500	→	254.6
Free cash flow	249.2	250–270	250–270	250–270	→	131.5
Postpaid ARPU (in EUR)	17.9	Stable performance	Stable performance	Stable performance	→	17.8

Non-financial performance indicators In '000s	2022 reference value	Guidance for 2023 (23.2.2023)	Confirmed guid- ance for 2023 (3.5.2023)	Confirmed guid- ance for 2023 (3.8.2023)	Change in guidance	30.6.2023
Postpaid customers	7,273.7	moderate growth	moderate growth	moderate growth	→	7,362.6
freenet TV subscribers (RGU)	685.6	marked decrease	marked decrease	marked decrease	→	642.0
waipu.tv subscribers	970.0	significant growth	significant growth	significant growth	→	1,153.6

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

Büdelndorf, 3 August 2023

freenet AG
The Executive Board



Christoph Vilanek
(CEO)



Ingo Arnold
(CFO)



Nicole Engenhardt-Gillé
(CHRO)



Stephan Esch
(CTO)



Antonius Fromme
(CCE)



Rickmann v. Platen
(CCO)

Condensed interim consolidated financial statements

Income statement

In EUR million/as indicated	H1/2023	H1/2022
Revenue	1,269.9	1,237.0
Other operating income	24.2	23.3
Other own work capitalised	11.8	11.2
Cost of materials	- 809.9	- 800.2
Personnel expenses	- 111.2	- 106.2
Other operating expenses	- 130.3	- 124.1
Thereof loss allowances on financial assets and contract assets	- 7.8	- 11.8
Thereof without loss allowances on financial assets and contract assets	- 122.6	- 112.3
EBITDA¹	254.6	240.9
Depreciation, amortisation and impairment	- 175.1	- 172.9
EBIT²	79.5	68.0
Profit or loss of equity-accounted investments	- 1.6	- 0.6
Interest and similar income	2.2	3.8
Interest and similar expenses	- 14.2	- 11.2
Other financial result	0.2	4.0
Financial result	- 13.4	- 4.0
Earnings before taxes	66.0	64.1
Income taxes	- 21.8	- 6.8
Consolidated profit	44.2	57.3
Consolidated profit attributable to shareholders of freenet AG	42.8	56.4
Consolidated profit attributable to non-controlling interests	1.4	0.8
Earnings per share (EPS), basic and diluted (in EUR)	0.36	0.47
Weighted average number of shares outstanding, basic and diluted (in million)	118.9	119.1

¹ EBITDA represents earnings before depreciation, amortisation and impairment, financial result and income taxes.

² EBIT is defined as earnings before financial result and income taxes.

Consolidated statement of comprehensive income

In EUR million	H1/2023	H1/2022
Consolidated profit	44.2	57.3
Currency translation differences	- 0.1	0.2
Other comprehensive income/to be reclassified to the income statement in future periods	- 0.1	0.2
Change in fair value of investments in equity instruments	10.9	- 45.7
Recognition of actuarial gains and losses arising from the accounting for pension plans according to IAS 19 (2011)	- 2.0	32.1
Income tax recognised in other comprehensive income	0.4	- 9.0
Other comprehensive income/not to be reclassified to the income statement in future periods	9.4	- 22.6
Other comprehensive income	9.3	- 22.4
Consolidated total comprehensive income	53.6	34.8
Consolidated total comprehensive income attributable to shareholders of freenet AG	52.2	34.0
Consolidated total comprehensive income attributable to non-controlling interests	1.4	0.8

Consolidated balance sheet

ASSETS		30.6.2023	31.12.2022
In EUR million			
Non-current assets			
Intangible assets		203.9	316.0
Lease assets		320.3	350.5
Goodwill		1,382.4	1,382.4
Property, plant and equipment		130.4	134.2
Equity-accounted investments		0.3	0.1
Deferred income tax assets		127.9	132.2
Trade accounts receivable		46.2	45.7
Other receivables and other assets		90.6	99.1
Other financial assets		125.2	118.1
Contract acquisition costs		269.5	274.8
		2,696.7	2,853.1
Current assets			
Inventories		78.6	91.1
Current income tax assets		0.5	0.4
Trade accounts receivable		248.7	296.3
Other receivables and other assets		156.1	158.6
Other financial assets		56.1	51.2
Liquid assets		79.6	178.0
		619.7	775.6
Total assets		3,316.3	3,628.7

EQUITY AND LIABILITIES		
In EUR million	30.6.2023	31.12.2022
Equity		
Share capital	118.9	118.9
Capital reserve	567.5	567.5
Cumulative other comprehensive income	- 163.2	- 172.5
Consolidated net retained profits	804.0	960.9
Equity attributable to shareholders of freenet AG	1,327.2	1,474.7
Non-controlling interests in equity	- 4.1	- 5.5
	1,323.1	1,469.2
Non-current liabilities		
Lease liabilities	303.4	336.5
Other liabilities and deferrals	99.1	119.8
Other financial liabilities	70.5	86.7
Borrowings	226.9	393.4
Pension provisions	63.1	61.8
Other provisions	56.5	54.7
	819.6	1,052.9
Current liabilities		
Lease liabilities	78.7	82.0
Trade accounts payable	302.7	331.2
Other liabilities and deferrals	427.6	457.8
Other financial liabilities	31.0	46.2
Current income tax liabilities	53.5	46.8
Borrowings	254.6	116.1
Other provisions	25.6	26.5
	1,173.6	1,106.6
Total equity and liabilities	3,316.3	3,628.7

Statement of changes in equity

1 January to 30 June 2023

In EUR million	Cumulative other comprehensive income							Equity attributable to shareholders of freenet AG	Non-controlling interests in equity	Equity
	Share capital	Capital reserve	Treasury shares	Currency translation differences	Change in fair value of investments in equity instruments	Revaluation reserve	Consolidated net retained profits			
As of 1.1.2023	118.9	567.5	0.0	0.8	-166.9	-6.4	960.9	1,474.7	-5.5	1,469.2
Dividend payment	0.0	0.0	0.0	0.0	0.0	0.0	-199.7	-199.7	0.0	-199.7
Consolidated profit	0.0	0.0	0.0	0.0	0.0	0.0	42.8	42.8	1.4	44.2
Change in fair value of investments in equity instruments ¹	0.0	0.0	0.0	0.0	10.8	0.0	0.0	10.8	0.0	10.8
Recognition of actuarial gains and losses acc. to IAS 19 (2011) ¹	0.0	0.0	0.0	0.0	0.0	-1.4	0.0	-1.4	0.0	-1.4
Currency translation differences ¹	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1	0.0	-0.1
Subtotal Consolidated total comprehensive income	0.0	0.0	0.0	-0.1	10.8	-1.4	42.8	52.2	1.4	53.6
As of 30.6.2023	118.9	567.5	0.0	0.7	-156.1	-7.8	804.0	1,327.2	-4.1	1,323.1

¹ Figures are shown offset against income tax recognised in other comprehensive income.

1 January to 30 June 2022

In EUR million	Cumulative other comprehensive income						Consolidated net retained profits	Equity attributable to shareholders of freenet AG	Non-controlling interests in equity	Equity
	Share capital	Capital reserve	Treasury shares	Currency translation differences	Change in fair value of investments in equity instruments	Revaluation reserve				
As of 1.1.2022	128.1	737.5	- 164.6	0.8	- 93.7	- 29.5	1,064.5	1,643.1	- 4.2	1,638.9
Dividend payment	0.0	0.0	0.0	0.0	0.0	0.0	- 186.6	- 186.6	0.0	- 186.6
Acquisition of further interests in subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0	3.9	3.9	- 3.9	0.0
Adjustment of option liabilities	0.0	0.0	0.0	0.0	0.0	0.0	- 0.2	- 0.2	0.0	- 0.2
Acquisition of treasury shares	0.0	0.0	- 14.7	0.0	0.0	0.0	0.0	- 14.7	0.0	- 14.7
Redemption of treasury shares	- 9.2	- 170.1	179.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Consolidated profit	0.0	0.0	0.0	0.0	0.0	0.0	56.4	56.4	0.8	57.3
Change in fair value of investments in equity instruments ¹	0.0	0.0	0.0	0.0	- 45.0	0.0	0.0	- 45.0	0.0	- 45.0
Recognition of actuarial gains and losses acc. to IAS 19 (2011) ¹	0.0	0.0	0.0	0.0	0.0	22.4	0.0	22.4	0.0	22.4
Currency translation differences ¹	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.2	0.0	0.2
Subtotal Consolidated total comprehensive income	0.0	0.0	0.0	0.2	- 45.0	22.4	56.4	34.0	0.8	34.8
As of 30.6.2022	118.9	567.5	0.0	1.0	- 138.6	- 7.2	938.0	1,479.5	- 7.2	1,472.3

¹ Figures are shown offset against income tax recognised in other comprehensive income.

Consolidated statement of cash flows

In EUR million	H1/2023	H1/2022
Earnings before interest and taxes (EBIT)	79.5	68.0
Adjustments:		
Depreciation, amortisation and impairment of non-current assets	175.1	172.9
Dividends received from investments	0.0	5.5
Loss on disposal of non-current assets	0.1	0.1
Increase/decrease in net working capital not attributable to investing or financing activities	- 47.2	- 35.2
Proceeds from the repayment of financial assets under leases	7.1	7.1
Capitalisation of contract acquisition costs	- 139.2	- 135.9
Amortisation of contract acquisition costs	144.5	136.0
Taxes paid	- 11.4	- 14.6
Income from interest and other financial result	1.8	0.0
Interest paid	- 11.3	- 9.2
Cash flows from operating activities	198.9	194.9
Payments to acquire property, plant and equipment and intangible assets	- 26.7	- 28.5
Proceeds from disposal of intangible assets and property, plant and equipment	1.6	1.8
Payments to acquire subsidiaries	0.0	- 10.0
Proceeds from selling equity-accounted investments	0.3	0.1
Payments into equity of equity-accounted investments	- 1.8	- 0.8
Payments to acquire other equity investments	- 0.2	- 0.1
Cash flows from investing activities	- 26.9	- 37.4
Payments to company owners and minority shareholders	- 199.7	- 186.6
Payments to acquire treasury shares	0.0	- 14.7
Payments to acquire minority interests	0.0	- 3.9
Cash repayments of borrowings	- 78.5	- 50.0
Cash repayments of lease liabilities	- 42.4	- 43.6
Cash flows from financing activities	- 320.5	- 298.8
Net change in cash funds	- 148.5	- 141.3
Cash funds at beginning of period	178.0	286.3
Cash funds at end of period	29.6	145.0

Composition of cash funds

In EUR million	30.6.2023	30.6.2022
Liquid assets	79.6	145.0
Liabilities to banks for short-term cash management	- 50.0	0.0
Cash funds	29.6	145.0

Composition of free cash flow

In EUR million	H1/2023	H1/2022
Cash flows from operating activities	198.9	194.9
Payments to acquire property, plant and equipment and intangible assets	- 26.7	- 28.5
Proceeds from disposal of intangible assets and property, plant and equipment	1.6	1.8
Cash repayments of lease liabilities	- 42.4	- 43.6
Free cash flow	131.5	124.6

Selected explanatory notes pursuant to IAS 34

Material accounting policies and consolidation principles

1. These condensed consolidated interim financial statements have been prepared in accordance with Regulation 1606/2002 of the European Parliament and of the Council, International Financial Reporting Standards (IFRSs) adopted by the European Union and IAS 34. The Group has taken into account all IFRSs that have been adopted by the EU and are mandatory. These interim consolidated financial statements have not been reviewed by an auditor.

The Group has adopted all accounting pronouncements required to be applied as of the reporting date and refers to the notes to the consolidated financial statements for the period ended 31 December 2022 (p. 108). None of these amendments have a material effect on these condensed interim consolidated financial statements of freenet AG.

The material estimates and assumptions have remained unchanged compared with the consolidated financial statements for 2022.

Significant events and transactions

2. As part of the brand transformation, the mobilcom-debitel brand in use since 2009 has been gradually replaced with the freenet umbrella brand. The mobilcom-debitel brand was shown as an intangible asset with an indefinite useful life in the balance sheet until 5 January 2022 at a carrying amount of EUR 293.2 million. As a result of implementing the new brand strategy, the original carrying amount of the mobilcom-debitel brand has been amortised on a straight-line basis over its expected remaining useful life of 18 months until 30 June 2023. Having already been amortised by EUR 194.7 million in financial year 2022, the remaining brand value of EUR 98.5 million was amortised in the first half of 2023.

3. As of 30 June 2023, receivables originating from the existing factoring agreement regarding receivables from the mobile phone upgrade option amounting to EUR 5.5 million (year-end 2022: EUR 25.3 million) were sold and derecognised but not yet paid.

4. A promissory note loan tranche from 2016 in the amount of EUR 78.5 million was repaid in full in the first half of 2023.

5. The following significant transactions took place between the Group and related parties:

In EUR million	1.1.2023– 30.6.2023	1.1.2022– 30.6.2022
Revenue attributable to billing of services		
Joint ventures		
Antenne Deutschland GmbH & Co. KG, Garching	4.1	0.1
Associates		
Bayern Digital Radio GmbH, München	0.3	0.2
Unconsolidated companies		
Hessen Digital Radio GmbH, Frankfurt	0.6	0.5
Total	5.0	0.8

In EUR million	1.1.2023– 30.6.2023	1.1.2022– 30.6.2022
Expenses from the purchase of services		
Joint ventures		
Antenne Deutschland GmbH & Co KG	0.0	0.1
Associates		
ad.audio GmbH	0.2	0.0
Bayern Digital Radio GmbH	0.3	0.3
Total	0.5	0.4

The following significant receivables from and liabilities to related parties existed as at 30 June 2023:

In EUR million	30.6.2023	30.6.2022
Expenses from the purchase of services		
Joint ventures		
Antenne Deutschland GmbH & Co KG	0.1	0.1
Total	0.1	0.1

All transactions were based on arm's length prices.

Other disclosures

6. Fair value disclosures:

The following overview entitled "Fair value hierarchy as of 30 June 2023" shows the major parameters on which the measurement of financial instruments measured at fair value,

and of the financial instruments measured at amortised cost whose fair value could not be determined, is based. For the definition of the individual levels in accordance with IFRS 13, please refer to the notes to the consolidated financial statements of freenet AG for the period ended 31 December 2022.

Financial instruments by category as of 30 June 2023

In EUR million	IFRS 9 measurement category	Carrying amount	Measurement			Fair value of financial instruments
			30.6.2023	Amortised cost	Fair value through profit or loss	
Assets						
Cash/liquid assets	AC	79.6	79.6			— ¹
Trade accounts receivable		294.9				
At amortised cost	AC	173.2	173.2			— ¹
Fair value through profit or loss	FVTPL	121.7		121.7		— ¹
Other financial assets		181.3				
Lease receivables	n/a	40.2				
Non-derivative financial assets						
At amortised cost	AC	21.4	21.4			— ¹
Other financial assets						
At amortised cost	AC	8.6	8.6			— ¹
Fair value through profit or loss	FVTPL	29.5		29.5		
Other equity instruments						
Fair value through profit or loss	FVTPL	2.0		2.0		— ¹
Fair value through other comprehensive income	FVOCI	79.6			79.6	79.6

¹ No fair value has been determined for the items; however, the carrying amount is a reasonable approximation of the fair value. This means that the aggregate fair value for the measurement categories AC and FVTPL are considerably lower than the corresponding aggregate carrying amounts in the balance sheet.

In EUR million	IFRS 9 measurement category	Carrying amount	Measurement			Fair value of financial instruments
			30.6.2023	Amortised cost	Fair value through profit or loss	
Equity and liabilities						
Lease liabilities	n/a	382.1				
Trade accounts payable	AC	302.7	302.7			
Borrowings		481.5	481.5			
Borrowings from promissory notes	AC	428.2	428.2			416.0
Other borrowings	AC	53.3	53.3			
Other financial liabilities		101.5				
At amortised cost	AC	101.3	101.3			
Fair value through profit or loss	FVTPL	0.2		0.2		— ¹
thereof aggregated by IFRS 9 measurement category						
Assets						
At amortised cost	AC	282.8	282.8			— ¹
Fair value through profit or loss	FVTPL	153.2		153.2		— ¹
Fair value through other comprehensive income	FVOCI	79.6			79.6	79.6
Equity and liabilities						
At amortised cost	AC	885.5	885.5			416.0 ¹
Fair value through profit or loss	FVTPL	0.2		0.2		— ¹

¹ No fair value has been determined for the items; however, the carrying amount is a reasonable approximation of the fair value. This means that the aggregate fair value for the measurement categories AC and FVTPL are considerably lower than the corresponding aggregate carrying amounts in the balance sheet.

Fair value hierarchy as of 30 June 2023

In EUR million	Total	Level 1	Level 2	Level 3
Assets				
Trade accounts receivable, at fair value through profit or loss	121.7	0.0	0.0	121.7
Other financial assets, at fair value through profit or loss	29.5	0.0	0.0	29.5
Other equity instruments, at fair value through profit or loss	2.0	0.0	0.0	2.0
Other equity instruments, at fair value through other comprehensive income	79.6	79.6	0.0	0.0
Equity and liabilities				
Borrowings from promissory notes	416.0	0.0	0.0	416.0
Other financial liabilities, at fair value through profit or loss	0.2	0.0	0.0	0.2

There have been no changes regarding levels.

7. Pension provisions were remeasured based on updated interest rates (freenet, debitel programmes: 4.0%, Media Broadcast Group programmes: 4.0%), with premises remaining unchanged otherwise. The resulting actuarial loss of EUR 2.0 million and the offsetting increase in deferred tax assets by EUR 0.4 million were recognised in the statement of comprehensive income. There was a net negative result of EUR 1.5 million from items not to be reclassified to the income statement.

8. As in the 2022 consolidated financial statements, the calculation of current and deferred income taxes was based on an average tax rate of 30.3% (prior-year period: 30.3%).

9. No events of material significance occurred after 30 June 2023.

10. As its main decision-making body, the Executive Board organises and manages the company on the basis of the differences between the individual products and services offered by the company. As the Group performs its business operations almost entirely in Germany, its business is not organised or managed based on geographical regions. The Group was active in the following operating segments in the first six months of 2023:

- Mobile Communications:
 - Activities as a mobile communications service provider – marketing of mobile communications services (voice and data services) from the mobile communications network operators Deutsche Telekom, Vodafone and Telefónica Deutschland in Germany
 - Based on the network operator agreements entered into with these network operators, a range of the company's own network-independent services and tariffs as well as a range of network operator tariffs
 - Sale/distribution of mobile communications devices as well as additional services for mobile data communications and digital lifestyle
 - „freenet Internet“: offering the company's own app-based Internet product
 - Rendering of sales services
 - Planning, construction, installation and maintenance of WiFi networks
- TV and Media:
 - Rendering of services, mainly to end users, in the field of IPTV
 - Planning, project management, installation, operation, service and marketing of broadcast-related solutions for business clients in the radio and media sectors
 - Rendering of services to end users in the field of DVB-T2
- Other/Holding:
 - Rendering of portal services such as e-commerce/advertising services (these essentially comprise the offer of online shopping and the marketing of advertising space on websites), of payment services for end customers as well as various digital products and entertainment formats for downloading and displaying and use on mobile devices

- Development of communication solutions, IT solutions and other services for corporate customers
- Range of narrowband voice services (call-by-call, preselection) and data services
- Rendering of sales services

The “Other/Holding” segment includes other business activities in addition to operating activities. This mainly comprises the holding activities of freenet AG (with the rendering of services within the Group in central areas, such as legal, human resources and finance) as well as areas which cannot be clearly allocated to operating segments. The segment revenue of EUR 19.8 million (prior-year period: EUR 18.4 million) reported for the “Other/Holding” segment in the first six months of 2023 is attributable to operating activities (EUR 20.0 million; prior-year period: EUR 18.7 million) and other business activities (EUR –0.2 million; prior-year period: EUR –0.3 million). The gross profit of EUR 11.7 million (prior-year period: EUR 13.2 million) shown for the “Other/Holding” segment in the first six months of 2023 is attributable to operating activities (EUR 12.0 million; prior-year period: EUR 13.6 million) and other business activities (EUR –0.3 million; prior-year period: EUR –0.4 million). The EBITDA of EUR –9.7 million (previous year: EUR –8.6 million) shown for the “Other/Holding” segment for the first six months of 2023 was generated by operating activities to the extent of EUR 4.4 million (previous year: EUR 5.5 million) and by other business activities in the amount of EUR –14.1 million (previous year: EUR –14.1 million).

Segment report

1 January to 30 June 2023

In EUR million	Mobile Communications	TV and Media	Other/Holding	Elimination of intersegment revenue and costs	Total
Third-party revenue	1,098.4	160.0	11.5	0.0	1,269.9
Intersegment revenue	6.5	5.8	8.2	- 20.6	0.0
Total revenue	1,104.9	165.9	19.8	- 20.6	1,269.9
Cost of materials, third party	- 748.7	- 53.5	- 7.7	0.0	- 809.9
Intersegment cost of materials	- 11.4	- 5.1	- 0.3	16.8	0.0
Total cost of materials	- 760.1	- 58.6	- 8.0	16.8	- 809.9
Segment gross profit	344.8	107.3	11.7	- 3.8	460.0
Other operating income	24.1	0.3	2.0	- 2.2	24.2
Other own work capitalised	7.7	3.2	0.9	0.0	11.8
Personnel expenses	- 66.7	- 28.0	- 16.5	0.0	- 111.2
Other operating expenses	- 104.9	- 23.6	- 7.8	6.0	- 130.3
Thereof loss allowances on financial assets and contract assets	- 7.6	- 0.3	0.1	0.0	- 7.8
Thereof without loss allowances on financial assets and contract assets	- 97.3	- 23.3	- 8.0	6.0	- 122.6
Total overhead¹	- 139.8	- 48.1	- 21.4	3.8	- 205.5
Thereof intersegment allocation	- 4.2	- 0.6	1.0	3.8	
Segment EBITDA	205.0	59.2	- 9.7	0.0	254.6
Depreciation, amortisation and impairment					- 175.1
EBIT					79.5
Financial result					- 13.4
Income taxes					- 21.8
Consolidated profit					44.2
Consolidated profit attributable to shareholders of freenet AG					42.8
Consolidated profit attributable to non-controlling interests					1.4
Net cash investments	11.6	11.0	2.5	0.0	25.1

¹ The overhead costs 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 June 2022

In EUR million	Mobile Communications	TV and Media	Other/Holding	Elimination of intersegment revenue and costs	Total
Third-party revenue	1,083.4	143.2	10.4	0.0	1,237.0
Intersegment revenue	8.7	5.5	8.0	- 22.3	0.0
Total revenue	1,092.1	148.7	18.4	- 22.3	1,237.0
Cost of materials, third party	- 749.5	- 45.9	- 4.8	0.0	- 800.2
Intersegment cost of materials	- 10.6	- 7.6	- 0.4	18.5	0.0
Total cost of materials	- 760.1	- 53.5	- 5.2	18.5	- 800.2
Segment gross profit	332.1	95.2	13.2	- 3.7	436.8
Other operating income	23.5	0.2	0.8	- 1.1	23.3
Other own work capitalised	7.4	3.1	0.7	0.0	11.2
Personnel expenses	- 64.3	- 26.7	- 15.2	0.0	- 106.2
Other operating expenses	- 103.4	- 17.5	- 8.0	4.9	- 124.1
Thereof loss allowances on financial assets and contract assets	- 11.5	- 0.3	- 0.0	0.0	- 11.8
Thereof without loss allowances on financial assets and contract assets	- 91.9	- 17.3	- 8.0	4.9	- 112.3
Total overhead¹	- 136.9	- 40.9	- 21.8	3.7	- 195.8
Thereof intersegment allocation	- 3.2	- 0.5	- 0.0	3.7	
Segment EBITDA	195.2	54.3	- 8.6	0.0	240.9
Depreciation, amortisation and impairment					- 172.9
EBIT					68.0
Financial result					- 4.0
Income taxes					- 6.8
Consolidated profit					57.3
Consolidated profit attributable to shareholders of freenet AG					56.4
Consolidated profit attributable to non-controlling interests					0.8
Net cash investments	12.7	7.9	6.0	0.0	26.7

¹ The overhead costs 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

Responsibility statement

To the best of our knowledge and belief, and in accordance with the applicable reporting principles and in compliance with generally accepted accounting principles, the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Büdelsdorf, 3 August 2023

freenet AG
The Executive Board



Christoph Vilanek
(CEO)



Ingo Arnold
(CFO)



Nicole Engenhardt-Gillé
(CHRO)



Stephan Esch
(CTO)



Antonius Fromme
(CCE)



Rickmann v. Platen
(CCO)

Quarterly overview

Income statement

In EUR million	Q2/2022	Q3/2022	Q4/2022	Q1/2023	Q2/2023
Revenue	620.1	652.1	667.7	637.8	632.1
Other operating income	12.6	11.0	15.2	11.3	12.9
Other own work capitalised	5.9	6.5	7.3	6.1	5.7
Cost of materials	- 401.5	- 431.4	- 438.4	- 409.1	- 400.9
Personnel expenses	- 53.2	- 54.9	- 68.5	- 54.5	- 56.7
Other operating expenses	- 61.0	- 62.0	- 66.9	- 63.6	- 66.7
Thereof loss allowances on financial assets and contract assets	- 5.5	- 4.3	- 5.1	- 2.1	- 5.6
Thereof without loss allowances on financial assets and contract assets	- 55.5	- 57.7	- 61.8	- 61.5	- 61.1
EBITDA	122.9	121.4	116.4	128.1	126.5
Depreciation, amortisation and impairment	- 88.0	- 87.8	- 88.6	- 88.0	- 87.1
EBIT	34.9	33.6	27.8	40.1	39.4
Profit or loss of equity-accounted investments	- 0.7	- 0.5	- 0.8	- 0.4	- 1.2
Interest and similar income	2.8	1.1	1.6	1.1	1.1
Interest and similar expenses	- 5.7	- 6.1	- 6.3	- 6.7	- 7.5
Other financial result	- 0.8	- 0.3	0.0	0.0	0.2
Financial result	- 4.4	- 5.9	- 5.6	- 6.0	- 7.4
Earnings before taxes	30.5	27.7	22.2	34.1	32.0
Income taxes	4.2	- 3.8	- 21.6	- 15.9	- 6.0
Consolidated profit	34.7	23.9	0.7	18.2	26.0
Consolidated profit attributable to shareholders of freenet AG	34.1	23.4	- 0.6	18.0	24.9
Consolidated profit attributable to non-controlling interests	0.6	0.5	1.2	0.2	1.2

Free cash flow

In EUR million	Q2/2022	Q3/2022	Q4/2022	Q1/2023	Q2/2023
Cash flow from operating activities	97.6	97.3	103.5	99.6	99.4
Payments to acquire property, plant and equipment and intangible assets	- 15.1	- 14.1	- 20.4	- 14.9	- 11.8
Proceeds from disposal of intangible assets and property, plant and equipment	1.2	1.0	0.1	0.5	1.1
Cash repayments of lease liabilities	- 21.9	- 21.6	- 21.2	- 20.6	- 21.8
Free cash flow	61.9	62.6	62.0	64.6	66.8

Financial calendar

Date	Event
23 February 2023	Publication of Preliminary Figures for 2022 Financial Year
24 March 2023	Publication of the 2022 Annual Report
4 May 2023	Publication of the 2023 Quarterly Statement
17 May 2023	2023 Annual General Meeting in Hamburg
4 August 2023	Publication of the 2023 Half-year Report
9 November 2023	Publication of the 2023 Nine-month Statement

All future dates are subject to possible changes. The updated financial calendar is available at fn.de/calendar. Further information on freenet and the share is available at fn.de/investors.

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The English version of the half-year Report is a convenience translation of the German version. The German version is legally binding.



For information on 2022 financial year including statements from our Executive Board members, go to fn.de/2022fy

